



MANUAL ON AUDIT

OF

LAND REVENUE

FOR USE IN INDIAN AUDIT AND ACCOUNTS DEPARTMENT

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
BIHAR, PATNA**

**REVENUE AUDIT MANUAL
PATNA**

LAND REVENUE

**ISSUED BY AUTHORITY OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT),
BIHAR, PATNA**

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CHAPTER-1

INTRODUCTION

Constitutional Provision:

1.1 Under Article 149 of the Constitution of India, the Comptroller and Auditor General of India is to perform such duties and exercise such powers, in relation to the accounts of the Union and of the States as may be prescribed by or under any law made by the Parliament. Accordingly, with the enactment of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the duty of audit of receipts has been specifically entrusted to the Comptroller and Auditor General. Under Section 16 of the Act, it shall be his duty to audit all receipts which are payable into the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to satisfy himself that the rules and procedure in that behalf are designed to secure an effective check on assessment, collection and proper accountable of revenue are being duly observed and to make for this purpose such examination of the accounts as he thinks fit and report thereon. The audit of land revenue along with other principal receipts of the State Government has been taken up as statutory responsibility by the Comptroller and Auditor General of India from 1972-73.

Evolution of Land revenue:

1.2 Land revenue is one of the oldest sources of revenue of the Government. It finds mention even in our oldest scriptures, but the mode of assessment and collection of land revenue has been in a changing process from time immemorial. Under ancient Hindu administration, land revenue used to be assessed and collected in the shape of a prescribed share of crop varying from $1/6^{\text{th}}$ to $1/12^{\text{th}}$. The system of crop share continued upto the early period of Mughal Empire. It is Shershah, an Afgan ruler, who for a stable Empire perceived the idea of steady revenue for the treasury and a fair for the peasantry. He, therefore, gave option to his subjects to pay rent, in kind or cash, being $1/3^{\text{rd}}$ share of average produce. He introduced direct settlement of land with raiyats taking written kabuliat or agreement from them and in return giving them Pattas (title deeds). He insisted upon land measurement. It was measured as the Bighas by means of ropes (replaced by bamboos under Akbar). Due to short spell of rule he, however, could not establish this system known as the Zabti (or regulation) system where the classification and

measurement of land and the direct settlement with the raiyats existed. The State demand of land rent was fixed at $1/3^{\text{rd}}$ of the average price of the produce. For the revenue administration, the Subah (Province) was divided in seven or eight Sarkars, each having parganas or Mahals which were divided into several Mauzas (revenue villages). The Diwan, Amalguzar, Sikdar and Amil, Patwari and Mugudam being head for revenue administration respectively for Subah, Sarkar, Mahal and revenue villages. In order to augment the land rent and establish a firm demand frequent survey settlements were made in year 1582,1685,1750 and 1765 (on the acquisition of Diwani by East India Company). After the advent of East India Company the first and foremost task of the company was to establish a scientific land revenue system ensuring a peaceful peasantry, regular flow of revenue and a loyal aristocratic class serving as a chain between the crown and its subjects. With this aim in view of permanent settlement of estates having a defined area and fixed rent was made in March 1793 with the zamindars giving them the proprietary right over the land. The zamindars (intermediaries or landlords) were empowered to collect rent from the raiyats in respective estates and to pay a fixed amount to the Government. For the purpose of revenue administration, a Board of Revenue was set up as apex body at provincial level and the province was divided into commissionaires and districts under the charge of Divisional Commissioners and the Collectors of revenue. The districts were divided into parganas and Mauzas (revenue villages). In order to safeguard the interests of raiyats (tenants) against arbitrary ejections from land and enhancement in rent etc. The Tenancy Acts were passed in 1885 and 1908 (for Chotanagpur) followed by revised surveys, cadastral surveys held earlier with scientific measurement of various categories of land, records of right over the land and identification of raiyats over a particular plot of land. After independence, abolition of intermediary rights granted under permanent settlement and agrarian reforms were taken as a national policy and the Bihar Land reforms Act, 1950 was passed which came into effect in 1955-1956. As a consequence all intermediary rights were abolished and the interests of intermediaries and tenure holders in land including interests in trees, forests, fisheries, jalkars, ferries, hats, gairmazarua lands, mines and minerals vested in State of Bihar on payment of due compensation. Thus, there became a direct link between the State and the tenants, the tillers of the soils and assessment and collection of land revenue came under the direct control of the State. The last survey and settlement in the plain area of the State had been conducted during the 1st decade and in hilly survey and settlement for whole of the State have been conducted so far.

(Authority: Letter No. 15/Cess 08/82 1284 dated 3/4-6-1982 at page agreement 76.0/ Land Revenue Manual. The rate of rent on land held by raiyats are the same which were fixed in the last survey settlement operation conducted decades ago whereas rates of different cesses viz., road cess, education cess, health cess and agriculture development cess have been increased from 1st April 1978 rent on small holdings upto 3 hectares in Chotanagpur and upto 2 hectares in other area of Bihar was exempted in a separate enactment. The resultant effect of these developments during recent past in the collection of land revenue is almost stable.

Legislative background:

1.3 The laws governing the land revenue management in Bihar are as under:-

- 1) The Bengal Cess Act, 1880 (Road Cess Act) since adopted.
- 2) The Bihar Tenancy Act, 1885 (VIII of 1885).
- 3) The Chotanagpur Tenancy Act, 1908.
- 4) The SanthalParganas Tenancy Act, 1949.
- 5) The Bihar Land Reforms Act, 1950 and rules made thereunder.
- 6) The Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of surplus Land) Act, 1961.
- 7) The Bihar BhoodanYagna Act, 1954.
- 8) The Bihar Government Estates (Khas Mahal) Manual, 1953.
- 9) The Bihar Health Cess Act, 1977
- 10) The Education Cess Act, 1959.
- 11) The Agricultural development Cess Act, 1982.
- 12) The Bihar Land Rent (Exemption from Payment) Act, 1981 effective from 1st April 1978.
- 13) The Chotanagpur Tenures Act, 1869 (Bengal Act 2 of 1869).
- 14) The Bihar Orissa Public demand and Recovery Act, 1914.

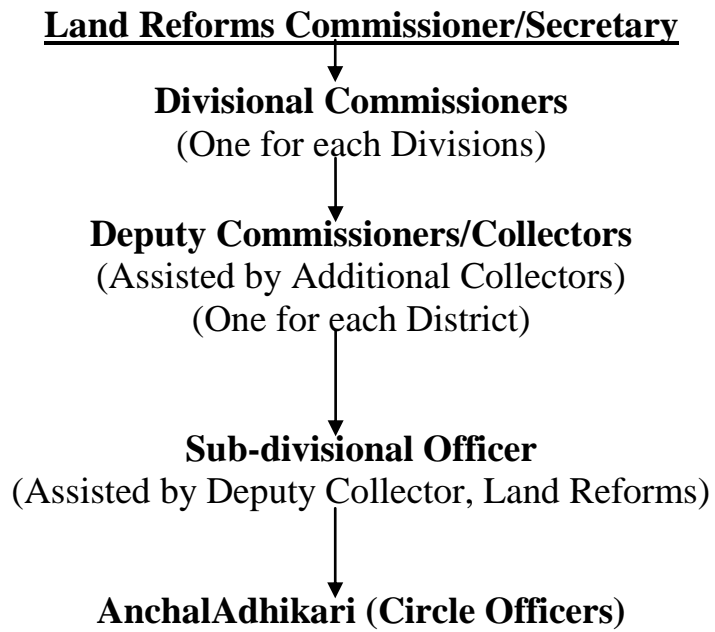
In addition to aforesaid enactments/Manuals, Bihar and Orissa Registers and Returns Manual, 1932 and Boards Manuals, 1951 incorporating instructions issued by Government under the provisions of aforesaid enactments were also compiled.

CHAPTER-2

ORGANISATIONAL SET UP

2.1 The laws governing the land revenue in Bihar are administered by Revenue and Land Reforms Department of the Government with the Land Reforms Commissioner/Secretary at the head. All important cases of settlement, framing of policies, sanction of alienation of Government land (Khas Mahal etc.) are finally decided at Government level Revenue & Land Reforms. For efficient administration, the State is divided into Commissionaires and districts respectively with the Civil Divisional Commissioner and the Collector at the head who are vested/delegated with powers of specified categories of settlement, fixation of rent and recommendation of important cases with details. At the district level, the Collector is assisted by the Additional Collector (Revenue) in the discharge of his responsibilities in revenue matters. District is further divided into sub-divisions. Each sub-division is under administrative control of sub-divisional Officer who is assisted by the revenue Deputy Collector. The main pivot of the machinery for assessment and collection of land revenue is, however, the Circle Officer (AnchalAdhikari) who is in charge of a revenue circle under a sub-division. All cases of settlements of land, sairats, assessments, collection, remission etc. emanate from the circle office. A revenue circle consists of several Halkas each consisting of a group of Mauzas (revenue village). At Halka level the “Karmcharies” / “Panchayat Sewaks” are responsible for collection of revenue and depositing the same at frequent intervals with the Nazir of the circle concerned. For co-ordination, monitoring and control over the work of Karmacharies and Panchayat Sewaks there is a circle officer (AnchalAdhikari). All initial accounts and records of settlements, assessment, collection, details of tenancy etc. are maintained and kept in the circle office. The circle officer is, therefore, the main unit of audit of land revenue. In addition offices of the Deputy Collector Land Reforms, Additional Collector (Revenue), Civil Divisional Commissioner, Revenue and Land Reforms Department are also audited at prescribed intervals.

The **organisation** set-up of the department at a glance is as shown in the chart given below:-



CHAPTER-3

Classes of tenants-Procedure of settlement-levy, assessment and collection of rent, Cess etc.

INTRODUCTORY

Section 4 of the Bihar Tenancy Act, 1885/30-1950 of Bihar Land Reforms Act and Section 4 of CNT Act, 1908.

3.1 The land revenue system as evolved by the British Government was mainly zamindari system under permanent settlement. These Zamindars (intermediaries) were recorded as proprietors and they were empowered to levy and collect rent from the raiyats (tenants) in the manner prescribed in tenancy laws; Apart from such settlement, there were certain estates under the direct possession/management of Government known as Government Estates (Khas Mahal) which were meant mainly for the use by Government and surplus thereof (spare), if any, to be settled with individual, institution, society etc. on lease in accordance with the manner prescribed in the Bihar Estates (Khas Mahal) Manual. Consequent upon abolition of intermediary rights under Bihar Land Reforms Act, 1950, all intermediary interests in permanently settled areas vested in the State, and the management of such area also directly come under the State Government. The Bihar Land Reforms Act provided that the management of all estates and tenures vested in the State shall as far as practicable be managed according to the rules for the time being in force for the management of such Government estates subject to such directions as may be general or special orders be issued from time to time by the State Government. The purpose of Bihar Land Reforms Act has been to levy and collect rent in the vested directly by Government in accordance with the existing tenancy laws.

CLASSES OF TENANTS

Section 4 of Bihar Tenancy Act, 1885/ Bihar Land Reforms Act, 1950.

3.2 Different classes of tenants under tenancy laws in Bihar are as under:-

Under Bihar Tenancy Act

3.3 Raiyats

Section 5 (2) of Bihar Tenancy Act, 1885-30-1950 of Bihar Land Reforms Act.

“Raiyat” means primarily a person who has acquired a right to hold land for the purpose of cultivating it by himself or by the members of his family or by hired servants or with the aid of partners and includes also the successors in interest of persons who have acquired such a right.

“Raiyats holding at fixed rates” means ‘Raiyats’ holding either at a rent fixed in perpetuity or at a rate of rent in fixed perpetuity.

Section 4(3)

Occupancy raiyat means raiyats having a right of occupancy in the land held by them.

Section 4 (B) (C)

Non-occupancy raiyat means not having such a right of occupancy.

Procedure of Settlement

Section 104 A of Bihar Tenancy Act, 1885 and Bihar Land Reforms Act, 1950.

3.4 All land held by occupancy raiyat at a fair and equitable rent may be retained by such raiyat in perpetuity and he cannot be ejected from his holding except in the execution of a decree for ejection passed on the ground that he had used the land in a manner which renders it unfit for the purpose of tenancy or he has broken a condition consistent with the tenancy law. In respect of such land State has little scope for resettlement as it was permanently settled with the occupancy raiyats having rights of occupancy in perpetuity.

In case of land under Khas Mahal, Gairmazurua Khas land vested in State, land acquired under Land Acquisition Act etc., the question of settlement of such land arises. Such settlement may be made by the Government with individuals, any institution or society for agricultural or commercial purposes at a fair and equitable rent and salami. If the land in question is settled for agricultural use the rental being assessed at rates applicable to lands of similar quality and with similar advantages in the vicinity. The rate of salami should not exceed ten times of such rental. If, however, settlement is made for non-agricultural purposes the salami is to be fixed first being equal to current market value of the land in the vicinity and annual rental will be 1/20th and 1/50th of such salami for commercial or residential use respectively of such land. Settlement of town Khas Mahal land is made on the basis of lease subject to renewal and revision at prescribed periodicity in the lease deed, rent at double the existing annual rental.

Settlement of Sairat

3.5 Sairats viz. fisheries, makhana, ferry ghats, hats, bazaars etc. are settled generally for a period of one year, by Government by public auction with the highest bidders (on the basis of minimum amount equal to reserve jama) or with co-operative societies at the reserve jama to be fixed on the basis of last three years average receipts from such sairats with certain appreciation in view of the present market condition. As decided by the Government in Revenue Department in April 1974, the management of Hats and Bazars (market places) has been transferred to the market committee established under the Bihar Agricultural Produce Market Act, 1960, with the stipulation that 20 per cent of the income of such committees derived from the market places should be credited to Government revenue vide letter No. 165-203/76-1478 LR dated 20.6.1976, No. 10-5-2-09/77-525 R dated 26.2.1977 of Estate Khas Mahal Manual Government of Bihar. In respect of all settlement of sairats an instrument of deed is to be executed and registered under Indian Registration Act, 1908.

Levy and collection of rent, cess etc.

Section 24 of Bihar Tenancy Act, 1885 and Bihar Land Reforms Act, 1950 and rules.

3.6 Levy and collection of land revenue is governed by the provisions of Land Revenue Act, Tenancy Act and rules made there under by the State Government. All (owners) land to whatever purpose it is applied and wherever it is satiated is liable to payment of rent to the State Government at the rate fixed at the time of settlement or specified in the deed except such land as have been wholly exempted from such liability by special grant of or contract with the State Government or by the provisions of any law for the time being in force. In addition to the rent, road cess, education cess, health cess and agriculture development cess at the prescribed rates on the annual rent of the land are also payable by all the raiyats under separate enactments for this purpose. These cesses are payable even in respect of the land on which payment of rent is exempted under the Bihar Land Rent (Exemption from payment) Act, 1981.

Collection

3.7 Prior to abolition of intermediary rights rent payable by a tenant was to be paid in four instalments falling due on the last day of each quarter of the agricultural year (commencing from 1st day of April each year with effect from 1955). In effect all the rents falling due at the end of a year and are to be collected from a tenant by the end of each financial year by karmchari/Panchayat Sewak and a rent receipt in prescribed form is to be granted to the tenant in token of such payments.

Arrear if dues

3.8 Arrears of rent, cess and other dues of land revenue are recoverable by issue of certificates by the collector under Bihar & Orissa of rent in khasMahals, interest is, however, chargeable on demands under Section 17(a) of the P.D.R. Act, 1914 from the date of signing the certificate up to the date of realization. A simple interest at the rate of 12 per cent per annum is chargeable on arrears of road cess from the date it becomes due for payment. There is no provision for charging interest on arrears of other cesses.

Accountal of rent, cess etc.

3.9 Every tenant who pays rent is granted a rent receipt by the collecting agent (karmachari or panchayat sewak) who enters receipt wise each collection in a Register-III AA. The collection made by the Karmachari/panchayat sewak during a week or for any other prescribed period is deposited with the AnchalNazir who grants Nazir's receipt in respect of each such deposit. On receipt of collected amount in the circle, each receipt of the Nazir Receipt Book is entered in the receipt side of the cash book of the circle (Anchal) and the total collection of the circle as a whole is remitted into treasury through challans at frequent intervals and credited into appropriate heads of accounts (as detailed in Chapter).

CHAPTER-4

Survey Settlement, remission, suspension of rent and alienation of Government lands

Settlement of Land Revenue

Under section 104 of Bihar Tenancy Act, 1885 and Bihar Land Reforms Act & Rules, 1950.

4.1 Land rates are fixed by Revenue Officers at the time of settlement of land. These rates vary not only from district to district but also from village to village depending on the quality of soil and the average local prices of staple food crops during the currency of the present rent.

Survey operation

Section 101 of Bihar Tenancy Act, 1885 and Bihar Land Reforms Act and Rules, 1950.

4.2 Settlement of land revenue is preceded by a survey operation during which plans of village lands are prepared showing accurately the position, shape and size of all fields, village sites, streams, limits of jungle and all other items of the areas under survey operation. The State Government may, in any case it thinks fit, make an order directing that a survey be made and records of rights be prepared by Revenue Officer in respect of the lands in any local area of tenure or part thereof.

When a draft record of right has been prepared, the Revenue Officer shall publish the draft in the prescribed manner and for the prescribed period.

Settlement of rents and preparation of Rent Roll

Section 104 A 1 and 2 of Bihar Tenancy Act, 1885 and Bihar Land Reforms Act and Rules, 1950.

4.3 In every case in which a settlement of land revenue is being or is about to be made the Revenue Officer after publication of the draft of the records of rights (a) Settles fair and equitable rent for tenants of every class, (b) settle a fair and equitable rent for any land in respect of which he has recorded that the occupant is not entitled to hold it without payment of rent, and (c) prepares a settlement rent roll. The Settlement Rent-Roll shall show the name of each landlord and of each tenant whose rent has been settled and the amount of each such tenant's rent

payable for the area shown against his name. The Revenue Officer shall submit the Settlement Rent-Roll to; the confirming authority and after sanction by the confirming authority the Revenue Officer shall finally the Settlement Rent-Roll and shall incorporate it with the records-of-rights published in draft.

Remission and suspension of rents of certain holdings

Section 112(c) of B.T. Act, 1885 and Rule 92 of Bihar Govt. Estate Khas Mahal Manual, 1953.

4.4 The Collector may order the partial of total remission of the rent of an occupancy holding, for such period as he considers reasonable under the circumstance, where the soil of a portion or the whole of such holding has, without the fault of the raiyat, become temporarily or permanently deteriorated by a deposit of sand, by submersion under water or by any other specific cause, sudden or gradual. Such remission or suspension of the demand of land revenue upto a specified limit may be ordered on the occasion of widespread calamities as contained in Chapter-II Section XX of the Tauzi Manual. Above the specified limit such sanction may be made by the Commissioner, State Government.

Procedure of sanction of remission and communication thereof

4.5 On receipt of the sub-divisional officers recommendations for remission and suspension of demands in regard to the list of defaulters (as mentioned in Chapter-8) (Return-III) the Collector will pass suitable orders thereon. The remission thus sanctioned should be entered in the district Remission Register-VI and a copy of the order sanctioning each remissions or suspensions should be sent to the sub-divisional officer for necessary action.

When the Collectors orders sanctioning the remissions or suspensions are received in the sub-division, necessary entry regarding remissions should be made in the sub-divisional Remission Register-VI in the same form and a copy of the order sent to the AnchalAdhikari for necessary action regarding effecting the remissions etc. under paragraph 11 of the "Instructions for the Guidance of the circle officers in Government Estates". The AnchalAdhikari in his turn is required to make an entry in the Remission Register-VI maintained in his office and copy of the entry is sent to the Karmachariconcered together with an 'Advice List' which is to be returned by the Karmachari with an endorsement acknowledging receipt of the copy of the entry in question and certifying that he kept in a separate guard file. In Annual return No. I the Total remissions sanctioned by various should be shown separately.

Alienation of Government Lands

4.6 Alienation of Government land means the transfer of Government land (Khas Mahal, vested Gairmazura land and land acquired under Acquisition Act for allotment to industries, etc.) whether by private sale, lease or otherwise to public bodies, association or individual. No authority subordinate to State Government is empowered to sanction such alienation, proposal for such alienation is initiated and processed at the district level and forwarded to Government through Divisional Commissioner with a check slip clearly specifying the object and terms of transfer with details of area, market value and estimated annual rental of the land in order to facilitate, the State Government to fix the agricultural and commercial rent as the case may be. On Sanction of such alienation or transfer a formal deed of lease is executed with the transferee and land is thereby transferred for a specified period at a fixed annual rental.

Exemption of rent under Bihar Land Rent (exemption from payment) Act, 1981

4.7 By an ordinance issued in 1978 (since enacted in 1981), Government exempted from levy of land rent with effect from 1st April 1978, small holdings upto 3 hectares in the districts of **Ranchi, Palamu, Singhbhum, Hazaribag, Giridih, Dhanbad and SanthalParganas** and up to 2 hectares in all other districts. The ordinance/enactment envisages the detailed procedure of identification of raiyats to decide eligibility for this exemption. As per the ordinance, such holdings are not exempted from levy of various cesses like road cess, education cess, health cess and agriculture development cess leviable under the relevant cess Act.

CHAPTER-5

Miscellaneous Provision

Bhoodan Land

5.1 The Bihar BhoodanYagna Act, 1954 (Bihar Act XXII of 1954) was passed with a view to facilitating the donation of land connection with the BhoodanYagna and to provide for settlement of such lands with landless persons or with a village community, Gram Panchayat of with a Co-operative Society Organised by the BhoodanYagna Committee.

The Act inter alia envisaged that the right, title and interest of the donor in any land donated under BhoodanYagna vests in the BhoodanYagna committee for the purposes of BhoodanYagna only on confirmation of the BhoodanYagnaDanpatras (gift deeds) by the State Revenue Authorities and the committee has the power to grant land, which have vested in the committee, to landless persons or a village community, Gram Panchayat of a co-operative society.

The principles laid down by the State Government for realization of rent in respect of lands donated to the committee and distributed among the Bhoodan tenants are:

- (a) Rent for the land donated is payable by donors upto the date of donation.
- (b) Rent for lands donated in BhoodanYagna should be paid by the donors themselves during the period between the date of donation and that on which the possession thereof is delivered by them to the landless persons to whom those are granted by the Bihar BhoodanYagna Committee, in case in which the lands were in cultivating possession of the donors and they have enjoyed the usufruct there from.
- (c) If after making the donation, the donor had relinquished possession of the land the question of rent for the period between the date of donation and the of induction of Bhoodan tenants thereon, in respect of such lands should be referred to the Government for decision.
- (d) Rent in respect of the land already under cultivation is to be paid by the Bhoodan tenants from the date of distribution of such lands.
- (e) In respect of waste lands. Brought to cultivation by Bhoodan tenants, rent is payable by him from such time crops begin to grow thereon.

Land acquired under Ceiling Act

5.2 Section 4 of the Bihar Land Reform (fixation of ceiling area and Acquisition of surplus Land) Act, 1961 which came into force on 19th April 1962, was enacted with the object of securing more equitable distribution of agricultural land in the State. Under the Act, as amended, no family (which term includes any company, institution, trust, association or body of individuals, incorporated or not) shall hold land in excess of the ceiling fixed ranging from 15 acres (6.0705 hectares) to 45 acres (18.211 hectares) depending on irrigational facilities and productivity of land. For this purpose, all types of land in the State were classified into six groups (class I to VI), the first three groups (class I to III) covering irrigated land and the last three groups (class IV to VI) covering land without any irrigational facilities including orchard, horticultural, hilly or sandy land etc. (details in section-4 of the Act).

Any land in excess of the specified ceiling is compulsorily acquired by the Government by Gazette notification on payment of compensation and distributed among the eligible categories of people in accordance with the procedure prescribed in the Act.

5.3 Land Acquisition

Land Acquisition is the process by which the Government acquires private land for purposes such as development of industry, infrastructural facilities and urbanisation, and provides compensation to the affected land owners with rehabilitation and resettlement. The Land Acquisition process in India was guided by the “Land Acquisition (LA) Act, 1894” as amended from time to time and after its repeal, with effect from 01/01/2014, by the “Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013” and the “Bihar Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (BRFCTLARR) Rules, 2014”.

Requisition of land

According to Rule 3 of BRFCTLARR Rules 2014 the following documents are required to be enclosed with Requisition of land acquisition. Requisition in Form I, Detailed Project Report, .Sanction letter/Administrative approval of the project, Estimated Cost/Budget provision of the project, Map of effected area in 3 copies, certified copy of Khatiyān of effected area, Category of land and any other document required by Collector.

Feasibility Report on requisition

On receipt of the requisition, the Collector shall constitute a team of revenue and agriculture officers to visit the spot and enquire whether the requisition is consistent with the provisions. The team shall make field visit with the requiring body, examine the revenue records meet the families likely to be affected and submit a report to the Collector regarding the requisition being consistent or contrary to the provisions.

If the collector is satisfied that the requisitioned land can be acquired, he shall calculate the estimated cost of acquisition and other charges and demands from the requiring Body for deposit the same. After deposit of the estimated cost of acquisition the appropriate government shall proceed with the acquisition in accordance with the Act and Rules

Social Impact Assessment (SIA) Study

Notification of SIA study will be issued by the Collector and the study would be completed within the six months from the notification.

Multi-Disciplinary Expert Group (SIA)

The expert group submit their report with logical comment to the Collector within two months from the date of constitution of the group.

Publication of preliminary notification and declaration

Section 11 of the RFCTLARR Act, 2013 provides that a notification to that effect along with details of the land to be acquired shall be published. Under Section 15 of the Act *ibid*, any person interested may object to the area, justification for public purpose and findings of social impact assessment report within sixty days of publication of notification. After issuing the notification, the Collector shall undertake and complete the exercise of updating land records within a period of two months as specified here as under –

1. Delete the entries of dead persons;
2. Enter the names of the legal heirs of the deceased persons;
3. Take effect of the registered transactions of the rights in land such as sale, gift, partition etc,
4. Make all entries of the mortgage in the land records;
5. Delete the entries of mortgage in case the lending agency issues letter towards full payment of loans taken;

6. Make necessary entries in respect of all prevalent forest laws; Government land; assets in the land like trees, wells etc., share croppers in the land; crops grown or sown and the area of such crops;

7. Any other entries or updation in respect of land acquisition, rehabilitation and resettlement.

Role of Rehabilitation and Resettlement Administrator or Commissioner

After publication of Notification the Administrator shall gather the information related to the families eligible for rehabilitation and resettlement within three months and the information would be certified from the door to door consultation with affected families.

Committee for collection/ Certification of information in urgency cases

A committee (revenue village wise) will be constituted by the Collector for collection and certification of information in pursuance of provisions and procedure. The committee consist a representative of concerned panchayat where the land would be acquired, a representative from requiring body and a revenue officer from concerned Anchal. The committee will be headed by Administrator of Rehabilitation and Resettlement. After publication of approved scheme for Rehabilitation and Resettlement at local level the declaration of acquisition of land would be made.

Publication of declaration for acquisition

Section 19 of the RFCTLARR Act, 2013 provides that the appropriate government will publish declaration with brief of rehabilitation and resettlement scheme. No such declaration shall be made unless the requiring body has deposited an amount in full towards the cost of acquisition of the land.

Determination of compensation

Section 26 of the RFCTLARR Act, 2013 provides the manner for determination of market value of land and section 27 and 28 of the Act *ibid* provide the manner of assessment of value of assets and other losses. Further, the compensation shall be calculated under section 26 to section 30 read with the First Schedule of the Act *ibid*.

Approval of rate of land to be acquired

Section 26 of RFCTLARR Act 2013 provides that

(1) The Collector shall adopt the following criteria in assessing and determining the market value of the land, namely:-

- (a) The market value, if any specified in the Indian Stamp Act, 1899(2 of 1899) for the registration of sale deeds or agreements to sell, as the case may be, in the area, where the land is situated or
- (b) The average sale price for similar type of land situated in the nearest village or nearest vicinity area; or
- (c) Consented amount of compensation as agreed upon under sub-section (2) of Section 2 in case of acquisition of lands for private companies or for public private partnership projects, whichever is higher.

Section 27 of RFCTLARR Act 2013 provides that the Collector having determined the market value of the land to be acquired shall calculate the total amount of compensation to be paid to the land owner (whose land has been acquired) by including all assets attached to the land.

Section 30 (1) of RFCTLARR Act, 2013 provides that the Collector having determined the total compensation to be paid, shall, to arrive at the final award, impose a “Solatium” amount equivalent to one hundred per cent of the compensation amount.

(2) The Collector shall issue individual awards detailing the particulars of compensation payable and the details of payment of the compensation as specified in the First Schedule.

(3) In addition to the market value of the land provided under Section 26, the Collector shall, in every case, award an amount calculated at the rate of twelve per cent, per annum on such market value for the period commencing on and from the date of the publication of the notification of the Social Impact Assessment under sub-section (2) of Section 4, in respect of such land till the date of the award of the Collector or the date of taking possession of the land, whichever is earlier.

Valuation of things attached to the land

Section 29 of Act provides the manner of determination of value of things attached to land (building, trees, plants, crops etc) and other immovable property or assets attached to the land or building which are to be acquired, use the services of a competent specialist in the relevant field, as may be considered necessary by him.

Acquisition under Urgency Provisions

Section 40 of the RFCTLARR Act, 2013 provides that in case of urgency the Government shall communicate the fact to the Collector. The Collector thereafter shall proceed with the acquisition in accordance with the Act and these Rules. Further, section 9 of the Act *ibid* exempts from social impact assessment study, where land is proposed to be acquired invoking the urgency provisions.

Land acquisition awards and compensation

Section 23 and 25 of RFCTLARR Act, 2013 provide that the Collector shall proceed to enquire into the objections and shall make an award within a period of 12 months from the date of publication of the declaration under section 19 of the Act *ibid*.

Provided that the appropriate Government shall have to power to extend the period of twelve months if in its opinion, circumstances exist justifying the same.

Rehabilitation & Resettlement Award

Section 31 of Act provides that the Collector shall pass Rehabilitation and Resettlement Award for each affected family in terms of entitlements provided in the Second Schedule. Section 32 of Act provides that in every resettlement area as defined under this Act, the Collector shall ensure the provision of all infrastructural facilities and basic minimum amenities specified in the Third Schedule.

Possession of Land

Section 38 of RFCTLARR Act, 2013 provides that the Collector shall take possession of land after ensuring that full payment of compensation as well as rehabilitation and resettlement entitlement are paid or tendered to the entitled persons within the period of three months for the compensation and a period of six months for the monitoring part of rehabilitation and resettlement entitlements listed in the second schedule commencing from the date of the award made under section 30.

In the land acquisition cases under emergency provision, after 30 days of declaration and serving the notice to land owners, the possession of land may be given to requiring body on payment of eighty per cent of compensation of tentative amount of compensation to land owners.

All provisions of rehabilitation and resettlement are applicable to affected families of land acquisition under emergency provisions. There is only exemption from SIA study.

Other important issues of valuation of compensation

Action under RFCTLARR Act 2013 in the cases initiated under LA Act 1894

Section 24(1)(a) of RFCTLARR Act, 2013 and circulars/instructions issued by the Department provide that in cases where land acquisition was initiated under the LA Act, 1894 but award could not be made till December 2013, then compensation value shall be determined as per the provisions of the Act, 2013 by considering the market value of the land applicable as on 1 January 2014.

Section 24(2) of RFCTLARR Act, 2013 and circulars/instructions issued by the Department provide that in the cases where land acquisition was initiated under the LA Act, 1894 where an award under the said section 11 has been made five years or more prior to the commencement of this Act but the physical possession of the land has not been taken or the compensation has not been paid the said proceedings shall be deemed to have lapsed and the appropriate Government, if it so chooses shall initiate the proceedings of such land acquisition afresh in accordance with provisions of the Act:

Provided that where an award has been made and compensation in respect of a majority of land holdings has not been deposited in the account of the beneficiaries, then, all beneficiaries specified in the notification for acquisition under section 4 of the said Land Acquisition Act, shall be entitled to compensation in accordance with the provisions of this Act.

Additional Compensation under Emergency Provision

The RFCTLARR Act 2013 stipulates that in case of land acquisition initiated under the LA Act, 1894 but award not made till December 2013, then compensation value shall be determined as per the provisions of the Act, 2013. The Act *ibid* further stipulates for payment of additional compensation at the rate of 75 *per cent* of the total compensation value of land and assets acquired under emergency provision.

Provided that no additional compensation will be required to be paid in case the project is one that affects the sovereignty and integrity of India, the security and strategic interest of the State or relations with foreign States.

Interest

The LA Act, 1894 and the RFCTLARR Act, 2013, provide that in case the compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount with interest at the prescribed rates *Nineper*

cent per annum if the amount of compensation is paid within one year and thereafter at the rate of *15 per cent*. from the time of taking possession till it has been so paid or deposited.

Establishment Charge

The BRCTLARR Rules, 2014 (Rules, 2014) provides for collection of establishment charge at the prescribed rates in four slabs. The rate of establishment charge *20 per cent, 25 per cent, 30 per cent* and *35 per cent* from the land requiring body and to deposit it in Government Account under land revenue head.

Contingency Charge

As per BRCTLARR Rules, 2014 the maximum ceiling of contingency charge was enhanced to ₹5,00,000. The Collector and the Concerned DLAO shall keep this amount in a Nationalised Bank in a Saving Bank Account and it shall be of a joint account in name of both the aforesaid officers. The amount shall be disbursed jointly for the purpose of rehabilitation survey, monitoring, stationary and other Contingent expenses like vehicle and outsourcing of computer, computer operator, amin, draftsman, chainman etc. The interest earned on this account may also be utilised for the above purposes.

Rent & Cess

Section 22 & 23 of Bihar Land Reforms Act, 1950 followed by Government Notifications issued from time to time and also of the Government letter No. 15/Accounts-10/2000 415/Rev dated 16 June 2000 issued by the Revenue and Land Reforms Department, Bihar provide for realisation of Road Cess, Education Cess, Health Cess and Agriculture Cess at the rate of *25, 50, 50* and *20 per cent* respectively, on the amount of rent for the lands. Exemption from levy of Cesses on the amount of rent is not permissible whereas exemption from collection of rent for specific reasons may be allowed by the Government on certain conditions.

Preparation of Estimate

Components of Estimate are as given below:

Area and type of land, rate of land, Multiplication factor, Value of land, value of things attached with land, additional compensation (*12 per cent*), interest, additional compensation (*75 per cent*), establishment charge, contingency charge, Rent & Cess etc.

Approval of market value of land and sanction of Estimates

Rule 31 of BRFCTLARR 2014 delegate the power of finalisation of market value of land and sanction of estimates are as given below:

	Collector	Divisional Commissioner	At government level
Market value of land	Upto Rs.5 Crore	Above Rs.5 Crore to Rs. 15 Crore	Above Rs. 15 Crore
Sanction Estimate and declaration of Award	Upto Rs.10 Crore	Above Rs. 10 Crore to Rs.25 Crore	Above Rs. 25 Crore

CHAPTER-6

Principles and Procedures of Audit

Main Principles of Audit

6.1 The general principles governing the audit of receipts as laid down in chapter 4 of Section II of the Comptroller and Auditor General's Manual of Standing Orders (Technical) Vol.- are to be followed mutatis mutandis in conducting the audit of land revenue. Usually the audit is confined to examination of cases in respect of which the assessments are completed. It should be our endeavour in audit of land revenue to ensure that all demands due are properly and promptly raised and realised in accordance with the law, rules and regulations governing the same and to trace all receipts right from the source to their final accounting in Government's books.

Audit cannot confine itself only to the checking of the arithmetical accuracy of the assessment. It should be seen that provisions of the Constitution and the laws governing the receipts are not violated by the executives. In the course of discharge of constitutional obligation, audit will have access to the assessment records with all its connecting documents. But audit should observe the same secrecy as regards such documents as is expected of the officer of the department.

It is not the duty of audit to question an authoritative interpretation of rules and orders governing the receipts or judicial decisions on any point.

Ordinarily, audit will see that the internal procedure adequately secures correct and regular accounting of demands, collection and refunds. To sum up audit, should see that the internal procedure adequately provides for and actually secures:-

- (1) The collection and utilization of data necessary for the computation of the demand or refunds under the law;
- (2) The prompt raising of demands;
- (3) The regular accounting of demands, collections and refunds;
- (4) The correct accounting and allocation of collections and their credit to the Consolidated Fund of the State;
- (5) That proper safeguards exist to ensure that there is no wilful omission or negligence of levy, or collect taxes;

That double or fraudulent refunds of other losses of revenue are promptly brought to light and are investigated;

EXTENT OF AUDIT

6.2(1) One or two Karmcharis accounts under each revenue circle (Anchal) may be selected for test check and their records should be requisitioned for the purpose [produced to audit] at the circle office.

(2) Detailed test check of a few individual cases with reference to the demand, collection and balance register receipts in support of the money realised index register etc. may be made.

(3) General review of the Karmcharis cash book, Anchal Cash book with detail check for one selected month for each year with reference to the receipts treasury challans may be conducted. This will include verification of remittances into treasury with treasury records.

(4) Hundred per cent check of commutation or remission of rent.

(5) General examination of demand, collection and balance register miscellaneous demand register, sairat settlement cases. Index register and their statutory and non-statutory records, registers and returns.

(6) Verification of 2 per cent of the Challans for which credit has been given in the assessment records, to be test checked.

(7) In addition to the existing checks of refunds, 5 per cent of refund vouchers received from headquarters sections to be checked in local audit.

Procedure and Programming

6.3 (a) The audit of the revenue receipts under the land revenue will be done bi-annually in the course of the year following the last two financial years.

(b) A local audit party should consist of 2 Section Officers/Assistant Audit Officers and one Senior Auditor/Auditor, all trained in land revenue receipts, with 50 per cent supervision by the Audit Officer.

(c) Duration of audit for each circle office including one or two Karmcharis is 6 party days, for district office duration of audit is, however, 2 party days.

(d) The devolution of duties amongst party members will be in accordance with the C&AG's circular No. 6 of 1984(XX).

Programme of Local Audit

6.4 The programme of local audit of land revenue department should be drawn sufficiently in advance at least one month before the local audit, by headquarters section of audit office and an intimation to that effect should be sent to the officer-in-charge of the Land revenue Office to be audited at least two weeks in advance so as to enable him to keep all records ready for production to audit.

In course of audit any point worth mentioning should be written in a precise and clear manner in polite language in the form of objection statement leaving sufficient space in the margin for written comments of the officer-in-charge of the office and such objection statement should be forwarded to him for verification and comments. The objection statement issued in course of Audit should be got back with reply on the same day or on the following day. In no case they should be allowed to remain with the local office beyond 3 days from the date of issue or the date of close of audit, whichever is earlier. On receipt of objection statements with reply the draft inspection should be written in course of audit so as to ensure discussion of the draft inspection report with the head of the office on the closing date of audit.

CHAPTER-7

AUDIT CHECKS AND DRAFTING OF INSPECTION REPORT

7.1 The main object of audit of receipts from land revenue is to see that all holding are correctly assessed, noted in the zamabandi on continuous Khatian Register and the amount due from the holders/ tenants are collected and deposited in the treasury promptly. For this purpose the records maintained in the following offices are to be audited:-

1. Circle officer/ AnchalAdhikari's office including records of Halka.
2. land Reforms Diputy Collector's Office at sub-divisional level.
3. Additional Collector's office (Revenue Section) at district headquarters including land records/ Survey office.

Circle Office/ AnchalAdhikari's office records

7.2 In land revenue audit, complete link of all the document right from the Halka to records maintained at circle offices should be traced and examined. Information as to records seen and records not produced to audit should be incorporated in the report itself, vide CAG's letter No.221-Rev-A-IV-77-78 dated the 13th August 1973.

Scrutiny of Assessment

7.3 Audit should verify if the demands against various tenure holders are correctly shown in the Tenants Ledger (Register-II) in accordance with the rate noted in the Khatian/ Rent Roll or Zamabandi/ Register IB (continuous Khatian) known as Laggith in common parlance and are transferred in the combined Demand and Collection Register of the Anchal. The entries in the register are verified and attested by the AnchalAdhikari under his dated initials in the appropriate column. It should be seen that the demands as affected by abatement or reduction of rent or by any course e. g. new settlements, vesting of new interests etc. in Government are verified by reference to original orders and the "Index Register of alteration of Demand" Statement of surplus ceiling land, Bhoodan land, gairmazaruakhas land etc. should be scrutinized on audit to see that there is no loss of land revenue to Government. Audit should also examine the tenant's ledger along with the

Khatian to see that acquisition of land have been assessed on agricultural holdings concerted by the holders for commercial use in terms of rule laid down in the Bihar Government Estates (Khas Mahal) Manual. While verifying the correctness at the prescribed rates on all holding including those which have been exempted from payment of land rent under separate orders, enactments for that purpose.

7.4 **Verification of Collection: Audit checks**

- (i) Whether the correct amount as per jamabandhi etc. against a particular tenant has been realised from him;
- (ii) Whether all direct payments made to Karamchari have been entered in Register III-A and the entries with reference to the counterfoils of rent receipts have been made correctly;
- (iii) Whether the Abstract of Daily Collections (direct payment to Karamchari) has been correctly brought forward from Register III-A register III-AA;
- (iv) Whether all the amounts collected by the Karamchari have been deposited with AnchalNazir and Nazir receipt number and date noted against the deposits shown in Register-III-A.A; It should also be seen that as soon as the amount of collection exceeds Rs. 1,000 it is invariably deposited with the AnchalNazir and that the total collection as exhibited in Nazir Receipt Books and entered in Anchal Cash book has been remitted to the treasury/sub-treasury without delay;
- (v) That monthly and yearly verification of collections have been done with reference to primary registers with the challan register of remittances at the Anchal level and the AnchalAdhikari (Circle officer) has given certificate at the foot of return-I or Return-II, as the case may be, to that effect and any discrepancy noticed by the AnchalAdhikari has been indicated in an explanatory note. After exercising audit scrutiny on these internal verifications of collections and remittance thereof into the treasury audit party should verify that these remittance tally with entries in treasury records and with those in bank scrolls.
- (vi) That Rent Receipt Books received by the Anchal Office either direct from the Superintendent, Printing and Stationaries or form the district officers, have been duly accounted for in the stock register of Rent Receipt books and their issue to the Karamcharis duly recorded. It should also be ensured that the folios and counterfoils of rent receipt books have been properly checked before issue and certificate to that

effect endorsed on each receipt book and that blank pages of partly used receipt books are marked cancelled with rubber stamp and are returned after the close of the year along with any unused receipt books.

- (vii) That the stock account of Nazir Receipt books has been properly maintained and that all books issued to Nazir and used during the period under audit have been taken into account in the Anchal cash book.
- (viii) That all cases of remission as per register of remission of land revenue (Register-IV) are fully covered by the orders of competent authority.
- (ix) That the periodical returns (Return-I, II etc.) are properly maintained and submitted regularly by the Anchal to the sub-divisional/District offices. Audit should also verify through test check the correctness of such returns (test checked).

Audit checks of Sairat Settlement Cases

7.5 Receipts from sairat constitute important part of total land revenue. Audit should, therefore, scrutinize the sairat settlement cases and collections therefrom very carefully. It should be seen in audit that all sairats viz., Jalkars, falkars, hat, bazaars etc. as detailed in Sairat register, have been settled and reserve jama in each case was fixed as per the prescribed hours. In case of any sairat remaining unsettled, audit should see the reason thereof and it should be seen whether action for declaring such sairat as; Parta' has been initiated at proper level and finalized under orders of proper authority. It should also be seen that the settlement of sairat has been approved by the competent authority and in case of such sairats exceeding Rs. 100, deeds of such settlement were executed and registered. The Collection of sairat dues and arrears, if any, should also be seen in audit. In case of Hats and bazaars transferred to agriculture produce marketing Board audit should see whether 20 per cent of receipts from such hats and bazaars have been credited to Government account each year.

General:

7.6 (a) The following further points should also be seen in audit:-
(Section 45 of Cess Act, 1880).

- (i) That interest on belated payment of road cess at 12 per cent per annum from the date it became due to the date of actual payment of road cess has been levied;
- (ii) That any loss due to non-settlement or delay in settlement of gairmazurakhas land, lands acquired under Land Ceiling Act,

- Bhoodan lands and road side land, may be examined in audit and quantified;
- (iii) the action for vacation of encroachment on public land or regularization thereof by settlement has been taken; and also that realisation of rent/cess and on account of damages caused, if any, has been made;
 - (iv) that action for renewal of leases in respect of Government land, if any, has been initiated; and
 - (v) Any case of refund of revenue to be examined in audit in order to see that refund orders have been made properly.

Audit checks on HalkaKaramachari/ Panchayat Sewak's accounts

7.7 Account records of one or two HalkaKarmchhari/ Panchayat Sewak should also be scrutinised to see that all the used receipts books with counterfoils of receipts are returned in Anchal Office and the amounts shown as received in the counterfoil have noted in Register-III A and III AA and deposited with AnchalNazir in time. All such deposits are to be verified with receipts granted by the AnchalNazirs.

Land Reforms Deputy (Sub-divisional level)

7.8 (a) A combined Demand and Collection Register for the sub-division is maintained Anchal wise in the office of the Land Reforms Deputy Collector (L.R.D.C.) of the sub-division in the same form and in the same manner as in the Anchal Office. The entries in the register are to be regularly verified with the treasury records so as to ensure that the collections have properly been credited in Government account and progress of collection is satisfactory. Audit should scrutinize the position of arrears of land revenue and satisfy itself that proper action has been taken for their recovery. It should also satisfy itself that on receipt of Return-I from Anchal Officer the figures shown therein have been verified with the figures shown in the treasury accountant's/ sub-treasury accountant's register and a certificate endorsed thereon to the correctness of such figures.

(b) Audit is to examine that on receipt of Return-III in the Sub-division the sub-division officer after such enquiry, as may be necessary, passed orders for filing certificates in suitable cases and cases of arrears fit for remission of suspension after being duly verified are recommended to the Collector for action.

(c) Audit should also see that all revenue cases having financial involvement have been disposed of early so that there may not be any financial loss to Government for the delay. Audit should be careful in commenting in sub-judice cases. However in case of inordinate delay involving heavy amount of revenue caused by non-pursuance of cases by the department diligently audit may offer comment.

BhoodanDanpatras

7.9 Audit should see that confirmation of BhoodanYagnaDanpatras have been disposed of early so that the Government may not be put to loss due to such delays. The Bhoodan act envisages that if after making donation, the donor had relinquished possession of the land and the question of realization of rent for the period between the date of donation and the date of induction of Bhoodan tenants thereon arises, it should be referred to Government for decision. It is also envisaged in the Act that in respect of waste lands brought under cultivation by Bhoodan tenants, rent is payable by him from such time that crops being to grow therein.

Audit should also see that any person who has been granted Bhoodan land has been recorded as Bhoodan tenant in the Rent-Roll of the Anchal. The Rent-Roll for this purpose will inter alia include the area and description of land, the amount of rent fixed by the Revenue Officer etc. In this connection it is to be seen in audit that generally the allottees of Bhoodan land would be exempted from payment of rent in terms of provisions of the Bihar Land Rent (Exemption from Payment) Act, 1981; but there is no exemption from payment or cesses there in. In the L.R.D.Cs. office at the sub-divisional headquarters audit is to examine the remissions and suspensions of rent, cess and miscellaneous demands in order to see that the orders for remission of rent, cess and miscellaneous demands conform to Rule 6, /section XVIII, Chapter II of Tauzi Manual, 1951, read with rule 92 (b) of the Bihar Estate Manual, 1953.

Additional Collector's office (Revenue Section)

7.10 In the matter of assessment and collection of land revenue, monitoring control and coordination function for the district as a whole is discharged by this office. The figures of demand, collection and balance for the whole district (sub-division and revenue circle wise) are available in this office. Audit should scrutinize the position of arrears of land revenue and satisfy itself that proper action has been taken for their recovery.

Audit should also see that on receipt of Return-I from the sub-divisions, the revenue section (Addl. Collector's Office) verifies the collection figures shown therein with the figures in the treasury accounts. Audit should also satisfy itself that Return-III (Arrear list) is received at district headquarters in due time and orders of the Collector on the arrear (Return-III) are, after check, obtained in respect of each item of proposed remission or suspension. It should also see that certificates issue in all cases in which certificate proceedings are required to be taken for realization of arrears. Progress of collections should also attract attention of audit.

As regards remission and suspension of rent, cess, miscellaneous demands, granted, if any, audit should see that in respect of widespread calamities the requirements under Chapter-II, Section XX of the Tauzi Manual, 1951 and rule 92 of Bihar Government Estate (Khas Mahal) Manual have been fulfilled.

Audit should also conduct a review on the lists of Government estates kept in the district office and see whether it has been periodically revised or not. In case any estate or area under Khas Mahal is fit for leasing out to individual, institution etc. it should be seen that action for settlement on lease has been taken (or not) and in case of leases already granted, if renewal thereby became due, whether action for renewal has been taken or not. In case of any settlement by lease sanctioned by the Government and communicated to the district office audit should see that deed of lease has been executed and registered.

Audit of Land Records Office

7.11 It should be seen that survey has not become overdue unless postponed by law. Audit may generally examine the basis on which land is classified under different categories and see that due regard has been paid to the factors specified in the Act and other circulars issued by Government for fixing the standard rates of rent. Comment from this angle should be made sparingly and only after careful consideration by an officer of rank not below that of Deputy Accountant General. (Authority: CAG's circular No. 3 of 1973, letter No.1320-Rev.4/8-73 dated 5.3.1973).

A general review of the returns received from circle officer e.g. area statement, list of vested estates with history, list of old Government estates with history, statement of distribution of surplus ceiling lands and Bhoodan lands, should also be conducted in audit to see that they do not depict a misleading fact leading to financial loss to Government.

Drafting of Inspection Report

7.12 Results of audit of land revenue like other local audit should be set forth in the form of Inspection Report in the following from-

Part-I (a) Introductory

(b) Outstanding objection from previous Inspection Reports.

(c) Schedule of persistent irregularities.

Part II- Section A- The paras under this section should consist of major irregularities which are likely to materialize as draft paras for the Audit Report.

The Comptroller and Auditor General of India has prescribed a monetary limit of objection of Rectified spirit. ₹ 30,000 from 1990-91 for a para to be included in the Audit. (Authority: CAG's circular No. 17 of 1991 letter No. 761-Rec. AIV/10(ii)/91 dated 31.7.1991).

Section B- The paras this section consist of irregularities which though not major are to be brought to the notice of higher authorities.

Part-III- Test Audit Note containing major irregularities to which should be attached a schedule of items settled on the spot. The procedural irregularities in respect of which the head of the office veiled assurance about following the correct procedure in future, should be noted in this schedule.

The draft Inspection Report should be sent to Revenue Sector(Hqr) Section within 5 working days of completion of audit so that the report may be issued within one month as per the schedule fixed by the headquarter office.

CHAPTER-8

Statutory records and registers

8.1 A list of registers to be maintained in the district headquarters and circle office (Anchal Adhikar's office) is given in **Appendix-BI** of the Bihar Government Estates (Khas Mahal) manual. Some important registers out of which are as follows:

(I) Register IA and IB

Where there has not been any survey and records-of-rights a register called rent roll or "jamabandi register" will be maintained in form IA. Where there has been a survey and the records-of-rights are prepared a register in form IB called as Continuous Khatian is maintained, this register gives details of each holding held by a tenant of a revenue village, including annual rental and cess. The original register IA or IB, as the case may be, is retained in the district headquarters being a permanent record. In the revenue Anchal copies of these registers are kept. The Anchal Office is not authorised to make any alteration or fresh entry in this register. One whole page of more, if necessary, is allotted to each holding in order to allow for entry of the mutations.

(II) Register II (Tenant's ledger)

This is also a prescribed statutory register, wherein a separate page is allotted for each tenancy, the area and annual demand are filled in from Register IA or IB in the space provided at the top. It is not necessary to open a new register every year as one page probably lasts for 3 to 5 years. When it becomes necessary to rewrite the register this should be done before beginning of the year for which it is required for collection purposes.

References to orders sanctioning abatements of demand, remission, settlements of unoccupied lands etc, and also recorded in this register.

This is a very important register of the revenue Anchal. Audit should examine that all entries relating to annual rental of a tenancy have correctly been depicted in this register and this forms the basis of annual demand for a tenant, mouza, Halka and revenue Anchal as a whole.

(III) Register IIIA. (Register of collection)

This is a register in which all payments made direct by the tenant to the HalkaKarmachari/ Panchayat Sewak are entered. A separate volume or distinct portion of a volume must be kept for a separate estate. This register is written up and balanced daily.

Audit should see that all rent receipt issued in taken of payment of rent by tenant have been duly entered in this collection register and daily total and balancing of collection are correct, and have been carried forward from day to day.

(IV) Register IV (Cash Book)

This is a register showing all receipts, payments and remittances of money expect those on account of rent, cess and miscellaneous revenues which are included in register IIIA. This is mainly a register of daily collection in respect of Khas Mahal Properly maintained in this district office.

(V) Register IV (Remission register)

This is a register maintained by district, subdivision and Anchal office incorporation detail of remission cases with orders of competent authority approving the remission. In the district and Anchal offices audit should see that separate case records are maintained wherein orders of collector sanctioning the remission as entered in this register, are kept.

(VI) Mutation Register

This is a register which bears details of change in tenancy caused by sale, gift succession, partition etc.

(VII) Register of Miscellaneous demands

This register is meant for showing demands, collection and balance in respect of each sairat for a year. Audit should see that each sairat settled during the year has been detailed in this register. Demand against each agrees with the amount at which the sairat in question was approved to be settled. The recovery is being made in accordance with terms of settlement as stipulated in settlement or lease deed. On respect of arrears audit should see whether adequate action has been taken for their recovery and in respect of old outstanding items audit should see whether certificates have been initiated or not.

(VIII) Return I

In Return-I the demands, collections, remissions and balances of rent and cess of Estates under direct management of government are furnished. These figures are prepared from the tenant's ledger (Register II) by means of a compilation sheet. The figure for collection is then agreed with the total figures of collection for the period in question separately compiled from register III-A and III-B, This return gives full picture of demand, collection and arrears of rent and cess in the Anchal as a whole. Audit should scrutinize this return very carefully with a view to ascertaining the correctness of the demand performance of collection and levy of interest of arrears of road cess etc.

(IX) Return II

This return is a progressive statement of collection. In this return all collection made by HalkaKarmachari/Panchayat Sawaks as detailed in register III-A and also all realizations made by the certificate officer as entered in register III-B, are included.

(x) Return III (List of defaulters)

A defaulter is a person who has not paid his dues on or before the 31st March. If any defaulter has paid up his dues in part or whole after the close of the year a note of the fact will be made in this return together with defaulter's name and arrear dues against him. The collector or the officer deputed on that behalf, shall pass orders after scrutiny of the return to file certificates, wherever necessary. Audit should see that such certificate action was initiated against long pending defaulters and sufficiency of action taken as regard other

CHAPTER-9

9.1 Explanatory notes of technical and vernacular terms

Garirmazurua Land – Uncultivated and unsettled Land;

GarirmazuruaAam Land – Uncultivated land for public use, such as, grazing ground, play ground, burials, gave yards, religious places village road etc.

Garirmazurua Khas Land –means land retained by ex-intermediaries and not settled to raiyats subsequently vested in state under Bihar Land reforms Act.

Sairat- The rights and interests in respect of revenue earning hat, bazaar, mela, trees, fisheries, jalkars, flakers, ferries etc.

Kabil Lagan- Land fit for rent fixation.

Khata number- Page number of records of Rights/Khatiyan.

Khasra- means Plot Number of revenue map of a revenue village.

Khas Mahal-means the estates under the direct possession/management of government. It is acquired by (i) purchase at revenue sale, (ii) purchase by private contract, (iii) escheat in default of legal heirs, (iv) forfeiture to government for certain offence against the state, (v) resumption of islands, chars, (vi) acquisition for public purposes & (vii) resumption of land by government etc.

Bakast land – means land in the cultivating possession of an ex-intermediary.

Mal- Rent.

Cess- cess means a ‘local rate’ leviable on land and payable by raiyats under various cess Acts viz., Road cess, Education cess, health cess and agricultural development cess Acts.

Nazir- Cashier of Revenue Anchal, sub-division and district office.

Kabuliyat-Agreement.

Salami-Salami is a lump payment made to the proprietor (Goul) of land by the raiyat/settle of such land which is equal to market value of the land or 10 times of the annual rental for settlement of such land for commercial or agricultural purposes, as the case may be.

Pattas- Title deeds.

Zabti- Regulation.

Mauzas- Revenue villages

Cadastral survey- Survey of land detailed extent, value and ownership of land for taxation.

Khatiyar- Records of Rights.

Halka- A group of revenue village

Mutation- Entry of name of present tenant in tenant's ledger by deleting the name of old tenant.

Estate- Estate means included under one entry in any of the general registers of revenue paying lands and revenue free lands, prepared and maintained under the law for the time being in force by the Collector of a district and includes Government Khas Mahals and revenue freelands not entered in any register.

Landlord- means any person immediately under whom a tenant holds land, and includes the Government.

Tenure- means a parcel or parcels of land held by a raiyat and forming the subject of a separate tenancy.

Proprietor- means a person owning whether in trust or for this own benefit, an estate or a part of an estate.

Raiyat- means primarily a person who has acquired a right to; hold land for the purpose of cultivating it by himself, or by members of his family or by hired servants or with the aid of partners and includes also the successors in interest of persons who have acquired such a right.

Reserve jama- Reserve jama is fixed sum on the basis of which a sairat is put to auction for settlement or at which sairat is settled.

Parta-unfit for settlement.

Parwana-Order for settlement of sairat.

Jalkar- A fishery or makhana or fishery-cum-makhanasairat.

Falkar- Fruit producing Sairati interest.

Occupancy raiyats- Raiyats having right over a land by being in possession of the land.

CHAPTER-10

10.1 Copies of important executive decisions/instructions:

No.

- | | |
|--|---|
| 1. 85-30-8/74 633R dated
15.04.1974 | Transfer of such Hats, Bazars and Melas to Market Committees which have been notified under Bihar Agriculture Produce Market Act, 1960 and credit of 20 per cent income of the Market Committees to Government account. |
| 2. 105-2-0-9/77-525R
26.02.1977 | regarding taking back of such Hats dt. Bazars and Meals from the administration of Market Committees in respect of which |
| 3. 5-LR (SRT) 4-53-70/
15345.R dt. 26.12.1970 | Principles to be followed in fixation of reserve jama for settlement of Jalkars. |
| 4. 8 (S) 5-72-1613 L. R. | Regarding registration of agreements/ deeds of sairat settlement. |
| 5. 10/S-2-0-37/79-1388
22.7.1981 | Regarding declaration of Jalkars/falkarsdt. as parta. |
| 6. E/SRT -1-133-68-7095R
Dt. 05.08.1968 | Delegation of powers of sairats |
| 7. Resolution No.14/S-2-
0/17/86-2443 R. dt.
24/26.12.1986 | Regarding transfer of fisheries to Animal Husbandry and Fishery Department (Fishery Department) for development, settlement and collection of revenue. |
| 8. M/S-08/87M/707 dt.
11.05.197 | Regarding alternative executive Instructions / decisions for settlement of jalkars in view of transfer of fisheries to fisheries department. |
| 9. | Chart showing rates of various cesses leviable on land rent from time to time. |
| 10. Letter No.15/cess-08
/82-1284 R dt.3/4.6.
1982 of Revenue and land
Reforms Department | Current rates of cesses (viz, road Cess, Education Cess, Health Cess and Agriculture Development cess). |

11. Extract from CAG's circular of 1984 Regarding devolution of duty among members of audit party in field audit.

Rates of all cesse (taken together) leviable from time to time:

1.4.52 to 31.3.59	6.25% (Road Cess)
1.4.59 to 31.3.71	12.5% (Road Cess 6.25% +Education cess 6.25%)
1.4.71 to 31.3.72	21.25% (Road Cess 6.25% + Education cess 15%)
1.4.72 to 31.3.73	39.5% (Road Cess 6.05% + Edn. Cess 15% + Health cess 18%)
1.4.73 to 30.9.74	51.25 % (R. Cess 6.25% + Edn. Cess 25%+Health cess 20%)
1.10.74 to 31.3.80	100% (Road Cess 20% + Edn. Cess 40% + Health cess 40%)
1.4.80 to 31.3.82	125% (Road Cess 25% + Edn. Cess 50% + Health cess 40% + Agri. Dev. Cess 10%.)
1.4.82 to date	145% (Road Cess 25% + Edn. Cess 50% +Health cess 50% +Agri. Dev. Cess 20%.)

Rates of various cesses leviable from time to time:

Road Cess	6.25% - 1.4.52 to 30.9.74 20% - 1.10.74 to 31.3.80 25% -1.4.80 to-date
Education cess	6.25% -1.4.59 to 31.3.71 15% - 1.4.71 to 31.3.73 25% -1.4.73 to 30.9.74 40% -1.10.74 to 31.3.80 50%- 1.4.80 to-date/
Health cess	20% - 14.5.72 to 30.9.74 or (72-73-18%) 40% - 1.10.74 to 31.3.82 50% -1.4.82 to-date
Agri. Dev. Cess	10% - 1.4.80 to 31.3.82 20% - 1.4.82 to-date

Extract from the Comptroller and Auditor General's Circular No. 6 of 1984 received with letter No. 252-Rec. AIV/3 (i) -84 Government revenue. I dated 28.2.1984.

Subject: - Re-devolution of duties of members of State Receipt Audit Parties.

LAND REVENUE

I. Audit Officer:

1. Reviews of items marked with asterisk and discussion of outstanding Local audit report paras.
2. Review of system of exemption from land revenue.
3. Review of periodicity of settlement of revenue inequalities arising from failure to effect re-settlement of types of lands whose yields have increased or decreased disproportionately in comparison to general class of land
4. Review of system for reconciliation of recoveries posted in departmental records with recoveries as per treasury records.
5. System for raising and enforcement of demands.
6. System for enforcing recovery of demands and pursuing arrears demands.

II. Assistant Audit Officer/Section Officer/Sr. Auditor/Auditor (to be allotted by Audit Officer or Sr. Assistant Audit Officer designated by Audit Officer).

1. Audit of demands raised, their correctness, computation and assessment, classification of lands, demands for other dues, charges, fees etc.
2. Check of other records and registers including grant of exemptions and refunds and connected files, cash books, receipt books, records received from Irrigation and works departments and other departments for effecting recoveries as arrears of land revenue.
3. Any other item of work allotted by the Audit Officer or Assistant Audit Officer designated by Audit Officer.

Holding exempted from payment of land rent

By an ordinance issued in 1978, (since enacted in 1981) Government exempted from levy of land rent with effect from 1.4.1978, small holdings upto 3 hectares in the districts of Ranchi, Palamu, Singhbhum, Hazaribag, Giridih, Dhanbad and Santhalpargna and upto 2 hectares in all other districts. The ordinance/enactment envisage the detailed procedure for identification of raiyats to decide eligibility for this exemption. As per the ordinance, such holdings were not exempted from

levy of various cesses like road cess, education cess and health cess, Agricultural development Cess deviable under the relevant cess Acts. Similarly Agriculture development Cess was leviable on such holdings under the Agricultural development Cess Act from 1st April 1980.

[Bihar Act 21, 1993]

THE BIHAR TENACY (AMENDMENT) ACT, 1993
AS
ACT

To amend the Bihar Tenancy Act, 1885.

Be it enacted by legislature of the State of Bihar in the forty fourth year of the Republic of India as follow:-

1. Short title and commencement – (i) This Act may be called the Bihar Tenancy (Amendment) Act, 1993.

(2) It shall come into force at once.

2. Amendment of Section 23 of Bihar Act, 8 of 1885- Section 23 of Bihar Tenancy Act, 1885 (Bihar Act 8 of 1885).

(i) In sub-section (1) after the word “tenancy” the words and figure “except as provided in sub-section (1) shall be inserted.

(ii) After sub-section (3) the following new sub-sections shall be inserted, namely:-

(4) A raiyat may, with the previous permission of the Collector, use his land for the purposes not enumerated in Sub section (2):

Provided that before giving such permission the Collector shall re-determine the rent of such land in the prescribe manner to the extent of five per cent of the market value of the land:-

Provided further that if a raiyat has not taken prior permission of the Collector, the Collector may give post facto permission on payment of double amount of the rent which he would have paid for obtaining prior permission, for the period

between the date of commencement of use for purposes other than those enumerated in sub-section:

(2) and the date of application or detection, as the case may be:

Provided also that if a raiyat has been using his land for purposes other than those enumerated in sub section (2), from before the commencement of this Act, he shall apply within 90 days of the date of commencement of this Act for permission to the Collector who on receipt of such application shall proceed in such manner as if the above use had started on the date of commencement of this Act. If the raiyat fails to do so, he shall be liable for payment of double amount of the rent which he would have been liable to pay, had he applied in time for the period between the date of commencement of this Act and the date of application or detection as the case may be:

Provided further also that the Collector shall have the power to revise the rent so determined after every ten years.

- 5 (a) An appeal against an order passed under this section shall lie within a period of 30 days from the date of such order-
- (i) If such order is passed by an officer other than the Collector of a district to the Collector of the district or to any officer specially empowered by the State Government by notification to hear such appeals and
 - (ii) If so order is passed by the Collector of a district, to the prescribed authority.
 - (iii) The Collector of the district may, at any time, transfer any appeal filed before him to any officer specially empowered to hear such appeals or withdraw any appeal pending before any officer so empowered, and either hear such appeal himself or transfer it for disposal to any other officer so empowered.
 - (iv) Appeals under this section shall be heard and disposed of in accordance with the prescribed procedure:

CHAPTER-11

Standard for review of internal control of Land Revenue

Internal control structures are the plans of an organisation including management's attitude/methods, procedures and measures intended to provide reasonable assurance of proper enforcement of Acts, rules and departmental instructions. These also help in prevention and detection of frauds and evasion of tax alongwith other irregularities. The internal control structures help in creation of reliable financial and management information system for efficient and effective services and for adequate safeguard against evasion of Land Rent, Cess and Surcharge.

It is, therefore, the responsibility of the department to ensure that a proper internal control structures is instituted, reviewed and up-dated from time to time to safeguard survey, settlement, rent fixation and collection of Rent and Cess together with prevention and detection of frauds and evasion of Government revenue.

The assessment, levy of collection of land revenue is governed by State land reforms laws and rules framed/administrative instructions issued from time to time thereunder.

While reviewing the internal control structures of the Revenue Department, we are required to evaluate:

1. Whether there exist in internal control structures in the department.
2. Are the controls instituted are adequate to safeguard the interest of the department in achieving its objectives.
3. Whether the control measures are effective, i.e, they are in actual application in day to day operation of the department.

In course of evaluating the above factors, we should have a clear cut understanding of the objective, Organisational structures and internal control instituted by the department through Act/Rules and Executive Instructions issued in this regard.

However, keeping in mind the activities of the department in formulating plan and procedure for assessment, levy and collection of rent, cess, surcharge without any leakage/evasion of revenue with minimum revenue remaining outstanding, widening revenue base for augmentation

of revenue in grey areas and framing policies and procedures for additional mobilization of resources, we may assess the following:-

1. Whether internal control instituted by the department provides reasonable assurance that the aforementioned objective of the department will be accomplished.

Reasonable assurance equates to a satisfactory level of confidence under given condition i.e. minimum cost of collection of revenue, maximum collection with minimum risk of fraud, evasion of revenue and other irregularities taking place.

2. Whether higher authorities and employees of the department maintain and demonstrate a positive and supportive attitude towards internal control at all times.

If top higher authority believes that internal control is important, others in the department will sense that and will respond conscientiously observing the control established.

3. Whether higher authorities and employees of the department have the personal and professional integrity and maintain a level of competence that allows them to understand the importance of developing, implementing and maintaining good internal control accomplish the general objectives of internal control.

4. Whether the department has developed specific control objectives for each activity of the department and are appropriate, comprehensive, reasonable and integrated into the overall objective of the department i.e. for settlement, rent fixation, mutation, returns, assessments, recovery of demands, exemptions, valuation, refunds, remission, adjustments, and other incidental activities.

5. Whether higher authorities are continuously monitoring the application of internal control instituted and take prompt responsive action on all findings of irregular, uneconomical, inefficient and ineffective activities.

Continuously monitoring the application of internal control ensures that internal control are achieving the desired results, if not, the department may take corrective action promptly to achieve its objective. Monitoring also includes addressing audit findings and recommendation report by the auditors to determine what corrective action are needed.

6. Whether the internal controls are clearly documented together with all transactions and significant events and the documents are readily available for examination.

Periodically examination of position of survey of land, settlement, Rent fixation, Zamabandi Register, Returns, assessment, Demand Register and position of arrears of revenue etc. helps in tracing the irregularities from its inception and taking prompt and effective measures.

7. Whether all transactions and significant events promptly recorded and properly classified.

Proper recording of land in KhataAbhidhariPustika, records of settlement and distribution of land, proper maintenance of demand register and arrears dues, proper accountal of rent, cess etc.

8. Whether key duties and responsibilities relating to transactions and events have been quantified by the department among individual authority.

Qualification of duties and responsibilities in respect of assessment, compensation, refunds and revisions reduces the risk of error in levy collection of revenue, irregular refunds compensation, exemption and remissions and not detecting such problems in time.

9. Whether the department has specified nay authority for survey and settlement of land, Rent fixation, assessment and collection of rent and cess and these functions have been executed by them only i.e. segregation of duties reduced of the risk of errors, loss of Government revenue and other irregularities.

10. Whether competent supervision have been provided higher authorities of the department to ensure that internal controls objectives are achieved.

11. Whether the department has fixed accountability for resources.

It reduces the risk of misuse of resources.

12. Whether access to records in limits to the authorized individuals who are accountable for the custody and use of records.

Limits access to records help to reducing the risk of unauthorized use of loss to Government revenue and other irregularities taking place. Thus assessing of internal controls procedures implies:-

1. Determining the significance and the sensitively of the risk for which controls are being assessed.
2. Assessing the susceptibility to misuse of resources, failure to attain objective regarding ethics, economy, efficiency and affectivity, or failure to fulfil accountability obligation and non-compliance with laws and regulations.
3. Identifying and understanding the relevant internal controls.
4. Determining what is already known about control effectiveness.

5. Assessing the adequacy of the control designs.
6. Determining, through testing, if control and effective.
7. Reporting on the internal controls assessments and recommending the department.

Assessment of specific control objectives developed for each activity of the department:-

Settlement of different government land

(Section 104-A of Bihar Tenancy Act, 1855, Bihar Land Reforms Act, 1950 Bihar Estate (Khas Mahal) Act, 1953).

Land under Khas Mahal, Gairmazurua Khas Land vested in Stateland acquired under Land Acquisition Act and Bhoodan Land etc. may be settled by the Government with individuals any institution or society for agricultural, residential or commercial purposes at a fair and equitable rent and salami. If the land in question is settled for agricultural use of rent is to be assessed at rates applicable of lands of similar quality and with similar advantage in the vicinity. The rate of salami should not exceed ten times of such rental. If, however, settlement is made for non-agricultural purposes the salami is to be first equal to current market value of the land in the vicinity and annual rental will be ten times of **previous rent** percent and 2 percent of such salami for commercial or residential use respectively of such land. Settlement of town Khas Mahal is made on the basis of lease subject to renewal and revision at prescribed periodicity in the lease and deed and rent at double the existing annual rent.

Town Khas Mahal Land (Bihar Estate (Khas Mahal) Mannual 1953) and Bihar Land Reforms Act, 1950.

- Whether the grant of lease is as per Act, Rules and executive instructions.
- Whether the lease deed is executed properly.
- Whether the land is used for the purpose mentioned in the lease deed-5-
- Whether the lease has applied for the removal of lease at proper time.
- Whether the renewal is done as per Act and Rules.
- Whether all the revenues of the government are safeguarded.

GairmazaruaKhas Land (Bihar Tenancy Act, 1855 and Bihar Land Reforms Act, 1950).

--Whether the settlement is made with the adequate persons i.e. landless, schedule caste, schedule tribes, other backward classes and cooperative societies.

--Whether land is on their possessions.

--Whether the zamabandi is opened in the names of the settles.

--Whether the doubtful zamabandi is cared for.

--Whether rent is fixed on fair and equitable basis.

--Whether the GM Khas land is surveyed from time to time.

Land required under ceiling Act (Bihar Land Ceiling Act, 1961 and Bihar Land reforms Act, 1950)

--Whether the distribution of such land is done with the requisite person.

--Whether they are in a possession of such beneficiaries or by their legal heir.

--Whether Zamabandi is opened in the name of the settles

--Whether rent is fixed on fair and equitable basis

--Whether these lands are surveyed from time to time.

Bhoodan land (BhoodanYagyan Act, 1954 and Bihar Land reforms Act, 1950)

--Whether the distribution of such land is done with the requisite person.

--Whether they are in a person of land.

--Whether Zamabandi is opened in the names of the settles.

--Whether rent is fixed on fair and equitable basis.

--Whether these land are surveyed from time to time.

Encroachment of Public land (Bihar Public land and encroachment Act, 1956 and (Bihar Estate (Khas Mahal) Mannual 1953)

--Whether steps are taken for evacuation of encroachment.

--Whether all the public lands are surveyed for verification of encroachment.

--Whether nature of encroachment are decided.

--Whether steps are taken for regularize or restore such public land.

Levy and collection of rent, cess etc. (Section 24 of Bihar Tenancy Act, 1855 and Bihar Land Reforms Act, 1950).

Levy and collection of land revenue government by the provisions of land Revenue Act, Tenancy Act and rules made thereunder by the State Government.

--Whether rent and cess are fixed properly.

--The collection of utilization of data necessary for the computation of the demands or refunds under law.

--The prompt raising of demands

--The regular accounting of demands, collection and refunds.

--The correct amounting and allocation of collection and their credits to the consolidated funds of the state.

--That proper safeguards exists to ensure that there is no wilful omission or negligence to levy, or collect Rent, cess.

--The double or fraudulent refunds or other losses of revenue are promptly brought to light and are investigated.

Arrear of dues

Arrear of rent, cess and other dues of land revenue and by issue of certificates by the Collector under Bihar and Orissa Public Demand and Recovery Act, 1914. No Interest is leviable on arrears of rent Khas Mahal. There is not provision for charging interest on arrears of other cesses.

--Whether Register of Arrears is maintained.

--Whether demand notice is issued for recovery

--After non-recovery of dues on demand notices, whether certificates are filed.

--Whether certificate case Register (Register-IX) is maintained.

--Whether certificate cases is filed on correct names and address of the debtors.

--Whether certificate cases are filed on time so that Government does not sustain a loss of interest (Simple interest at the rate of 12 per cent).

Accountal of rent, cess etc.

--Whether rent receipt of collecting agent (Karmchari or panchayat sewak) is entered for each collection in Register-III-A.

--Whether the abstract of daily collection is kept in Register-III-AA.

--Whether the collection made by Karmchari or panchayat sewak during the week for any prescribed period is deposited with the AnchakNazir who grants Nazir's receipt in respect of each such deposit.

--Whether each receipt of Nazir's receipt book is entered in the receipt side of the cash book of the circle (Anchal).

--Whether the total collection of the circle as a whole is remitted into treasury through treasury challans at frequent intervals and credited into appropriate head of accounts.

Miscellaneous

Sanction of remission and communication thereof (Bihar Tenancy Act, 1855 and Bihar Estate (Khas Mahal) Mannual 1953)

--Whether suitable orders are passed by the collector on receipt of the sub-divisional officers recommendations for remission and suspension of demands is regard to list of defaulters(Return III)

--Whether remission and suspension are entered in the district Remission Register-VI and a copy of the order sanctioning each remission or suspension is sent to sub-divisional officer for necessary action.

--Whether after receiving orders sanctioning the remission and suspension, the necessary entry is made in the sub-divisional Remission Register-VI in the same form.

--Whether after receiving orders sanctioning remissions or suspensions in the Anchal Offices for affecting action regarding the emission etc under Paragraph-11 of 'the instructions for the guidance of the circle officers in

Government Estate' the same is entered in the Remission Register-VI in his office.

--Whether a copy of the entry is sent to karmchari concerned together with an "Advance list" which is to be returned by the karmchari with an endorsement acknowledging receipt and certifying that he has made necessary entries in his register.

--Whether such advice list is kept in a separate guard file.

--Whether the total remissions sanctioned by various authorities is shown in Annual Return No. 1 separately.

Alienation of Government land

Alienation of Government land means the transfer of Government land (Khas Land, Vested GairMazarua land and land acquired under land acquisition Act for allotment to industries etc.)

--Whether transfer of government land is by private sale, lease or otherwise to public bodies, association or individuals.

--Whether such alienation is by authority subordinate to state Government.

--Whether proposal for such alienation is initiated and processed at district level and forwarded to Government through Divisional Commissioner.

--Whether there is check slip clearly specifying the object and terms of transfer with details of areas, market value and estimated annual rental of the land.

--Whether the State Government has facilitated the fixation of agricultural, commercial or residential rent as the case may be.

--Whether a formal deed is executed with the transferee.

--Whether the land is transferred for a specified period at a fixed annual rent.

Exemption of rent under Bihar Land Rent (Exemption from payment) Act, 1981

--By an ordinance issued in 1978 (since enacted in 1981)

Government exempted from levy of land rent with effect from 1st April 1978, small holdings upto 3 hectares in the district of Ranchi, Palamu, Singhbhum, hazaribagh, Giridih, Dhanbad and SanthalParganas and upto 2 hectares in all other districts.

--Whether return-I prepared after exemption.

--Whether identification of the raiyats is done to decide eligibility for the exemption.

--Whether various cesses like road cess, education cess, health cess and agricultural development cess is levied and collected because exemption is only for rent.

Check list of Additional Collector (AC)

1. Cash Book- Checking of OB/CB of General as well as all subsidiary cash books, Najir receipt with subsidiary cash book U/H-0029,
2. Bill Book
3. Remittance Register with challan
4. Acquaintance Roll
5. Contingent Register and vouchers
6. Service Book alongwith concerned personal files
7. Compliance Report of old inspection report of the A.G.(Audit).
8. Bank pass book/ Bank statement and Bank reconciliation statement.
9. Government Land Registers i.e. G.M. Khas, G.M. Aam, Bakast, ceiling, Bhoodan land etc.
10. Money Receipt along with Stock Register.
11. Sairat Registers and relevant files.
12. Survey report conducted by this office or higher authority relating to conversion of agriculture land into non-agriculture Purposes.
13. Files relating to transfer of Government Land.
14. Rent fixation registers/ files.
15. Files/ records relating to Khas Mahal i.e. renewal of lease, expired lease, violation of residual land of Khas Mahal in respect of permanent lease and temporary lease.
16. Defalcation/ Theft/ Losses/ Legal cases files.
17. Files relating to suspension and departmental action against employees.
18. Stock Register of consumable and permanent articles.
19. Temporary Advance Register.
20. Register of allotment and expenditure.
21. Audit Report of Finance Department.
22. Inspection Report of higher authorities.
23. T.A. Register and office copy of T.A. bill.
24. Annual Financial Report (Return I).
25. Monthly Progress Report.
26. Scrutiny of Pending cases.
27. Guard files of orders and circulars.
28. History sheet, repair file and Log Book of vehicles.
29. Register/ files regarding encroachment cases.

Check list of Circle Office (CO)

1. Cash Book- Checking of OB/CB of General as well as all subsidiary cash books, Najir receipt with subsidiary cash book under head –0029, Totaling and detail check(receipt & payment) of selected months on the basis of revenue receipt.
2. Bill Book- Details check of selected months.
3. Acquaintance Roll- Details check of selected months.
4. Remittance Register with challan- Checking of remittance register with challan under head 0029-subsiary cash book and verification with treasury schedule.
5. Contingent Register and vouchers- Details check of selected months.
6. Service Book along with concerned personal files
7. Compliance Report of old inspection report of the A.G.(Audit).
8. Bank pass book/ Bank statement and Bank reconciliation statement- Verify of closing details of last audit month with vouchers, Advance register, Bank statement etc.
9. Government Land registers i.e. G.M. Khas land and Bhoodan land register along with files- Scrutiny of settled and unsettled government land.
10. Money Receipt along with Stock Register.
11. Sairat Registers and relevant files- Checking of settled Sairat and amount deposited into treasury.
12. Cheque issue Register- Details check of selected months.
13. Records relating to commercial rent and conversion of Agriculture land.
14. Temporary Advance Register- Details check of outstanding temporary advance with different staffs.
15. Details of outstanding DC bill.
16. Files relating to court cases/ theft/ Loss/ Embezzlement etc. and statement obtained.
17. GPF Advance Register and Sanction files.
18. Register of allotment and expenditure- Checking only last three years.
19. Register of files regarding encroachment cases- Action taken against encroachers by Circle Officer of encroached land.
20. Stock Register of consumable and permanent articles.
21. Log book, history sheet of vehicles- Verify vouchers of fuel consumption.
22. Mutation Register- Number of mutation done and outstandings.
23. Records of different Halkas i.e. I-A, I-B, III-A and III- AA along with rent receipt- Test check of register 3A, 3AA with rent receipt volume and guard file of Nazir receipt.
24. Annual Progress Report (Return I)- Last three years.
25. Monthly Progress Report- Last audited month.
26. Audit Report of Finance Department.
27. Guard files of orders and circulars.
28. Target: - Collection File/Register.
29. Certificate cases and register-IX

Audit Design Matrix for Compliance Audit of Revenue and Land Reforms Department

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
1	2	3	4	5	6	7
1	Preparation of demand and collection of revenue and its consolidation	<p>1. The collection of revenue was made as per the annual demand fixed for the respective District Collector.</p> <p>2. The demand was inclusive of the revenue realised from settlement of sairats, transfer of land, conversion of agriculture land for other purposes, rent and cesses collected from the raiyati land, khasmahal land and settlement of</p>	<p>1. Whether the collection of revenue was made as per the annual demand fixed for the year?</p> <p>2. Whether all the components of revenue properly reflected in the Return-1 of the Department?</p> <p>3. Whether proper monitoring existed in the department for collection of all sorts of revenue?</p> <p>4. Whether system of internal audit for monitoring of all activities existed in the department?</p> <p>5. Whether all the activities were being monitored by the department as per the directives of NLRMP and the utilisation of funds provided for these purposes were obtained from the respective units of the department?</p>	Act/Rules and executive instructions made by the department from time to time for the control of activities under taken by the department.	Key documents from respective files/ records maintained at the level of department and directorates	Requisition for records/files/levant statement from the department and concerned directorates and scrutiny of concerned files for gathering of data and their further scrutiny.

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		<p>other government land and establishment charges realised in acquisition of land from the requisitioning authorities.</p> <p>3. The work of consolidation of land and the survey and settlement works were undertaken by the government as per the instructions issued under the scheme of National Land Records Modernisation Programme (NLRMP).</p>				
	Quantum of	The records	1. Whether the acquire surplus land under	1. Ceiling Act,	Key	Requisition for

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
	acquired surplus land under ceiling act, bhudan and its distribution amount the specified persons, distribution of government land, purchased raiyati land for distribution of among the homeless persons under the provisions of Land Reforms Act.	relating to acquired surplus land under ceiling land/bhudan and its distribution were maintained properly at every stage.	ceiling land/bhudan was distributed in toto or the land was still under the possession of government for further distribution? 2. Whether such distributed land was still in the name of original allottee or their illegal heirs? 3. Whether there exit any case of unauthorised transfer of such land by the original allottee in violation of the Act/Rules?	1961 2. Bhudan Act 3.Executive orders/provision/ notifications issued by the Government from time to time for purchase of raiyati land and its distribution among the homeless persons	documents from respective files/ records maintained at the level of department /respective offices of the Additional Collector and Circle Offices supported by Gazette notification for acquisition of surplus land under ceiling act, bhudan and relevant	records/files/relevant statement from the department/ respective offices of the Additional Collector and Circle Offices and scrutiny of concerned files for gathering of data and their further scrutiny.

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
					documents of the govt. land and purchased raiyati land.	
2	Whether a system of proper coordination existed between Revenue and Land Reforms Department and other government departments/agencies concerned.	<p>1. Whether Revenue and Land Reforms Department has evolved a system to monitor the uses of the land alienated to other department/bodies /associations or individuals and the same was being utilised by them for the purposes for which the land were alienated?</p> <p>2. Whether proper system existed in</p>	<p>1. Whether the records relating to transfer of government lands were transferred to other department/agencies?</p> <p>2. Whether the lands acquired/alienated are being used for the purpose for which it was requisitioned?</p>	<p>1. Bihar Government Estates (<i>Khas Mahal</i>) Manual, 1953</p> <p>2. Executive orders/provision/notifications issued by the Government from time to time</p>	Extract/copies of concerned files and the proper register were maintained	Requisition, query, examination of files, reports, returns and other relevant records maintained by the Revenue & Land Reforms Deptt. and the respective offices of the ACs, DLAO and Circle offices.

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		the Department to safeguard the encroachment of government land?				
3	An adequate internal control mechanism was in place for monitoring the proper compliance	The district and allied offices comply with the provisions of acts/rules and executive orders	Whether rules/provisions were followed in respect of transfer of land and collection of revenue thereon? Whether proper mechanism was available for collection and remittance of revenue? Whether the timely completion of Acquisition	Norms/provisions of the relevant Acts, Rules and executive orders of the Government	Inspection reports/minutes of the inspection by the	Scrutiny of correspondence files of the department, minutes of meeting,

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
	with rules and regulation.	properly.	<p>process were monitored?</p> <p>Whether sound Management Information System (MIS) were in existence for proper monitoring?</p> <p>Whether remedial measures were being taken by way of holding inspection of higher authorities and compliance of the instructions were being made by the units inspected by higher authorities?</p>	from time to time.	higher authorities.	Inspection Reports/returns .
4	Settlement of Khas Mahal/Government land.	Settlement of Khas Mahal/Government land through lease is being followed in accordance with provisions and rules.	<p>Whether the settlement of Khas Mahal/Government land were followed as per Khas Mahal Manual and prescribed provisions?</p> <p>Whether salami and accumulated value of rent were assessed and realized according to the provisions?</p>	<p>1. Bihar Government Estates (<i>Khas Mahal</i>) Manual, 1953</p> <p>2. Executive orders/provision/notifications issued by the Government from time to time</p>	Key documents from respective files/ records.	Requisition for records/files from office of the Additional Collector and scrutiny of concerned files for gathering of evidence for their further scrutiny supported by sanction orders of the department.

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
5	Settlement of Sairat	Settlement of Sairat is being followed in accordance with provisions and rules.	<ol style="list-style-type: none"> 1. Whether reserve jama were assessed properly as per prescribed provisions and notifications? 2. Whether notice for tender were issued for wide publicity? 3. Whether registered agreement were made between government and highest bidder? 4. Whether accumulated revenue were collected and remitted into concerned head? 	<ol style="list-style-type: none"> 1. Bihar Government Estates (<i>Khas Mahal</i>) Manual, 1953 2. Executive orders/provision/notifications issued by the Government from time to time 	Key documents from respective files/ records.	Requisition for records/files from offices of the Additional Collector, DCLR, SDOs and Circle offices.
6	System for removal of encroachment land were placed	Encroachment of Government land were evicted from the encroachers	<ol style="list-style-type: none"> 1. Whether encroached of government land were removed as per encroachment act? 2. Whether fine/penalty were imposed to the encroachers as per provisions? 3. Whether any system/inspection for motoring of government land was developed so that encroachment of government land were noticed 	<ol style="list-style-type: none"> 1. Encroachment Act, 1956 2. Executive orders/provision/notifications issued by the Government from time to time 	Key documents from respective files/ records.	Requisition for records/files from offices of the Additional Collector, DCLR, SDOs and Circle offices.
7	Acquisition/alienation of land was done in accordance with	Acquisition of land is being done in accordance	Whether the provisions of Acts and Rules were followed properly for acquisition of land.	Norms/provisions of the relevant Acts, Rules and	Extract/copies of concerned	Requisition, query, examination of

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
	the provisions of the relevant Acts, Rules and Regulations etc. and sanction orders issued by the government from time to time.	with provisions in stipulated time schedule.	<p>Whether the awards were finalised within the stipulated time. If not, cost overrun would be analysed.</p> <p>Whether the relevant records have been maintained properly to facilitate the demand and realisation as per the prepared estimate for the respective projects.</p> <p>In what shape the undistributed portion of award in different project was kept by the office and what was its ratio in comparison to total awards?</p>	executive orders of the Government.	files and other relevant documents.	files, reports, returns and other relevant records maintained by the Revenue & Land Reforms Deptt. and concerned offices i.e. DLAO, AC, Circles and other allied offices.
Establishment charges are calculated and collected according to norms prescribed.	<p>Whether the details of areas, market value clearly depicted in the estimate.</p> <p>Whether the establishment charges were calculated and demanded in conformity with provisions of Act and Rules.</p> <p>Whether project wise account of establishment charges was being maintained.</p>					
Contingency charges are calculated and collected according to norms prescribed.	<p>Whether the contingency charges were charged in accordance with the norms prescribed.</p> <p>Whether project wise accounts of expenses on this behalf was maintained by the acquisitioning authority concerned.</p>					
Accumulated	Whether the accumulated amount of rent and					

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		amount of rent and cess on capitalised value of rent was levied and collected according to norms prescribed.	cesses were correctly charged and realised in accordance with the norms prescribed.			
		Timely remittance of collected establishment charge and land rent in government account as per norms prescribed.	Whether the establishment charges and land rent were remitted into treasury as per the provisions of Act and Rules.			
		Effects of delay finalization of award would be analysed.	Whether the awards were finalised in stipulated time or not. If not, enhancement of compensation amount due to payment of interest would be analysed and commented upon.			
		Reason for non-payment of compensation would be	Whether the notices were served to awardees to receive payment. Whether the compensation were paid after due verification of identification.			

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		analysed.	Whether the compensation amount was paid to awardees as per schedule.			
		Deduction of Income Tax from payment of compensation would be analysed.	Whether the income tax was deducted properly from the compensation amount of non-agriculture/urban agriculture land.			
		Levy and collection of revenue would be analysed.	Whether the proposal for alienation was initiated and processed at district level and forwarded to government through competent authority.			
			Whether the amount of Salami, in case of transfer of government land and accumulated value of rent were calculated, collected and remitted timely into treasury properly.			
			Whether the lands acquired/alienated are being used for the intended purpose for which it was requisitioned.			
			Whether the agreement were executed and Stamp Duty and Registration fee recovered accordingly			
			If land were allotted free of cost or on token money, the basis of such free allotment.			
		Non realisation of	Whether the terms and conditions of leases			

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		revenue due to non-renewal of lease would be analysed.	<p>were followed, lease deed executed on time, renewal were done properly as per prescribed norms or not.</p> <p>Whether all money due to Government for allotment/lease of Government land have been correctly/promptly realized.</p> <p>Whether prescribed accounts, records etc. have been properly maintained.</p> <p>Whether conversion tax at prescribed rates have been levied.</p>			
		Non realisation of revenue due to non-adherence of norms/ instructions would be analysed.	<p>Whether the records of leased land are being maintained properly.</p> <p>Whether the survey is being carried out on leased out land.</p> <p>Whether any action was initiated by the department on sale or transfer of leased out property without obtaining prior permission of the competent authority.</p>			
8	Conversion of agriculture land for other purposes	Appropriate survey report for converted agriculture land were prepared by the SDOs concerned suo-	<ol style="list-style-type: none"> 1. Whether revenue was being realized as per the survey reports? 2. Whether collected revenue was being deposited timely in proper account of the treasury? 3. Whether enhanced rate of rent and cesses were collected from such raiyat by the 	Act/Rules (2010 & 2011 respectively) prepared for the purpose and issue of government	Extract/copies of concerned files and other relevant documents.	Requisition for records/files from DCLR, SDOs and Circle offices.

Sl. no.	Audit Objectives	Sub objectives	Audit Questions	Audit Criteria	Evidence	Data Collection and Analysis method
		moto or by the staff of circle offices under their controls	concerned circle offices?	instructions from time to time		
9	Collection of rent and cesses of land were assessed/collected and remitted properly	Rent and cesses of land were assessed as per demand and collection of register (register II) in accordance with provisions and rules.	<ol style="list-style-type: none"> 1. Whether demand of rent were assessed properly as per prescribed provisions and notifications? 2. Whether rent and cesses were collected as per demand? 3. Whether collected revenue were remitted into concerned head in timely? 	<ol style="list-style-type: none"> 1. Bihar Tenancy Act, 1885 2. Bihar Treasury Code, 2011 3. Executive orders/provision/notifications issued by the Government from time to time 	Key documents from demand and collection register/Re register-II	Requisition for records/files from Circle offices and scrutiny of concerned files for gathering of evidence.