

DC MANUAL

DEPARTMENTAL COMPILATION MANUAL

CHAPTER 1

GENERAL

Responsibilities of the Principal Accountant General (A&E) office relating to Maintenance of State Government Accounts.

In order to develop an organizational pattern suited to the altered needs of audit of and to improve the maintenance of accounts of the State Governments transactions, restructuring of the offices of the State Accountants General was effected from the 1st March, 1984. The existing Accountants General Offices were bifurcated with effect from that date into two separate and distinct offices, one called office of the Principal Accountant General (Accounts and Entitlements) and the other called office of the Principal Accountant General (Audit). The Office of the Principal Accountant General (Audit) is further divided into Office of the Principal Accountant General (General & Social Sector Audit), Office of the Principal Accountant General (Economic & Revenue Sector Audit) and D.G.(Central Audit) with effect from 20.04.2012.

The Principal Accountant General (A&E) is responsible for following functions:

- (i) Compilation of Monthly Accounts of Expenditure and Receipts on the basis of vouchers and schedules received from various treasuries and forest divisions of the State Governments.
- (ii) Preparation of Appropriation Accounts and Finance Accounts.
- (iii) Maintenance of Provident Fund accounts of specified categories of employees, wherever required.
- (iv) Maintenance of accounts of various long term loans and advances of All India Service Officers.
- (v) Authorisation of pension and other retirement benefits to employees, wherever required.
- (vi) Authorisation of Salaries to Self –Drawing Officers in the Grade Pay of Rs.7,600/- & above

where the work is still with the Pr.A.G.

- (vii) Reconciliation of accounts maintained in the Accountants General offices with those of the treasuries in respect of transactions under various deposit heads.

- (viii) Reconciliation of plan expenditure figures and preparation of statement of plan expenditure.

Keeping in view the common objective of improving the efficiency, effectiveness and promptitude of the twin functions entrusted to each of them the Accountant General (Accounts &

Entitlement) and Principal Accountant General (General & Social Sector) Audit are expected to coordinate and have smooth approach in achieving the object. A similar approach is also called for while interpreting and adapting the systems and procedures laid down in the manual of Standing orders (A&E) and (Audit) by each office in the performance of functions entrusted to them. In case of doubt or difference of opinion the matter should be referred to the office of the Comptroller and Auditor General of India promptly for decision.

ADVICE TO STATE GOVERNMENTS

In regard to matters on which State Government consults the Department locally, initiative will be taken by the Accountant General who receives the reference. While it is open for the Accountants General (A&E) to render advice on matters falling within their respective jurisdiction, consultation with Accountants General (Audit) should take place in regard to matters such as interpretation of rules, regulations and orders, regularity and propriety audit etc. which may ultimately attract Comptroller and Auditor General's Duties and Power and Rules of procedure contained in Manual of Standing Orders (Audit). [Vide Chapter 2 C&AG's Manual of Standing Orders (A&E), Vol. I].

DEPARTMENTAL COMPILATION SECTION

101. The main duties of the DC section are checking of the treasuries/PAO's accounts. List of payments vouchers and schedules etc. and compilation of the sub accounts and transmission of vouchers/schedules to other branches and Audit. In addition to the General Compilation each DC section is dealing with certain peculiar special work.

The work has been divided among the sections on a departmental basis. The co-ordination of the work in the various compilation section is done by DCM section and TM section (Departmental Compilation Miscellaneous section and Treasury Miscellaneous section).

102. Care should be taken to preserve uniformity of procedure in regard to all processes of work done in the Departmental Compilation sections. Whenever a question affecting Accounting Procedure in general arises, the matter in the first instance should be referred to other section whom also the issue may concern seeking their views to arrive at a consensus. In case of dispute/difference in views, the matter should be referred to TM/DCM through Group Officer for obtaining an authoritative ruling. The notings should contain a clear and brief statement of the precise point or points on which doubt is felt with an exposition of the Branch Officer's own personal view in the matter. A self-contained draft may be put be put up even in the first instance bringing out the view taken by the section.

TM/DCM section should not be referred to by departmental section to advice on routine matters the responsibility of which should vest solely with the departmental section and the Branch Officers.

103. The main functions of this sections are:

- (i) Examination of Amendments to Account code Volume I, Central Treasury Rules, Central Government Account Receipts and Payments rules, GFR etc.

- (ii) Examination of Draft Amendment to TNTC, TNFC Account Code Volume I.
- (iii) Examination of matters relating to classification in Government Accounts.
- (iv) Issue of corrections to the DC Manual proposed by the sections, wherever necessary after scrutiny.
- (v) Preparation of Quarterly KRA (Key Resultant Area) Report on the state of work of DC sections to be transmitted to T.M. Section.
- (vi) Matters pertaining to delegation of powers of a general nature applicable to more than one department.
- (vii) Watching the working of other DC sections in general, and co-ordination of their functions so as to see that they are working efficiently.
- (viii) Submission of Consolidated monthly reports of DC sections to Pr. AG after approval by DAG (A / cs).
- (ix) Review of Certificates of check of sub accounts furnished by the DC sections.
- (x) Watching the receipt of treasury accounts and List of Payments with vouchers on due dates.
- (xi) Issue of quarterly Report to State Government regarding dates of receipts of accounts from Treasuries and pay and Accounts Officers.
- (xii) Scrutiny of cases of non transmission of vouchers by DC sections to audit, LOP by DC sections to Local audit and non return of PAO (Accounts) to Resident Audit.
- (xiii) Review of Reconciliation Register, register of missing vouchers, COP/COR register, Objection Book, Adjustment Register, Six Months Register, Register, Register for watching supply of original documents sent to Police custody, Periodical Adjustment Register, Suspense Slip Register, Registers of New Head of Accounts, Errors in Classification, Pending Cases, T.E. Number Book etc.
- (xiv) reconciliation Statement- preparation of quarterly statement with a report to Government/Finance department regarding Reconciliation Certificates pending,
- (xv) State Government Standing Committee meeting—feeding of material for discussion Certification of expenditure figure for issue of issue of Audit certificate in respect of:
 - 1) State plan schemes;
 - 2) Centrally sponsored schemes;
 - 3) Schemes shared between State and Central; and
 - 4) Scheme for which Aid is obtained externally
- xvi) Furnishing of Materials to Audit Report on Reconciliation Certificates due—Rush of expenditure-Grant-in –aid-Utilization Certificate.
- xvii) Preparation of other Periodical reports and returns entrusted to the section.

The more important Registers maintained in DCM section are listed below:

1. Digest of important and interesting cases.
2. Correction book for recording the correction slips to the manual of DC sections:
3. Register of materials for inclusion in the Annual review of the working of Treasuries.
4. Consolidated registers for watching the supply of original documents requisitioned by the Police Department.
5. Consolidated register of New heads of accounts.
6. Consolidated register of errors in classification.
7. Consolidated register of periodical adjustments required to be carried out in compilation Sections.

TREASURY MISCELLANUS SECTION

104. The main Functions of this section are:--

- (i) Examination of all general orders of both Government of Tamil Nadu and Government of India relation to Entitlements of Government servants and examination of accounting procedure in respect of Debt/Deposit/Remittance/Suspense Heads wherever necessary.
- (ii) Maintenance of the Manual of the Debt, Deposit and Remittance heads upto date and issue of corrections to the Manual proposed by the sections, wherever necessary after scrutiny and to maintain a Register for entering the correction slips issued by other branch relating to all other Manuals.
- (iii) Preparation of Quarterly KRA (Key Resultant Area) Report to the Comptroller and Auditor General on the State of work of the Office (in addition to the State of Work of LA Section).
- (iv) Preparation of other periodical returns and reports entrusted to the section.
- (v) Disposal of reports regarding inspection of treasuries and preparation of review report on the annual working of treasuries.
- (vi) Arranging for collection of wanting information documents etc. by inspection officers from treasuries.
- (vii) Obtaining information form the Reserve Bank of India, Public Debt. Office, Madras 1 regarding any special points to be investigated at the local inspection of treasury. A copy of the notice of inspection should also be endorsed to the Reserve Bank of India, Public Debt Office, Madras 1.
- (viii) Examination and disposal of defalcation cases and monthly closing of the Register of defalcation cases.
- (ix) Examination of important cases referred to it by other sections.
- (x) Arranging for the programme of training of IA& AS probationers and submission of a report on the progress of training.

(xi) Arranging for the programme of training of Section Officers of Departments of Secretariat and from Finance Department of Government of Tamil Nadu, Class III officers belonging to Treasury service of Government of Tamil Nadu Personal Assistants (Admn.) in police Department etc.

(xii) Offering remarks on points of doubt in any of the Accounting matters, when referred specifically by other sections/Branches of office and effecting co-ordination of action with a view to uniformity of procedure.

(xiii) Correspondence with the Comptroller and Auditor General of India, Tamil Nadu Government and Accountant General (Audit)—regarding restructuring of cadres in general and particularly in the following aspects of items of work.

(a) Streamlining inward receipt of sanctions from the State Government in accounts and audit wing.

(b) Inspection of Treasuries.

(c) Implementation of the recommendations of the committee of Accountants General for improvement etc.

(xiv) Submission of Consolidated Monthly reports of LA sections to Pr. Accountant General after approval by DAG (A/cs)

(xv) Preparation of annual indent for standardized forms.

(xvi) Review of Broadsheets on Suspense and Remittance heads Reserve Bank Deposit Broadsheets control Mechanism Register, Register of Complaint, DAA Broadsheets, Suspense Slip Register etc.

(xvii) Furnishing of quarterly “Group officers appraisal report” on pending IAD test audit paras to IAD.

(xviii) Treasury inspection-drawing of tour programme, editing of Inspection reports received from the parties, dispatch to Director of Treasuries and Accounts, follow-up report of correspondence with the Director of Treasuries and Accounts/treasury.

(xix) Maintenance of Register of valuables received in respect of recoveries to wards Loans and advances, subscription to wards certain funds created by Government remitted by Government officers on “foreign service”, forwarding the same to the Reserve Bank of India for crediting into Government account and watch their credit.

(xx) Posting of staff to Accounts Branch.

(xxi) Maintenance of library.

The more important registers maintained in TM section are listed below:

- (1) Digest of important and interesting cases sent to the C & A.G.
- (2) Register of waiver of objections.

- (3) Register of defalcations.
- (4) Register of Materials for inclusion in the Annual review of the working of treasuries.
- (5) Correction book for recording the correction slips to the Manual of Debt, Deposit and Remittance head.
- (6) Correction book for recording the correction slips of other branches for the manuals FC MGP etc.
- (7) Register of Valuables.
- (8) Register of points for investigation by the Director of Inspection.
- (9) Materials for C.A.Gs Report—Register.

105. All order or other correspondence relating to the matters mentioned in the foregoing paragraphs which are of peculiar nature to a particular section or common to more than one section should be brought to the notice of TM/DCM section for further action.

106. List of Cases—A list of cases formed in the TM/DCM sections is given to each Section for information. This should be filed in the sectional file along with other important orders.

CORRESPONDENCE

107. The procedure for the registration and disposal of inward letters and for issue of original references from this Office is detailed in the Manual of General Procedure. The instructions contained therein should be strictly observed.

CHAPTER 2

SYSTEM OF GOVERNMENT ACCOUNTS

201. Please see Chapter 4 of C & A.G's MSO (A&E) Vol I.

202. A distinct feature of the system of Government Accounts is the minute elaboration with which the financial transactions of Government under both receipts and payments are differentiated and classified. The object of this elaborate system of classification is to secure the utmost possible uniformity of accounting amid the immense volume and variety of the financial transactions of the Government and thereby to render possible, not only reliable comparisons between the accounts of different Governments and periods, but especially the preparation of budget estimates on forecasts of receipts and payments. Such a system of classification would also compel each disbursing officer to a minute periodical review of the public receipts and payments in his charge and so makes for effective financial control and economy. A proper system of classification of accounts would also provide the management with more purposeful accounting information to monitor programmes and serve the legislature in a meaningful appreciation of allocation of resources and purposes of Government expenditure.

The structure of classification was revised with effect from 1-4-1987 in the context of the change in emphasis and growth of developmental activities of Government with the twin objective of reflecting Government transactions in terms of functions, programmes and schemes and securing a direct correlation between accounting classification and plan head of development.

Under the provisions of Section 10(1) (a) of Comptroller & Auditor General of India's (D.P.C.S.) Act, 1971, the Comptroller and Auditor General of India is responsible for compiling the accounts of each State from the initial and subsidiary accounts rendered by the treasuries, offices or departments responsible for keeping of such accounts to the Accountant General under his control. The accuracy of the accounts prepared by the Accounts General depends on the correct classification of transactions. Therefore it is of utmost importance that the financial transactions are properly recorded in the account and that they are allocated to the proper heads of account.

[Authority Para 401 and 4.2 of C&A.G's MSO (A&E) Vol.I]

203. The system of accounts of the State Governments is outlined in Chapter 2 of Government Accounting Rules, 1990.

The peculiar features of the system of compiled accounts submitted by the Treasuries in Tamil Nadu State are explained below:-

The State account consists of (i) a main account incorporating the transactions major head wise under the sections Consolidated Fund, Contingency Fund and Public Account.

(ii) a number of subsidiary accounts furnishing full details upto object heads, working upto the total shown in lump in the main account.

The Main Account rendered by Treasury officers/Pay and Accounts Officers to AG (A&E) Office comprises of the following subsidiary Accounts:---

SA2,3,4,5,7,8,9,10,11,12,13,14,15,A,15,B,15,C16,16A,17,17A,18,18A,18B,18C,18D,18E,18F,19,20A,20B,20C,21,23,25,26,26B,26C,26D,26E,26F,26G,27A,27B,27C,27D,&27E.

The subsidiary accounts 26 and 27 A incorporating grants loans received from the Government of India under the heads 1610/6004 are meant to be operated only by the Accountant General, though transfer entry adjustments communicated by the Account Current Sections. As such, such transactions under these heads should not appear in the Treasury Accounts. Similarly, the transactions relating to (i) Departmental Adjusting Accounts a minor heads exclusively to be operated by the Accountant General to suit the system of Compilation department wise, and (ii) Reserve Funds created out of Consolidated Fund should not appear in the Treasury accounts.

204. Each Main account is supported by a consolidated Schedule of deduction corresponding to the schedules attached to each subsidiary account, a consolidated list of payments and a memorandum of reconciliation agreeing the totals of the lists of payments with the amount charged in the accounts and the schedule of deductions.

NOTE:--The list of payments attached to the main account shows the net payments under each service head and the gross payments made under Debt and Remittance heads.

205. (a) Each subsidiary account is also supported by separate lists of payments, schedules, vouchers etc. The lists of payments are prepared in duplicate separately in respect of:

(1) Pay bills of Group A and B Officers whose grade pay is Rs. 7600/- and above. (SDA List).

(2) Pay Bills of Group B Officers, whose Grade pay is less than Rs. 7600/- and whose pay is drawn in non-Gazetted bill forms.

(3) Pay bills of Establishment [NSDA list]

(4) Travelling allowance contingencies and other charges [B list]

(5) Refunds [C list] and

(6) Grants-in aid to local bodies etc. [D list].

(b) The lists of payments for pay bills of categories 1 to 3 above show the deductions made towards income-tax, house rent General Provident Fund etc.

(c) The list of payments are dispatched to Principal Accountant General (A&E) together with the supporting vouchers, and schedules on 18th of every month.

206. The schedules of receipts the schedules of deposit transactions and other miscellaneous returns, e.g., plus and minus menus memoranda, statement of lapsed cash orders, are however submitted to Pr. AG (A&E) monthly along with the monthly accounts.

207. The numbers allotted the various Subsidiary accounts are indicated in the Annexure I and Subsidiary accounts dealt with in various DC sections are detailed in Annexure II.

ANNEXRE I (Para 207)

STATE ACCOUNTS

Sub	Account	Revenue Head		Service Head
	Number			
SA	0021	Taxes on income other than Corporation Tax	2020	Collection of taxes on income and expenditure
	0022	Taxes on Agricultural Income		
	0029	Land Revenue	2029	Land Revenue
	0035	Taxes on immovable Property other than Agricultural land	2035	Collection of other Taxes on Property and Capital Transactions
			5475	Capital Outlay on other General Economic Services
SA3	0039	State Excise	2039	State Excise
SA4	0030	Stamps and registration Fees	2030	Stamps and Registration fees
SA5	0406	Forestry and Wild Life	2406 4406	forestry and Wild Life Capital Outlay on Forestry and wild Life
SA7	0040	Sales Tax	2040	Sales Tax
	0041	Taxes on goods and	2041	Taxes on vehicle
	0042	Taxes on goods and	2045	Other Taxes and duties

		Passengers			on Commodities and Services
	0043	Taxes and duties On Electricity		3604	compensation and assignments to local Bodies and panchayatraj Institutions
	0045	Taxes and duties on Commodities and Services			
SA	07101	Major and Medium Irrigation		2701	Major and Medium Irrigation
				2711	Flood control and Drainage
	0801	power		2801	Power
				4701	Capital Outlay on Major And medium Irrigation
				4711	Capital Outlay on Control Projects
				4801	Capital Outlay on Power Projects

Sub	Account Number	Revenue Head	Service Head	
SA 9	0049	Interest Receipts	2049	Interest Payments
SA 10	0075	Miscellaneous General Services	2011	Parliament/State/etc. legislatures

			2012	President/Governor
			2013	Council of Ministers
			2052	Secretariat General Services
			2053	District Administration
			2054	Treasury and Accounts Administration
			2075	Miscellaneous General Services
			2251	Secretariat Social Services
			3053	Civil Aviation
			3451	Secretariat Economic Services
			4075	Capital Outlay on Miscellaneous General Services
SA 11	0051	Public Service Commission	2014	Administration of Justice
	0070	Other Administrative Services	2015	Elections
			2051	Public Service Commission
			2070	Other Administrative Services
			4070	Capital Outlay on Other Administrative Services
SA 12	0056	Jails	2056	Jails
SA 13	0055	Police	2055	Police

SA 14	0202	Education, Sports	2205	Art and Culture
		Art and Culture 04 Art and Culture	2810	Non-conventional sources of Energy
	0810	Non-conventional	3425	Other Scientific Research
		Sources of Energy	4202	Capital Outlay on Education,
	1425	Other Scientific Research	4810	Art and Culture 04 Art and Culture Capital Outlay on Non-conventional Sources of Energy
SA 15 A	0202	Education, Sports	2202	General Education
		Art and Culture		01,02and 80
		01-101,102,600,900	4202	Capital Outlay on Education, Sports, Art and Culture 01- 201,202,600,800
SA 15 B	0202	Education, Sports	2202	General Education
		Art and Culture		03,04,05
		01- 103,104,105,600,900	4202	Capital Outlay on Education, Art and Culture 01- 203,204,205
SA 15 C	0202	Education, Sports	2203	Technical Education
		Art and Culture	2204	Sports and Youth Services
		02,03		Art and Culture 02,03
SA 16	0210	Medical and Public Health	2210	Medical and Public Health (medical) 01,02,80
		(Medical)	4210	Capital Outlay on Medical and Public Health (Medical)

SA 16 A	0210	Medical and Public Health	2210	Medical and Public Health (Public Health)03,04,06
		(Public Health)	4210	Capital Outlay on Medical and Public Health (Public Health)
SA 17	0215	Water Supply and	2215	Water Supply and Sanitation
		Sanitation	4215	Capital Outlay on Family Welfare
SA 18			2401	Crop Husbandry (001 to108)
SA 18 A	0506	Land Reforms	2401	Crop Husbandry (109 to 800) Land Reforms
			2506	Land Reforms
SA 18 B	0401	Crop Husbandry (Entire Receipts)	2415	Agricultural Research and Education
	0415	Agricultural Re-	2435	Other Agricultural Programme
		Serch and	4401	Capital Outlay on Crop
		Education		Husbandry
	0435	Other Agricultural Programmes	4415	Capital Outlay on Agricultural Research and Education
			4435	Capital Outlay on other Agricultural Programmes
SA 18 C	0425	Co-operation	2425	Co-operation
			4425	Capital Outlay on Co-operation
SA 18D	0405	Fisheries	2405	Fisheries

			4405	Capital Outlay on Fisheries
SA 18 E	0403	Animal Husbandry	2403	Animal Husbandry
	0404	Dairy Development	2404	Dairy Development
			4403	Capital Outlay on Animal Husbandry
			4404	Capital Outlay on Dairy Development
AS 18 F	0702	Minor Irrigation	2402	Soil and Water conservation
			2702	Minor Irrigation
			4402	Capital Outlay on Soil and Water Conservation
			4702	Capital Outlay on Minor Irrigation
SA 19	0050	Dividends and	2407	Plantations
		Profits	2851	Village and Small Industries
	0407	Plantations	2852	Industries
	0802	Petroleum	2853	Non-Ferrous Mining and
	0851	Village and Small		Metallurgical Industries
		Industries	2875	Other Industries
	0852	Industries	4407	Capital Outlay on Plantations
	0853	Non-Ferrous mining	4851	Capital Outlay on Village and

		And metallurgical		Small Industries
		Industries	4852	Capital Outlay on Iron & Steel Industries
			4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries
			4858	Capital Outlay on Engineering Industries
			4859	Capital Outlay on Telecommunication & Electronic Industries
			4860	Capital Outlay on consumer Industries
			4875	Capital Outlay on other Industries
			4885	Other Capital Outlay on Industries & Minerals
			5465	Investment in General Financial and Trading Industries
			2885	Other Outlays on Industries & Minerals
			5854	Capital Outlay on Cement and Nonmetallic Mineral Industries
SA 20 A	0047	Other Fiscal	2047	Other Fiscal Services

		Services	3454	Census, Survey and Statistics
	1475	Other General Economic Services	3475	Other General Economic Services
SA 20 B	0230	Labour and	2230	Labour and Employment
		Employment	2250	Other Social Services
	0250	Other Social	4250	Capital Outlay on other Social
		Services		And Community Services
	800	Other receipts		
SA 20 C	0217	Urban Development	2217	Urban Development
	0220	Information and	2220	Information and Publicity
		Publicity	3075	Other Transport Services
	1075	Other Transport Services	3452	Tourism
	1452	Tourism	4217	Capital Outlay on Urban Development
			4220	Capital Outlay on Information and Publicity
			5075	Other Transport Services
			5452	Capital Outlay on Tourism

SA 21	0059	Public Works	2059	Public Works
	0216	Housing	2216	Housing
	1051	Ports and Light Houses	3051	Ports and Light Houses
			3052	Shipping
	1052	Shipping	3054	Roads and Bridges
	1054	Roads and Bridges	4059	Capital Outlay on Public Works
			4216	Capital Outlay on Housing
			5051	Capital Outlay on Ports and Light Houses
			5052	Capital Outlay on Shipping
			5054	Capital Outlay on Roads and Bridges
SA 23	0071	Contribution and recoveries towards pension and other retirement benefits	2071	Pension and Other Retirement benefits
SA 25	0058	Stationery and	2058	Stationery and Printing
		Printing	4058	Capital Outlay in Stationery and Printing
SA 26			2245	Relief on account of natural calamities
*SA 26 A 1601	Grants-in-Aid			

SA 26 B	1055	Road Transport	3055	Road Transport
	1056	Inland Water	3056	Inland Water Transport
		Transport	5055	Capital Outlay on Road Transport
			5056	Capital Outlay on Inland Water Transport
SA 26 C	0235	Social Security	2235	Social Security and Welfare
		And Welfare	4235	Capital Outlay on Social Security and Welfare
SA 26 D	0515	Other Rural Development	2501	Special Programme for Rural Development
			2505	Rural Employment
			2515	Other Rural Development Programme
			4515	Capital Outlay on other Rural Development Programme
SA 26 E	0250	Other Social	2336	Nutrition
		Services	2408	Food Storage and Warehousing
		Nutrition		
		Food Storage and	3456	Civil Supplies
		Warehousing	4236	Capital Outlay on Nutrition

	1456	Civil supplies Storage	4408	Capital Outlay on Food and Warehousing
SA26 F	0250	Other Social Services	2225	Welfare of Scheduled Caste/Scheduled Tribes and other Backward classes
	102	Welfare of Scheduled Caste/Scheduled Tribe & other Backward Classes	4225	Capital Outlay on Welfare of Scheduled Cast/Scheduled Tribes and other Backward Classes
SA 26 G	0551	Hill Areas	2551	Hill Areas
	0575	Other Special Areas Programme	2575	Other Special Area Programme
			2705	Command AREA Development
			4551	Capital Outlay on Hill areas
			4575	Capital Outlay on other Special area Programme
			4705	Capital Outlay on Command Area Development
SA 27A		This account provides for transactions	6003	Internal Debt of the State Government
		Relating to Public Debt and Loans and	6004	Loans and Advances from the Central Government
		Advances by State Government	6075	Loans for Miscellaneous General Services
			6202	Loans for Education, Sports, Art and Culture

6210	Loans for Medical and Public Health
6211	Loans for Family Welfare
6212	Loans for Nutrition
6215	Loans for Water Supply and Sanitation
6216	Loans for Housing
6217	Loans for Urban Development
6220	Loans for Information and Publicity
6225	Loans for Welfare of Scheduled Castes/Scheduled Tribes and other Backward Classes
6235	Loans for Social Security and Welfare
6245	Loans for Relief on Account of Natural Calamities
6250	Loans for Social Services
6401	Loans for Crop Husbandry
6402	Loans for Soil and Water Conservation
6403	Loans for Animal Husbandry

6404	Loans for Dairy Development
6405	Loans for Fisheries
6406	Loans for Forestry and Wild Life
6407	Loans for Plantations
6408	Loans for Food Storage Warehousing
6416	Loans for Agricultural Financial Institutions
6425	Loans for Cooperation
6435	Loans for Other Agricultural Programmes
6501	Loans for Special Programmes for Rural Development
6505	Loans for Rural Employment
6506	Loans for Land Reforms
6515	Loans for Other Rural Development Programme
6551	Loans for Hill Areas
6575	Loans for Other Special Areas Programmes
6701	Loans for Major and Medium Irrigation

6702	Loans for Minor Irrigation
6705	Loans for Command Area Development
6801	Loans for Power projects
6810	Loans for Non-Conventional Sources of Energy
6751	Loans for Village and Small Industries
6853	Loans for Non-ferrous Mining and Metallurgical Industries
6854	Loans for Cement and Non-Metallic Mineral Industries
6858	Loan for Engineering Industries
6859	Loans for Telecommunication and Electronic Industries
6860	Loans for consumer Industries
6875	Loans for other Industries
6885	Loans for ports and Light Houses
7051	Loans for Ports and Light Houses
7052	Loans for Shipping

		7053	Loans for Civil Aviation
		7055	Loans for Road Transport
		7056	Loans for Inland Water Transport
		7075	Loans for other Transport Services
		7275	Loans for other communication Services
		7452	Loans for Tourism
		7465	Loans for General Financial and Trading Institution
		7475	Loans for other General Economic Services
		7610	Loans to Government Servant etc.
		7615	Miscellaneous Loans
SA 27B	This account provides for transactions relating to settlement Accounts	8679	Accounts with Governments of other countries
		8786	Adjusting Account between Central and State Governments
		8793	Inter State Suspense Accounts (Receipts and Payments)
SA 27C		8031	Saving Deposits

8009	State Provident Funds
8010	Trusts and Endowments
8115	Depreciation/Renewal Reserve Funds
8121	General and other Reserve Funds
8222	Sinking Funds
8223	Famine Relief Funds
8226	Depreciation/Renewal Reserve Funds
8229	Development and Welfare Funds
8235	General and other Reserve Funds
8336	Civil Deposits
8338	Deposits of Local Funds
8342	Other Deposits
8443	Civil Deposits
8448	Deposits of Local Funds
8449	Other Deposits

SA 27D	8550	Civil Advances
	8658	Suspense Accounts
	8670	Cheques and bills
	8672	Permanent Cash Imprest
	8673	Cash Balance Investment Account
	8674	Security Deposit made by Government
SA 27E	8675	Deposits with Reserve Bank
	8680	Miscellaneous Government account
	8782	Cash Remittances and adjustments between officers rendering accounts to the same Accounts Officer
	8658	Suspense Accounts- Receipts and charges side.
		The transactions relating to:
	7610	Loans to Government Servants etc.
	8009	State Provident Funds-General Provident Funds
	8658	Suspense Account

Civil Accounts with Posts and Telegraphs, Postal Life Insurance pertaining to the various departmental staff should however appear in various subsidiary accounts: viz.

ANNEXURE II (Para 207)

The Subsidiary accounts dealt with in various Compilation sections are detailed below:--

(as on 1-3-96)

Section	<u>Sub account</u>	Check of sub accounts
DC 3	10,26G	10,26G
DC 4	8,21	8,21
DC 5	12,13,26	12,13,26
DC 6	9,14,25,26D	9,14,25,26D,15C
DC 6A	15B, 15C	15A (8 Districts) 15B
DC 6 B	15A	15A (16Districts)
	(Consolidation 0202, 2202, 4202)	
DC 7	17,18,18A, 18B	17,18,18A, 18B
DC 8	18D, 18E, 18F	18D, 18E, 18F
DC 9	16, 16A	16, 16A
DC 10	17A, 19, 26B, 26E	17A, 19, 26B, 26E
DC 11	20A, 20B, 20C	20A, 20B, 20C
	(Consolidation 0250)	

DC 11A	26C	26C
DC 11B	2,7,26F	2,7,26F
DC 12	3,4,11,18C	3,4,11,18C
LA 3	27C	27C (8 Districts)
LA 2	-----	27C (16 Districts)
LA 6*	27A	27A
LA 6A	27D	27D
(Consolidation 8658)		
FC 2	5	5
Pension 26A	23	23
AC 1	27 B	27B
AC IV	27E	27E

Note: (L.A. 6 is entrusted with the work of Main account Check of 12 Districts with Sub Accounts).

Each DC section is allotted check of Main account with Sub-accounts pertaining to one District.

CHAPTER 3

LIST OF PAYMENTS AND TREASURY ACCOUNTS

Due Dates for Receipt

301. (a) The treasuries forward the compiled Main and Subsidiary treasury Accounts on 18th of every month showing the transactions of the preceding month. The vouchers and schedules are also received along with List of Payment on 18th of every month. In respect of the Public Works divisions and Forest divisions, the accounts of the preceding month are due to be received on 16th and 14th of every month respectively.

[Authority:--GO Ms. No. 699 Finance (T&A) Department, dt. 2.11.81 filed in DCM Case No. DCM 1/15-14-8

(b)Immediately on receipt of the accounts it should be seen that all statements in the appendices are filled in and that all returns which should accompany the accounts are received: and if anything is wanting, the Treasury Officer should be addressed at once.

Receipt in Voucher Receiving Section

302. To effectively watch the receipt of the Treasury Accounts, the lists of payments and the vouchers from the Treasuries in time, verification of the receipt of all these documents is centralized in one section, viz. voucher Receiving Section. All these documents are sent to this office by the Treasury Officers through special messengers. The correspondence (VRS) Section will acknowledge receipt of the bundles containing these documents and deliver them immediately to the D.C . Sections through a transit register.

The Voucher Receiving Section will maintain a register indicating the due dates for the receipt of the Treasury Accounts and the lists of payments in this Office and the actual dates of receipt of these documents. A Statement showing the due date and actual date of the receipt of accounts and vouchers should be prepared every month and sent to DCM. The receipt of the accounts from the Treasuries and Pay and Accounts Offices on the due dates should be watched by LA VI. The Resident Audit Officer should ensure by personal contact that Accounts of Pay and Accounts Offices are promptly sent to A.G.(A&E) Office. A register should be maintained in these section indicating the due date and the actual date of receipt of accounts. AO (DCM) should keep a daily watch on the receipt of accounts on the due date and take appropriate action to get the account from the Treasuries/PAOs in time wherever they are not received on the due dates. They should report daily the progress in receipt of accounts to the group officers and the AG until all accounts are received. FAX to outstation authorities and personal contact with those stationed in the city at appropriate level should be made to ensure prompt receipt of accounts.

Delay in receipt of accounts should be reported by DCM Section to the Director of Treasuries and Accounts and PAO etc. within a week after all accounts are received. A quarterly report of defaulting units should be sent to the Finance Secretary by the Group Officer of the DCM.

[Book/CCA/1-1/75-76/24dated 11-6-75]

The consolidated lists of payments received from the Treasuries should be checked by LA VI with Appendix G of the main account within a week of receipt (not later than the 30th) and a certificate to that effect should be recorded in Appendix G over the initials of the Accountant.

[DAG's orders dated 17-5-52, on letter No. T. 11A -213 dated 24-5-52 T. 11A case 22 Misc. 18 of 1951-52].

303. The subsidiary accounts and main accounts require no check by the Voucher Receiving Section. The date of receipt of the treasury accounts should be noted in the register concerned and the treasury accounts should be handed over immediately to LA VI.

304. The voucher are receive from the Treasuries in bundles, subsidiary account wise through messengers. The bundles are acknowledged by the Voucher Receiving section and then delivered to the DC Section concerned immediately. The check of the entries in the lists of payments with the vouchers is to be done by DC sections. A Register of missing vouchers in the form prescribed in Annexure I should be maintained treasury wise by each Compilation Section in which particulars of vouchers not received with the lists of payments should be entered. A report should be sent by the last week of every month to the Director of Treasuries and Accounts indicating the number of vouchers in respect of each treasury not received in the first instance with the lists of payments, i. e. irrespective of the fact whether they are receive subsequently in the sections or not.

305. “In order to enable the Government to instruct the Treasury Officers to submit the monthly accounts without delay, a quarterly report showing the cases of persistent and chronic delays in the receipt of the treasury accounts and vouchers should be sent to the Government of Tamil Nadu. Finance Department, with a copy to the “Commissioner/Director of Treasuries and Accounts, Chennai”. For this purpose, the Voucher Receiving Section should be required to report cases of delays to DCM section by the 25th of every month. The cases will be consolidated and included in the quarterly statement by DCM section.

[D.C.M. File No. 15-22/69-70].

Receipt in the D.C. Section

306. D.C. sections should take expeditious action to obtain form the treasuries the vouchers not received with the lists of payments and the vouchers not included in the lists of payments but debited in the sub-accounts, without waiting for the completion of the check of sub-accounts with vouchers. The receipt of the vouchers not received even at the time of check of sub-accounts with the lists of Payments and vouchers should be watched through the objection books.

307. The Departmental compilation sections have to maintain separate register for vouchers-due from the treasuries. The following instruction should be observed for the maintenance of these registers by the Departmental Compilation section and their review in DCM section.

1. The register should be maintained in the form prescribed in Annexure II
2. The register should be closed on the 5th of every month and submitted to the Branch Officer with an abstract indicating the wanting vouchers relating to second preceding month.
3. While submitting the registers to the Branch Officer, D.O. reminders to the Treasury Officers concerned should be put to him for his approval. The closing will not be approved by the Branch Officer unless the D.O. letters are submitted along with the registers.
4. At the end of each quarter, the DC sections should send a list of vouchers due from the treasuries to the Director of Treasuries and Account, Chennai.. The list should be communicated to the Director of Treasuries and Accounts in the form prescribed in Annexure II.

The due dates for sending the quarterly list of vouchers to the Commissioner/Director of Treasuries and Accounts, Chennai are fixed as indicated below:--

List for the quarter ending	Due date
June	10 th August
September	10 th November
December	10 th February

In addition to the above, the list that is furnished to the Commissioner/Director of Treasuries and Accounts during the last quarter should be an upto date one containing all cases of wanting vouchers as on 31st March. This return should, however, be sent to the Commissioner of Treasuries and Accounts on the 25th May endorsing a copy of the letter together with the list of vouchers to DCM section for incorporation by TM in the "Review of Annual working of Treasuries".

5. The register will be reviewed by DCM half yearly. They should be sent to DCM on 20th June and 20th December. The review reports will be submitted to the Group Officer on 30th December.

308. The vouchers received subsequently should be examined in detail in the same way as they should have been examined, if received at proper time. The AAO/SO should see that necessary scrutiny has been exercised before reference to such documents is removed from the objection book.

[Para 5.6 of C&AG's MSO (A&E) Vol. I].

In cases where Certificate of Payment are received in lieu of lost vouchers, they should be checked in detail in the same way as original vouchers. Scrutiny of the Certificate of Payment in the Office of the AG (A&E) will not wait for audit thereof by AG (Audit). While submitting the register of missing vouchers to the Branch Officer, the Section Officer should record a certificate in the register in the form prescribed below:

"Certified that the following vouchers/certificates of payment for the amounts noted against each relating to the previous month and received during the month of been reviewed.

Voucher No.	Month	Amount
-------------	-------	--------

[Authority-TM. 11-63/65-66/53dated 6-6-66]

Check of Lists of Payment

309.(i) In the departmental compilation sections, the lists of payments should be checked to see that each entry in the lists of payments represents the net disbursement made on the supporting voucher, that the entries in the amount column of the list work upto the total entered therein, that the total of each list has been correctly brought forward to the main schedule of payments relating to the subsidiary account (Viz. the list of payments relating to the establishment vouchers) and that the total net

disbursement shown on the voucher, is correct. The deduction made from the bills should also be checked with reference to the detail of deduction shown in the lists of payments. After final action, the lists of payments should be separately and neatly filed in a guard file.

(2) The DC sections should note that the certificate in the form specified below, and prescribed by the Government of Tamil nadu in their Memo No. 90227-Accts/56-6 Finance Department, dated 18th January 1957 is recorded in the lists of payments and duly attested by the Huzur Head Accountant and Treasury Officer.

“All the vouchers as entered in the list of payments are enclosed and no voucher not indicated in the list has been withheld.”

[Circular T.M.4-Misc./56-57/789,dt. 26.2.57-TM Case 4-18/57-58].

(3) The L.O.P's with the following certificated duly recorded thereon should be submitted by the accountant to the Branch Officer after check of the vouchers on the 28th of the succeeding

month:---

- (i) There are no wanting vouchers.
- (ii) The amounts of vouchers have been checked with the corresponding entries in the lists of payments.
- (iii) The totals of lists of payments have been checked and found correct.

(T.M.OO.147 of 1960-61 dt. 13-9-1960-T.M.11-13/60-61)

Certificate in Lieu of Missing Vouchers

310. In respect of an objection for want of payee's receipts, if a disbursing officer allege that the original voucher has been lost, a certificate as prescribed in S.R.2 (b) under Tamilnadu Treasury Rule 32 (Rule 206 of the Central treasury Rules) should be called for. If the payment relates to a running accounts with a contractor for a work, the certificate should be accompanied by a copy of the relevant bill which is required for checking the contractor's ledger and the previous payments. In scrutinizing a certificate in lieu of a missing voucher, Compilation Sections should inter alia see that it contains all particulars of the payment, which would have been given on the missing voucher except the payee's acknowledgement.

In cases where the original voucher paid at the treasury is missing, the Treasury Officer or the Sub-Treasury Officer concerned must obtain from the drawing officer a certificate of having received the amount from the treasury and enclose the same to the certificate of payment furnished to this Officer in lieu of the missing vouchers.

The Treasury Officer's countersignature on the certificates of the Sub-Treasury Officers should also be called for in cases where the former can verify the payment e.g credit to a local fund in his own books.

The certificates of payments in lieu of original vouchers relating to sub-Accounts 27B and SA 27E (Settlement Accounts) will be countersigned by the Branch Officer in charge of Account Current, DC section concerned or the Resident audit Section, as the case may be according as the vouchers relate to

Treasury payments, Departmental Adjustments or city payments respectively before they are made over to the Account Current section of this office for onward transmission to the other Accounts Officers with Settlement Accounts.

Similarly the certificates of payments received with the Inward Settlement Accounts will be required to be countersigned by the other Accounts Officer concerned.

The final acceptance of these certificates rests with the Accounts Officer who finally admits the charge.

[D.A.G's (A) orders dt. 28-4-60 on TM section not T. M Case 11-25/59-60]

311. The certificates thus received and the Disbursing Officer's report should be submitted to the Branch Officer with a note dealing with the circumstance in which the original voucher has been lost and any other peculiarities noticed while checking. The Branch Officer may accept certificate of payment if he is satisfied that it is in order and the amount does not exceed Rs. 10,000 in each case. All certificates of payment exceeding Rs. 10,000 in each case may be accepted finally under the orders of the respective Group Officer. Cases of loss of vouchers (original) under unusual circumstances only need be submitted to the Accountant General for orders before acceptance of the certificate.

(A.G's orders, dt. 22-8-60 on T.M-Section not T.M case 15-101 A/56-61).

312. Every certificate of payment should be examined judiciously to see that there were no unusual circumstances or malafides attached to the non-production of the original vouchers. Cases of loss of vouchers under unusual or peculiar circumstances should be brought to the notice of the Accountant General for information, if necessary. Accountant General's enquiry in such cases will be directed to find out inter alia, whether there has been repeated or large number of cases of lost vouchers in respect of any particular Drawing and Disbursing Officer/treasury and whether there has been any suspected suspected connivance or collusion of the departmental staff in non-production of original vouchers.

For this purpose the Pr. Accountant General (A&E) may seek the help of Field audit parties of Accountant General (Audit).

(Para 5.11 of C.A.G's MSO (A&E) Vol. I)

The note for the acceptance of the certificate of payment should be submitted by the section in the form indicated below:---

Section:

Date:

(Subject: Certificated of payment received in lieu of voucher-acceptance of)

The following certificates of payments are submitted for acceptance with reference to paragraph 312 of D.C Manual:--

Head of Account

Serial Number	Month of account	Voucher Number	Amount Rs. P	Nature of Claim
<hr/>				
Category off	Reference to Certificate of Payment	page number in the file Certificate of Receipt		

(1) The following questionnaire may be answered:--

- (i) The circumstances in which the voucher was lost. Reference to T.O.s letter.
 - (1)
 - (2)
 - (3)
- (ii) Whether copies of the bills, etc. were received in all cases.
- (iii) Whether the certificates of payments have been countersigned by the T.O in respect of those furnished by the S. T. Os.
- (iv) Whether C.O.P is supported by certificated of receipt, if not, reason as to why the same is not necessary.
- (v) Steps taken by the T.O for the prevention of such losses in future.
- (vi) Whether the certificates of payments have been examined in detail and any irregularity, etc. noticed.
- (vii) Whether countersigned by the immediate superior in respect of cases covered by S.R.2 (b) under T.R32 of T.N T.C, Volume I.
- (viii) Any unusual circumstances relating to the loss.

B.O/D.A.G/Sr. D.A.G

(2) After the certificates has been accepted, it should be carefully filed with relevant voucher file.

313. In cases where the missing original voucher paid at the Treasury relates to a payment made direct at the Treasury to a private party without the intervention of the drawing officer, the Treasury Officer of Sub-Treasury Officer concerned should obtain a certificate of having received the amount from the party concerned through the drawing officer and enclose the same with his certificate of payment. If the drawing officer expresses his inability to obtain such certificates of receipt, in spite of his best endeavor, a declaration of inability of inability from the drawing officer must be obtained by the Treasury Officer and enclosed with his certificate of payment. In the latter case the certificate of payment furnished by the Treasury Officer may be accepted without he certificate of receipt.

(A.G's orders on T.I.C. Case dt. 31-12-53 T.M Case 11-25/52-

314.A collective record of cases containing certificates of payment in lieu of missing vouchers received from the departmental and other officers should be maintained in each DC section in a register in Form 2 [MSO (A&E) Vol. I] prescribed below, which should be submitted, whenever a certificate of payment is put up for acceptance:--

SI. No.	Month of account	No. & date of Try Vr. Monthly a/c vr.	Name of Treasury/Division /Department	Amount	Particulars of claim
(1)	(2)	(3)	(4)	(5)	(6)
Circumstances in which vouchers are lost or could not be furnished		Designation of Officer furnishing the certificate	Grounds for acceptance		Remarks indicating the no. of previous occasions on which similar certificate of payments were furnished by the same office/Division
(7)		(8)	(9)		(10)
Initial of G.o/Group Officer signifying acceptance	Month of adjustment of the amount in O/S.				
11	12				

The entries in the several columns should be filled in all cases and should be self explanatory.

Detailed information regarding the circumstances in which the original vouchers are not forthcoming in Ag (A&E) should invariably be called for from the departmental officers. If enquiry is necessary from our own correspondence section the same should be conducted to make sure that the records had not been mislaid here. It should be noted that vouchers may be misspent to other sections and as such, intelligent enquiries must be made of all possible sections. In all cases of reported loss of

vouchers in this Office, details of registered packet number etc. with which the vouchers were sent should be called for and necessary steps taken to trace them. It is only when the vouchers could not be got by this process, certificates of payment should be called for.

The category of the circumstances under which the vouchers are lost should be indicated by guide letters given below in column (7) of the sectional registers

- (a) Not sent by the Treasury.
- (b) Sent by Treasury but not received in this office.
- (c) Received from the Treasury but lost in this office.
- (d) Reasons not known.

315. The control section should review the register Half Yearly (20th June and December with a view to finding out whether there were any cases of loss of original vouchers under unusual circumstances or any malafides attached to the non production of the original voucher. The result of the review should be submitted to the Accountant General through the Group Officer on the 30th June and 31st December respectively.

[Para 5.11 of C.A.G's MSO (A&E) Vol. I]

For this purpose the sections should send their registers to the control sections with the statement (vide Annexure VII) on the 15th June and 15th December.

The report submitted to the Accountant General should be a critical survey of the position obtaining from time to time in the various sections as well as that in the treasuries with special reference to those treasuries vouchers relating to which are habitually lost, and should contain any additional comments which may be considered necessary in order to apprise the Accountant general of the improvement or the deterioration of the position.

(O.O. No. T.M 11-25/61—65/288 dated 4-12-64 filed in T.M. case 11-25/61-65).

Preliminary check of Treasury Accounts

316. All the district treasury accounts including the subsidiary accounts are received in LA VI through the Voucher Receiving Section. This section should ensure that all the Treasury accounts (main as well as subsidiary accounts) are received completely and punctually. The major head totals in each subsidiary account should be checked by the District accountant with the entries in the Main account. Similarly and Charges relating to the debt heads etc. appearing in the subsidiary accounts (viz. State Provident Fund, Post Life Insurance Fund, Advances repayable, etc.) should be checked with the figures entered Subsidiary Account wise in the Appendix to the Main account. In token of check, the District accountant should set his initials against the major head totals in the subsidiary accounts as well as against the entries relating to debt heads of accounts appearing therein. The subsidiary accounts should then be made over to the Departmental compilation sections for further check.

The main Treasury accounts should be checked and handed over to Book Section immediately after approval by Branch Officer.

In respect of city transactions the check of all Sub Accounts [including those relating to the Presidency (Bank) transactions rendered by the P.A.O/North] with the abstract of main accounts should be done by Resident Audit section and after completion of the preliminary check, the main account and subsidiary account should be sent to Book/other Compilation Sections respectively.

(A.G.'s orders on Book Section Notes filed in T.M. 7-32/64-65)

317. If an accountant in the DC section, while checking the subsidiary account considers it necessary to expunge an amount from both the receipt and charge sides of that subsidiary account before compilation he should immediately apprise the District accounts (in LA VI) to enable him to make the necessary changes in the relevant Main Treasury Account. If the Main Account has already been delivered to Book Section for such changes in the account should be effected by means of transfer entry. On no account should a difference be allowed to remain between the major head totals shown in the Main Treasury Account (in lump) and in the subsidiary account.

318. Immediately on receipt of the treasury accounts, the accountant should exercise a preliminary check, before passing the account for booking to see inter alia that reconciliation memoranda, appendices and plus and minus memoranda have been attached to the account and should take prompt action to ensure the receipt of wanting documents before completion of checking.

319. The main account alone need be submitted to the B.O. The departmental subsidiary account should be submitted to the Section Officer of the section with Part I of the List of questions printed in **Annexures V and VI** to the Chapter, answered by the accountants. Only after the accounts are passed by the Section Officer should they be handed over for compilation. On receipt back after compilation, they should be subjected to all other checks not done during the preliminary examination.

320. The reconciliation memo on the last page of each subsidiary account should be countersigned by the Treasury Officer. The reconciliation memo. Will help the compilation section in locating the missing voucher and the cause for difference between the totals of the Treasury Accounts and lists of payments and in taking prompt action to call for the wanting documents, etc. The memo. Should be checked with reference to the list of payments and a certificate of check should be recorded thereon by the accountant and the Section Officer of DC Section before passing the account for booking.

321. As treasury accounts are booked before detailed check is completed, mistakes in classification noticed after the accounts have been made over booking should be rectified by means of transfer entries.

Final check of Treasury Accounts

322. The check of the treasury accounts with vouchers (except the vouchers which have been transferred to G.A. D., Long Term Advance Broadsheet section/P.F Sections) and the checks indicated below should be completed by the 8th of the second month following the month to which the account relates; and all objections noticed during such checks should be included in the objection statement or memorandum due for issue on that Date:--

1. Main Treasury Accounts:--

The account should, inter alia,

- (a) Check the opening balance with the closing balance of the previous month's account;
- (b) Check the various account particulars in the appendices to the treasury account;
- (c) Check the total of the receipts and the grand total (i.e., receipts ; plus opening balance) which must be in words as well as in figures.
- (d) Check the total payments and the grand total i.e. payments plus closing balance, which must be in words as well as in figures.
- (e) See that the account is signed by the Treasury Officer in accordance with Instruction 8 under Treasury Rule 74 of the Tamilnadu Treasury Code, Volme I; and
- (f) See that the account is supported by the certificates prescribed in Article 122 of the Account Code, Volume II, and a statement of reconciliation of the net debit or credit under "Reserve Bank Deposits-State" prescribed in the local ruling of the Tamilnadu Government under this article.

II. Subsidiary Account: The accountant in the departmental compilation sections should exercise the following checks:--

- (a) See that the Subsidiary Account bears the initials of the accountant in the main treasury section, in token of agreement of the total figures in the subsidiary accounts with the corresponding Major Head total (s) in the main account;
 - (b) (i) check whether all the voucher listed in the L.O.P. have been received in complete shape.

(ii) Note the wanting vouchers in the Objection book/ Register maintained for the purpose for pursuing with the Treasury Pay & Account.

(iii) to ensure whether any voucher dealing with more than one Sub-Account is available in the Other Account if not appended to this Account.
- © (i) while checking all the vouchers completely with the treasury account, carry out at once correction of any error detected and note it in the objection statement; and ensure that no debit in the treasury account is passed without a voucher;
- (ii) carefully check the alterations carried out in the body of the accounts by the Treasury Officers with reference to the Alteration Memoranda and to Cash Recovery statement attached to the Account;
- (d) check the various account particulars in the appendices to the Treasury Account;
 - (e) check the various account particulars in the Reconciliation Memo appended to the Treasury Account.
 - (f) check the opening balance shown in the plus and minus memoranda with the closing balances in the previous month's memoranda (the debits and credits should, of course, be checked with the entries in the Treasury Accounts when those entries and passed) examine the totals and closing balances, and make necessary corrections communicating the same to the Treasury Officer. The debits in the plus and minus memoranda of charges connected with the survey of estates should

be checked with the survey officers' bills and the credits with the entries in the Treasury Account. The totals and the opening and closing balances should also be examined.

NOTE 1:--- Any transfer entry made by the accountant which affects any of the heads in the plus and minus memoranda must be noted by him at the time it is made in the memoranda attached to the Treasury Account then under examination or last examined so that when checking the next month's memorandum the accountant may see that the necessary alteration in the balances has been effected and bring to the notice of the Treasury Officer any neglect on his part to give effect to the transfer entry already advised to him.

NOTE 2:-- Whenever any item of local fund revenue of one district is credited in the Treasury Account of another, the accountant should at once communicate the same to the other accountant concerned.

(e) Review carefully the entries on the receipt side item by item, correcting any apparent misclassification especially with reference to the details of credits under "Miscellaneous" and "other items".

(f) Adjust all recoveries shown in the account particularly of "cash recoveries."

NOTE:--- Any cash recovery made from a Gazetted Government servant should be intimated to the accountant in the Gazetted Audit Department (GAD). For this purpose, the DC sections should send to the GA section concerned on the 7th of every month, particulars of cash recoveries appearing in the schedule for "Recoveries of overpayments" attached to, and of those appearing in Appendix 'A' to the subsidiary account of the second preceding month, in the form given below. A 'nil' statement should be sent if there are no recoveries.

FORM

Sl. No	Name of the officer	Designation	Nature of recovery	Amount	Reference to Vr./ chalan and month of account
(1)	(2)	(3)	(4)	(5)	(6)

III. The accountant, checking the debt head accounts should, in addition to the checks mentioned in the previous paragraph, see that necessary schedule of receipt and payments and vouchers have been received in support of credits and debits afforded in the account and that the entries in the amount column of the schedules work up to the totals entered therein and that these totals agree with the entries in the accounts; and note the fact of agreement on the schedules under his dated initials.

IV. Regarding check of classification recorded on Vouchers and Receipt Schedules responsibility of the A.G (A&E) is as follows :

- (a) **Receipt Schedules:** The check of classification on Receipt Schedules/Challans etc. is the sole responsibility of the A.G. (A&E) .

The monetary limits for check of classification by AAO and Branch Officers on receipt schedules prescribed in para 11 (3) of S.M.I. have been revised. The revised limits are as follows:--

		Percentage of checks		
Receipts		Accountant	AAO	Branch Officer
I.	Upto Rs. 10,000	**100	Nil	Nil
II.	Exceeding Rs. 10,000/-but not exceeding Rs. 40,000.00/-	50%	121/2%
III.	Exceeding Rs. 40,000/--but not exceeding Rs. Lakh		100%	25%
IV.	Exceeding Rs. 1lakh but not exceeding Rs. 5lakh		100%	50%
V.	Above Rs. 5 lakhs	100%

****Note 1 :** A percentage of work done may be reviewed by the Section Officer as may be decided locally by the Accountant General.

Note 2: The check may be exercised with reference to the detailed heads of accounts.

- (b) Paid Vouchers: the check of classification i.e. tracing the classification recorded on vouchers in the Treasury Accounts (fly leaves etc.) has been dispensed with; with effect from the Accounts of February 1986 vide Headquarters letter No. 349-ACII/44-86 dt. 10.3.96. This order is applicable to the accounts received from Treasuries and Pay and Accounts Officers. The Public Works and Forest Monthly Divisional Accounts are not covered under this orders. Hence, classification check on accounts received from P.W. Forest Divisions is to continue vide the Headquarters letter No. 1095 AC II/44-86 dated 11.6.86. [Extract of Headquarters letter dated 10.3.86 is given in Annexure VIII.].

V Section Officers, should test check each month each month at least one accountant's work of checking of list of payments, and of vouchers with sub accounts, etc. so as to ensure that all prescribed preliminary checks have been effectively applied. A report on the results of such test check should be furnished to the control section along with the certificate prescribed in Para 324.

323. After completing the check of check of the accounts in all respects, the questions in Part I of the List of Questions in Annexure IV (for Main Account) and the questions in Part II of the Questions in Annexures V and VI (for Debt head, Deposit head and Departmental Subsidiary account) should be answered by the accountant. The last part should be answered by the Assistant Accounts Officer/Section Officers. The Assistant accounts Officer/Section Officer is responsible to see that all the accounts are submitted to the Branch Officer.

324. After all the accounts have been reviewed by the Branch Officer, the Assistant Account Officer Section Officer should furnish to DCM on the 15th of the second succeeding month (20th of the second succeeding month in respect of Resident Audit Sections) a certificate in the following form duly attested by the Branch Officer for submission to group officer.

Certified—

- (i) That the Treasury Accounts have been satisfactorily checked, and
- (ii) That all the lists of payments relating to the Account bear the certificate of check of totals etc. by the Section Officer The Branch Officer should record the following certificates fellow the certificate furnished by the Section Officer.
- (i) That he has duly competed the review; and
- (ii) That he has also test-checked a few accounts at random to ensure that the prescribed checks have been conducted intelligently by the section.

(A.G's orders dt. 16.12.64 on the notes of I.A.D. section filed in IAD file 3-46/64-65).

The Branch Officer should note down in a register the accounts he has so test-checked.

325. The plus ad minus memoranda relating to Stamps and Opium should after check and review, be submitted to the Branch Officer for examination. The Branch Officer should initial the memoranda in token of his having examined them.

ANNEXURE I

(Para 304)

Form in which the Register of missing Vouchers is to be maintained

Sl. No.	Name of Try.	Sub A/C No.	Moth of A/C	Huzur Vr. No.	Amount for which vr. Is due	No. and sate of this office D.O. letter to the T.O.	Ref. to the reply from the T.O	Reference to the T.Os letter in which the vr. Or copy received	Certificate of payment or voucher received
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
							Monthly c losing from: Closed to end of Opening Balance No. of vouchers due		
							Total		
							No. of vouchers recd. Closing balance		

ANNEXURE II

Form in which the list of Vouchers due from Treasuries should be sent to the Director of Treasuries and Accounts

Sl	Name of	Sub	Month Of	Huzur	Amt. for which	Reference to	Reference
----	---------	-----	----------	-------	----------------	--------------	-----------

No.	Try	A/C No.	A/C	Vr.No.	Voucher due	this office	to T.Os
						D.O addressed	letter or D
						To the T.O	.T.A's
							Letter if any

ANNEURE III

(Para 307)

Certificate of Examination of the Main treasury Account, District (to be specified) for the month of 19

N.B.--- The question below comprise some of the points which the Accountant and the Assistant Officer/Section Officer are bound o see in passing main Treasury Account, but these points are not exhaustive and do not limit the extent of their check which must be intelligently and carefully applied to every part of their respective work.

Questions

Answers

Part I

(Questions to be answered by the Accountant)

1. Do the totals of the major heads in the Main Account for which details are given in the subsidiary Treasury Accounts agree with the totals of the latter accounts?
2. (a) Has the account been signed by the Director/Deputy Director of Treasuries and Accounts. If not, does the account bear the certificate that the Director/Dy. Director of Treasuries and Accounts was not on camp at the station on hat date?

(b)Did you notice any erasure or unattested alteration in the Treasury Account. If so, has irregularity been noted in the outgoing objection Statement?
3. Do the account-war totals under Stat Provident Funds (General and other Provident Funds) Postal Life Insurance fund and Advances Repayable shown in the Appendices to the account agree with the totals under the heads appearing in the subsidiary accounts?
4. Has the reconciliation memo, for the difference between the totals of the lists of payments and total payments entered in the Account been checked?
5. Have the entries under Reserve Bank Deposits been certified by the office who has signed the Treasury Account and been agreed with those in the Cash Balance Report?

Part II

(Questions to be answered by Section Officer)

1. Do the opening balances agree with the closing balances of the previous months and do the closing balances agree with the Cash Balance Report?
2. Has Scrutiny 2 (b), 4 and 5 above been properly exercised by the Accountant?

ANNEXURE IV

(Para 319)

Certificate of Examination of Departmental subsidiary Account No.(Receipts and Charges) including those relating to Deposit Heads accompanying the Treasury Main Account, Districts (to be specified for the month of 19.

N.B.---The following questions cover only some of the points which the Accountant is bound to see but these points do not limit the extent the extent of his check which must be intelligently applied to every part of his work.

Questions

Answers

Part-I

(Questions to be answered by Sr. Acctt./Accountant before passing the account for booking)

1. Do the details shown in the margin of the subsidiary accounts work up to the total under each detailed head?
2. Have all the appendices and plus and minus memoranda attached to the account been examined and checked with reference to the entries in the body of the account? Have the opening balance been agreed with the closing balances of the previous month?
3. If you find any minus balance at the credit of District board Funds, Municipal Funds etc. have they been taken in the objection statement? (Deposit heads sub account).
4. Have the debits and credits on account of cash remittances been entered in the Remittance Check Register? (Remittance heads sub account).
5. Where manuscript heads have been opened, is there the sanction of the State Government for their opening?
6. In the case of corrections made in the account on account of alteration memo. Approved by this office, have you seen that the alterations have been correctly carried out?
7. Have you reconciled the totals of the lists of payments with total payments in the account?
8. Have you checked the list of payments with the vouchers?

Questions

Answers

Part II

(Questions to be answered by Account when submitting the account after final checking)

1. Have the deductions made from bills been checked with the deductions particulars shown in the schedule of payments relating to pay bills and has the entry of net payments relating to the Sub-account in the list of payment attached to the main account been initialed in token of agreement with the net payment arrived from the departmental lists of payments?
2. Have all the vouchers been checked with the accounts?
3. Have all the vouchers delivered for, audit to other sections been received back duly audited and checked with the account? (Vouchers not received back should be listed here)
4. Have the scheduled relating to General Provident Fund deductions and other credits been made over to the Funds Section and other sections.
5. Have the credits under suspense Receipts in cash and debits under suspense payments been taken to the objections statement? Have the adjusting items in respect of original credits or debits of month been adjusted? (Suspense sub account-LA9)
6. Have you furnished to the G.A section concerned extracts of cash recoveries with reference to the schedule for recoveries of overpayments and from appendix A attached to the Sub Accounts?
7. Have the extract Register of Deposit Receipts list of repayments Plus and Minus Memoranda, etc. Duly checked been made over to the Deposits sections with certificate of agreement of the totals in the accounts? Has the propriety of the classification in the several items under Deposits been examined?

Questions

Answers

Part III

(Questions to be answered by the Assistant Accounts Officer/Section Officer)

1. Have you satisfied yourself that the Accountant Answers to the above questions are correct?
2. Have you brought to the notice of the Branch Officer in charge of the Section concerned the list of vouchers not received back after audit from other sections?

Certified that the list of payments relating to the account bear the certificate of check of totals, etc. by the accountant.

Certified that the Treasury Account has been satisfactorily checked and submitted to the Branch Officer.

ANNEXURE V

(vide paragraph 319)

(To be answered by the Debt Deposit Remittance Heads etc. Compilation Sections)

Certificate of Examination of the Debt Head Treasury Account Districts (to be specified) for the month of

Questions

Answers

Part I

(Questions to be answered by the Accountant before passing the account for booking)

1. Have all the appendices and plus and minus memoranda attached to the account been examined and checked with reference to the entries in the body of the account? Have the opening balances been agreed with the closing balances of the previous month?
2. Have the debits and credits on account of cash remittances been entered in the Remittances Check Register?
3. Where manuscript heads have been opened is there sanction of the State Government for their opening?
4. In the case of corrections made in the account on account of alteration memoranda approved by this office, have you seen that the alteration have been correctly carried out?
5. Have you checked the lists of payments with the vouchers?

Questions

Answers

Part II

(Questions to be answered by the Accountant when submitting the account after final checking)

1. Has the expenditure on all vouchers been traced into the treasury Account for correctness of its classification in the accounts?
2. Have the vouchers delivered for checking to other sections been received back duly audited (Vouchers not received back should be listed here)
3. Have the vouchers and Schedules been checked with the account? In cases in which vouchers are not individually posted in the account but only the total of a schedule appears have you seen with reference to the classification in the vouchers that they have been included in the correct schedule and that the details work up to the total of the schedule?
4. Have the schedules relating to payments with supporting vouchers and recoveries on accounts of Provident and other funds and those relating to Accounts with foreign Governments (Ceylon) and Reserve Bank been made over to the concerned sections (Provident Fund, Account, Book or Pension as the case may be)?
5. Have the credits under "Suspense Receipts in cash" and debits under "Suspense-payments" been taken in the objection statement? Have the adjusting items in respect of original credits or debits of previous months been adjusted?
6. Have the debits and credits been posted in the BROADSHEETS?

Part III

(Questions to be answered by the Assistant Account Officer/Section Officer)

1. Have you satisfied yourself that the Accountant answers to the above questions are correct?
2. Have you brought to the notice of the Branch Officer concerned the list of vouchers not received back after audit from other sections?

NOTE: Debt Head Audit Sections (State) will certify the fact of agreement with the account figures in the 'extracts' receive from the Deposit Sections so far as Deposit items are concerned. As regards check of figures relating to "refund of Lapsed Deposits" the section which checks S.A. No. 27C will certify to the figures by reference to S.A. No. 27C.

Annexure VI

[vide Para 322]

Extract of headquarters (Circular No. 20 AC II/86) letter No. 349-Ac.II/ 44-86 dated 10.3.86 regarding check of classification recorded on paid vouchers and receipt schedules, Accountants General (Audit).

Sir,

A reference is invited to the provision contained in paras 60,61 and 62 of MSO (T) Vol. I paras 5 (a) and 11 of the S.M.I., 'Note' 2 below Art. 1.15 of the Account code for the Accountants General and the marginally noted circulars regarding duties/responsibilities of the Accountants General in checking classification recorded on paid vouchers and receipt schedules received from the Treasuries and other Departmental Offices. A number of observations/suggestions have been received in this office from the field offices in this regard. The entire matter has, therefore, been reconsidered in depth ab initio. It has been decided, in supersession of the existing instructions, that the classification recorded on paid vouchers and receipt schedules will be checked by the Accountant General (A&E) and Accountant General (Audit) in the manner and to the extent indicated below:--

A. The checks to be exercised by the offices of the Accountants General (A&E).

(a) Paid vouchers:

The staff of the Offices of the Accountants General (A&E) will be responsible for the correctness of posting of vouchers in the compilation book/consolidated abstracts. The clerks/Accountants in the compilation Sections will ensure accurate compilation of paid vouchers received by them; they would see that the classification recorded on the vouchers right up to the detailed heads of accounts, is complete in all respects and that for all heads of accounts operated upon, requisite authority for opening the heads of accounts exists. If there be any deficiency, the matter will be taken up with the Department/Officers/Drawing & Disbursing Offices for necessary rectification:

The Section Officers and gazette officers in charge of the Compilation Sections shall, during the course of review of the work done by the clerks/Accountants, ensure that they have discharged their duties adequately they will also be held responsible for correctness of postings in the compilation book of items above Rs. 10,000/and Rs. 50,000/- respectively under any detailed head of account and for tracing of the entry in the classified abstract. For applying this limit, the amount booked under each detailed head alone would be the criteria (as it would not be possible to exercise this check with reference to each paid voucher).

(b) Receipt Schedules:

The check of classification recorded on receipt schedules will be the sole responsibility of Accountant General (A&E). The concerned staff of the Officer of the Accounts General (A&E) Will check the classification of receipt schedules in accordance with the provisions contained in para 11(3) of S. M.I. Besides, ensuring the correctness of compilation, the clerks/Accountants will responsible to see that the classification recorded on the receipt schedules is correct right upto the detailed head and that no unauthorized major/minor/detailed head of account has been operated upon by the Treasury Officer/Departmental Officers rendering initial accounts to the Accountant General. In those cases where the challans are received with the treasury accounts, the correctness of the head of account operated upon will also be ensured.

The monetary limits for check of classification by Section Officers and Branch Officers on receipt schedules prescribed in para 11 (3) of S.M.I. have been revised. The revised limits are as follows:--

Percentage of checks

Receipts		Accountant	Section Officer	Branch Officer
I.	Upto Rs. 10,000.00	** 100	Nil	Nil
II.	Exceeding Rs.10,000/- but not Exceeding Rs. 40,000/-	----- 50%	121/2%	
III.	Exceeding Rs. 40,000 but not Exceeding Rs. 1 Lakh	-----	100%	25%
IV.	Exceeding Rs. 1 lakh but not Exceeding Rs. 5 lakh	_____	100%	50%
V.	Above Rs 5 lakh	_____	-----	100%

****Note 1:** A percentage of work done may be reviewed by the Section Officer as may be decided locally by the Accountant General.

Note 2: The check may be exercised with reference to the detailed heads of accounts.

(B) Responsibilities of the Offices of Accountant General (Audit)

(a) Paid vouchers:

The Accountants General (audit) will be responsible for checking the classification, recorded on paid vouchers selected for audit, in accordance with the provision contained in para 60 et seq of M.S.O. (T) Vol. I, para 11 of S.M.I., para 2.4 read with annexure 2.4.1 of MICA. The Auditors/Senior Auditors will ensure that:---

- (i) Major, Minor detailed heads of accounts as noted in paid vouchers selected for audit are authorized heads:
- (ii) The expenditure has been classified as per the provision made in the annual financial statement approved by the Parliament/State Legislature and is in accordance with the provision of Rules 22 et seq of "form of Accounts of the Union and States (Basic) Rules, 1983".

- (iii) The expenditure which should have been charged to the Consolidated Fund of the Union/State has not been classified as voted or vice-versa.
- (iv) The expenditure which should have been classified under capital Section of account has not been classified under revenue or vice-versa. The detailed duties of audit in respect of classification between capital and revenue as given in para 70 of MSO(T) Vol. I would also be observed by them.

The Assistant. Audit Officer will check the classification of vouchers above Rs. 50,000, required to be audited by him as per provisions contained in Annexure 2.4.1 of MICA. He will also review the classification recorded on the vouchers audited by the Auditors during the course of review of the work done by the auditors as prescribed in para 4.2 of MICA.

The classification checked by the assistant Audit Officers will not be subject to review by the Audit Officer or any higher officer.

2.The check to be exercised by the offices of the Accountants General (A&E) regarding correctness of postings of vouchers in the Compilation Book/consolidated Abstracts will not be exercised by the Accounts General (A&E) Andhra Pradesh and Tamil Nadu where compiled accounts are received. The Accountants General (Audit) Andhra Pradesh and Tamil Nadu wil conduct the check of classification in respect of vouchers selected for audit as per the directive contained in this letter for Accountants General (Audit). In addition to this. While reviewing the work of compilation of accounts by the Departmental Treasuries/Pay & Accounts Officer rendering compiled accounts to the Accountant General (A&E). The As. G. (Audit) Andhra Pradesh and Tamil Nadu will also trace the posting of vouchers of Rs. 10,000/-and above under each detailed head of account in the classified abstracts/ consolidated abstracts.

The check of classification of receipt schedules will however, be the responsibility of the Accountants General (A&E) Andhra Pradesh and Tamil Nadu. The instruction c o0ntaind in this letter will apply mutatis mutandis to these two offices.

- 3. Necessary amendments to the S.M.I., Account Code for the Accountants General and M.S.O. (T) Vol. I incorporating the requisite changes will be issued in due course.
- 4. Hindi version is also enclosed,
- 5. Please acknowledge receipt.

Yours faithfully,

Sd/-

(L.C. Patni)

Jt. Director (AC)

No. 350- Ac. II/44-86

Copy forwarded for information and necessary action to:

- 1. O&M Necessary corrections to MSO(T) Vol. I.

2. Audit II SMI and Account Code for the Accountant
3. Accounts I General respectively may please be initiated urgently.
4. BRS
5. Inspection Wing
6. NGE IV
7. Accounts III
8. Reports © and Reports (States)

Sd/-

(G.C.Garg)

Administrative Officer (AC.II)

ANNEXURE VI

STATEMENT

(Vide para 315)

- Position regarding vouchers due and certificates of payments accepted in lieu of vouchers for the quarter ended

Name of Treasury	Year	No. of Vrs due to end of previous half year	No. of Vrs. Due during the half year	No. of Vrs total received during the half year	No. of C.O Ps accepted in lieu of vouchers			No. of Vrs dur at end of the half year	C.O Ps exceeding Rs. 1,00 accepted by D.A.G. during the half year	Number Month
------------------	------	---	--------------------------------------	--	--	--	--	--	---	--------------

Not sent by the Try.	Sent by the Try. But not received in this office	Received from the Treasury but lost in this office	Reasons not known	Total
----------------------	--	--	-------------------	-------

1	2	3	4	5	6	7	8	9	10	11	12	13
---	---	---	---	---	---	---	---	---	----	----	----	----

Total

CHAPTER 4

DELIVERY OF ACHEDULES AND VOUCHERS TO OTHER SECTIONS

Transfer of Vouchers to Other Section

401. Voucher which require to be audited by Principal Accountant General (G&SSA) , Principal Accountant General (E&RSA)”, sections should be transferred to CAP sections by the 5th of the second succeeding month. Vouchers required to be sent to GAD should also be sent on 5th of the second succeeding month. Voucher/schedules to Funds and L. A. Sections for posting and for maintaining broadsheets should be sent on first of the second succeeding month in respect of April to January accounts. In respect of February the date of delivery should be 20th March and in respect of March of Payments by the DC/Other Compilation Sections and on receipt of the Treasury Accounts checked with the accounts for tracing the classification of the vouchers into the accounts wherever prescribed. The acknowledgement of the clerk of the receiving section for the receipt of vouchers should be obtained on the Lists of Payments themselves, either against the relevant entries in the Lists of Payments or in a suitable abstract recorded on the reverse of the Lists of Payments or in the Vouchers Transmission Register maintained for the purpose. The CAP section should ensure the prompt return of the Lists of Payments and Voucher Transmission Register to the DC sections after acknowledging the vouchers. The vouchers received by the LA& GAD sections will be retained by them and will ultimately be sent to the OR section by them. The vouchers received by the CAP section should be returned to the concerned Compilation section for transmission of the same to OR section. Completion report on the transmission of vouchers to GAD, LA and Audit etc should be certified in the monthly report.

NOTE: The pension vouchers received in Pension 28 Sections should similarly be sent to Pension Audit Sections.

(T.M V/11-63/77-78/6 date d 25.4.77 and T.M V/12-14/76-77/191 dated 14.12.76).

Schedules of Postal life Insurance Deductions

403. The procedure regarding the maintenance of the register in the prescribed form by the drawing and disbursing officers for detail the list of subscribers to P.L.I Fund and the preparation the monthly schedules to be attached to pay bills has been outlined in Government of India, Ministry of Finance (Department of Expenditure) O.M.No. F. 11 (24)-EII (a) 59. Dated 13th july 1959; recorded by the government of Tamilnadu in their memo. No. 51595/Exp. A/61-1, Finance Department, dated 1st August 1961-(AC . III., Case No 6-3/59-62).

404. On receipt of a copy of intimation from the Director, Postal Life Insurance Calcutta, communicating the details of a new policy taken by the Government servants, AC II section should issue instructions to the drawing officers to commence recoveries on such new policies regularly pay bills.

(Authority –Orders of Senior Deputy Accountant General on the Note submitted by AC II on CAG's reference No. 1717-TA. I/604/ File T.M Case 15-6/65-66)

405. The following procedure has been prescribed for the accountal of recoveries of P.L.I. premium from the salaries of Government Servants, with effect from the 1st January 1966.

An alphabetical register of policy holders should be maintained in AC.II section to enable that section to post the subscription in the register. The PLI. Schedules are received directly by ACII section.”

The Treasuries should send the P.L.I schedules in one bundle along with an Abstract in respect of each Sub Account. These Schedules should be checked with the Abstract/Account. The schedules relating to the various PAOs should be obtained from the correspondence section or by addressing the PAOs and included in the Abstract. The total figure shown in the abstract should be got agreed with the figures under the head PLI in SA 26E.”

Foot Note: however to avoid delay in transmission through D.C. sections the Treasury Offices/Pay and Accounts Officers have been instructed to send the P.L.I schedules in bundles separately in respect of each sub account duly agreeing the figures with the account directly to the AC sections.

In the case of the subscribers relating to the police Department, the D.C. section concerned need not send the monthly schedules to the A.C II section as the addressed printed lists are filled in by the departmental officers. However, the objection book etc, should be maintained to watch the receipt of details for cash recoveries etc,

(C&-AG's circular letter . 2723/T.A.I/88-64 dated 14.9.1965 to all A.G and letter No. 999-tech Admn. I/88-64 Pt. III dt. 7.4.1966.to this office, filed in case AC.II- PLI GL 165-66 filed in AC II-PLI 66-67)

NOTE: In respect of wanting schedules AC sections should take up the matter with the Treasury Officer/Drawing officer (or) by contacting the concerned compilation sections to obtain the schedules from the pay bill vouchers.

The accounting of Postal Life Insurance deducted from the Salary bills of Government employees has been centralized in AC. II section.

From the schedules received, AC II section will compile the master copies for each of the Sub-Accounts except Police and prepare a certified list for State Government Departments making use of the addressograph received from the Deputy Director PLI, Calcutta. Premia recovered from subscribers whose names are not found in the lists are detailed at the end of the List. The reasons for the excess recovery, stoppage etc. are noted in the remarks column with reference to the information furnished by Departmental compilation section from the subsidiary registers.

The certified list for each moth should be forwarded with a covering sub-account-wise list to the Deputy Director P.L.i, Calcutta, by the 20th of the second succeeding month after securing agreement with the total under S.A 27E with a copy to the post Master General, Madras.

The certified list in respect of Police Department will however be forwarded by the Departmental compilation section concerned.

The receipt on account of Posta Life Insurance deduction are accounted for under the head of account “8658 Suspense Accounts—Cash Settlement Suspense Account—Transactions with the Director of accounts, Tamil Nadu Postal Circle, Madras” under sub accounts 27E by the Treasury Officers. This receipt together with the other receipts/ charges booked against Postal Accounts, in SA 27E are passed no to the Director of Postal Accounts, Tamilnadu Postal Circle, Madras in the monthly outward Account of this office together with a demand draft in favour of the Director of Postal Accounts for the net credit of the Account.

(Para 325 of Manual of the Account Current Department 2014)

Schedules of Provident Fund Deductions

406. The receipts and withdrawals on account of a Provident Fund accounted for by the Treasury Officers in the Subsidiary Accounts of eh department concerned. The treasury Officers and the Departmental officers rendering compiled accounts forward with the monthly accounts an abstract schedule covering the deductions made in the bills paid during the month, and a schedule of payments detailing the vouchers in respect of withdrawals from the provident Fund. “GPF Debit Vouchers are received directly by the FM II section from the District Treasuries / PAOs with effect from December 2013”. (as per orders of Principal Accountant General Dt.12/12/2013).

407. The Treasury Officers send with the monthly accounts and abstract schedule showing voucher-wise amounts of P.F. deductions made in all the bills paid during the month, duly supported by individual schedules showing the P.F. deductions made in each bill/voucher. The total of the abstract schedule agree with the total G.P.F. credit shown in the sub-account. On receipt of vouchers, the accountant in Fund. section should check the abstract schedule carefully to see—

(a) That the name and the P.F. account number (with departmental index) of the subscriber and amount of subscription shown in the voucher agree with the name number and amount noted in the schedule. (A certificate that the name amounts of individual deductions and the total deductions have been checked by reference to the pay bill should be recorded by the accountant on all the credit schedules –Paragraph 12.35 of CAG's MSO (A&E) Vol. I. Any inaccuracy in the Fund Schedules should be corrected and any omission should be supplied then and there. Any wanting information such as, Account No. etc., should be obtained from the drawing officers .

(b) that the total amount of each schedule agrees with the total deduction on the corresponding voucher;

© that the amounts of deductions noted in a schedule work up to the total shown in the schedule;

(d) that in the case of schedules attached to vouchers for March paid in April, the name and designation and pay including special pay as noted in the schedule agree with the corresponding particulars in the vouchers, a similar check being exercised to new subscribers admitted in the course of a year. (A certificate of check of the rates of pay should be recorded by the accountant in the body of the schedule and should be attested by Assistant Accounts Officer/Section Officer).

(T.M./II-63, dt. 12.4.66 and CAG No. 851/TAii/23775 Volume II dt 20.1.76, 3.5.76 and DCM OO 15-18/76-77/54 dt. 3.6.76 filed in DCM case 15-18/76-77).

(e) that in the P.F. schedule relating to the establishment in respect of which the names of the incumbents are not shown in the pay bills (e.g. Police Constabulary, Sub-Inspectors of Police, Ordinary Grade Jail Warders) the following certificate is recorded by the drawing officer at the foot of the schedules:

“Certified that the rates of subscription shown in the schedule are in accordance with the Provident Fund Rules”.

(f) that in case where prescribed schedules are wanting copies of schedules with the details available from the vouchers in the form given in the Annexure should be prepared, got duly attested by the Assistant Accounts Officers/Section Officer and included with the schedules detached from the other vouchers the departmental authorities concerned being at the same time instructed to avoid such omissions; and

(g) that the schedules contain the Vr. No. Sub Account No., name of district and the month to which they relate. (Omissions should be supplied wherever necessary)

NOTE:-- Where schedules in support of deductions from bills are wanting due to the non-receipt of the original vouchers in the compilation section, the receipt of the vouchers should be watched through the objection statement.

408. The vouchers in support of withdrawals from Provident Fund should be checked with the List of Payments. It should be seen that Sub-account No., Voucher No. and month of account and year are noted in every debit voucher.

409. The Schedules received from the Treasury and those detached from vouchers should be checked with the deduction on account of provident Fund shown in the List of Payment with the amount of the recovery noted in the vouchers and with the covering list or the consolidated abstract should of subscriptions to Provident Fund attached to the Sub account. The vouchers in support of payments should also be checked with the schedule of payments attached to the sub-account. In exercising these checks, it should be seen—

(a) that two copies of abstract schedule of subscription to Provident Fund in printed form No T&A. 175-A separately for each Provident Fund are invariably attached to every sub-account;

(b) that two copies of schedules of payments for each Provident Fund in printed form No. M.A.C.—TA.X.B are attached to every Sub-account;

© that in abstract of receipts and payments reference to District and Sub account no.1 is given;

(d) that in respect of Fund subscription recovered in cash, the Treasury Officers furnish in respect of all cash recoveries the schedules prepared by the remitting officers in the prescribed form indicating the names and account numbers (with the departmental index) of the subscribers and attached to the challan;

(e) that in cases in which the total figure is reduced or increased by an Alteration memorandum, full details of the Alteration Memorandum are furnished in voucher-wise abstract of Provident Fund deduction indicating the name and Account No. of the subscriber who is affected by the alteration, original month of wrong amount and No. and date of letter approving the Alteration Memorandum;

(f) that the totals in the abstract schedules have been correctly worked out; and

(g) that certificate in the following form is furnished by the Treasury Officer at the end of each consolidated abstract schedule of Fund subscriptions and each schedule of payments;

“Certified that the total amount shown here agrees with the Sub-account and main account figure”.

411. The Pay and Accounts offices, will send one copy of the abstract of subscriptions to Provident Fund and the schedule of payments duly prepared with the Supporting documents i.e. schedules and vouchers in respect of various Provident Funds for all sub-accounts to Fund department of this office [vide Annexure II to Chapter 21 of P.A.O Manual]. Discrepancies if any should be settled in time. The check of pay drawn as on 31st March of each subscriber noted in the schedule with the particulars in the vouchers is to be done by the P.A.O (vide Note to Para 246(X) of P.A.O. Manual—CAO (North) remarks dated 25.5.80 filed in DCM case No. 15---18/77—80].

412. Each accountant who has to propose a transfer entry affecting the head “Provident Fund” should ascertain from the Funds Section first the department to which the transaction pertains and make the transfer entry through the departmental adjusting head concerned. No transfer entry affecting the Provident Fund heads, should be approved or booked without having the T.E. scrutinized by Funds department. As regards transaction appearing through the Settlement Account, the Account Current Section will send the suspense slip with the requisite document to the funds department. The accountant

in the Fund department will propose necessary transfer entries and send the transfer entries to the Departmental Compilation Section for booking. The credits and debits afforded by these transfer entries which will be booked in the particular departmental Detail Book will merge themselves in the total departmental figures.

413. The state General Provident Main Accounts in respect of all District Treasuries / PAOs are received by LA VI section and the booking is done by LA 3 section. The Provident Fund account should include all the treasury transactions (including cash and other adjustments through Alteration Memoranda) according to Districts and the transactions passed on to the head of account through the transfer entries. Full particulars for credits and debits afforded by the transfer entries should be furnished in the prescribed form. Where a number of transactions are involved in one T.E, the T.Es, emanating from Funds department will contain full details of amounts, subscriber wise ,with fund account No. furnished in separate statements attached to the T.E in duplicate. In such cases the departmental booker may enclose one copy of such statement as T.E details instead of copying the details in the form.

The figures shown under column 2 viz. “main account figure” should be got verified by the main Departmental compilation Section concerned (LA 3) with the figures in its Detail Book and that Section’s certificate of agreement duly attested by that Assistant Accounts Officer/Section Officer should be obtained in the account. The Provident Fund accounts prepared by the booker together with the schedules and vouchers obtained from the accountants and the T.E. details prepared by the booker should be handed over to the Funds Department on the dates specified below:----

Schedules for	Due Date
April to January	1 st of second succeeding month
February	20 th March
March	20 th April

NOTE:-- if in any month the main Departmental Compilation Section is unable to certify to the final figures in time the schedules should be furnished to Funds section in time. The Provident Fund Account should be prepared and furnished to that section as soon as the final figures are available in the main Departmental Compilation Section.

“Transmission of Schedules/Vouchers relating to Long Term Advances viz.

M.C.A/HBA/ Compute Advance etc in respect of AIS officers”

415. The instruction in para 407 apply mutatis mutandis to Motor Car Advances, House Building Advance, Computer Advance drawn by AIS officers.

(Authority : GO.Ms. No 23/ Finace Department dated 1.4.92. TM II/13/-9/PCA/93-94/78 dated 31.3.94)

ANNEXURE

(vide paragraph 407)

Schedule of	Provident Fund Deductions	Section
	For	19
Appering in Vr.NO. for 19	of sub-Account No	of the Treasury

Designation of the officer drawing the bill	Month for which pay has been drawn	P.F. Account	Name of the Subscriber	Pay Rs.	Rate of subscription	Amount realized	Refund of withdrawals	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.

Signature of Section Officer

CHAPTER 5

COMPILATION OF ACCOUNTS

Introductory

501. Please see Chapter 5 of CAG's MSO (A&E) Volume I for general instruction regarding procedure of Accounting and the following instructions are to be read in continuation of those in Chapter 6 of Accounts Code for Accountants General.

Revised Para 502

The following department draw money in lumpsum and render this office Compiled Accounts together with vouchers:--

State

1. Motor Vehicles Mainteance Organisation
2. Government Agricultural Engineering Workshop

NOTE:

Government Agricultural Engineering Workshop has been closed w.e.f.28.08.2002.

503.The transactions under the various heads from Major heads to detailed heads (or upto sub – detailed heads wherever agreed to by the Principal Accountant General) should be booked in the respective screen provided in the Voucher Level Computerisation module (in Oracle – 11g with effect from 01.14.2013) from the compiled Treasury Accounts, PAO Accounts, Settlement Accounts, Commercial Accounts and Public Works, Forest Compilation Subsidiary Accounts. The steps involved to carry out the booking are detailed below:

1. Firstly, a covering memo should be entered by the Booker covering all treasuries & PAOs.
2. The entries in the Sub-Account should be booked in the order of Major head, Sub-Major head etc., upto the detailed head and saved in the system.
3. The totals of respective sub-heads should be agreed with the Treasury accounts.
4. After check of Sub-head totals, the totals are agreed with the Major Head totals.
5. If a particular sub-head, detailed head or sub-detailed head are operated in the accounts not in conformation to the budget, these items are booked provisionally and cleared subsequently at a later stage when the expenditure under the new heads are voted for in the legislature and included in the supplementary budget.
6. After the accounts are booked, the Sub-Accounts are reconciled with the Main account relating to all districts.
7. the compilation section should ensure that the major head totals as compiled by them monthly with reference to the Sub- Accounts received in their sections agree with those arrived by the Book Section based on the Main Account., and for this purpose, **a reconciliation screen is provided in the VLC which shows “R”- Reconciled and “F” – Not reconciled, as the case may be.**
8. In the case of Non-reconciliation, the concerned booker should once again review/check the entries booked under the Sub-account and in cases of doubt contact the CCO/Treasury until the accounts are reconciled.
9. After booking of the accounts, the accounts booked are authorized and posted by the AAO of the concerned DC section.
10. Thereafter, the Detailed book relating to each major head for expenditure (both Plan and Non-Plan heads)and for receipts for a month relating to **a sub-account is** generated on the 30th of the following month and stored in the shared folder of each section.
11. Similarly, a consolidated Abstract is generated for every quarter and stored in the shared folder of each section. The hard copies of Consolidated Abstract relating to March (P), March (S) and Journal are taken and kept in the section for reference.

The Booking Module (Screen Shots) both for Receipts and Charges is enclosed:

(10&11) – Steps involved in the generation of Detail Book & Consolidated Abstract:

1. VLC-> Treasury Compilation -> Periodic Report - > Compilation Report->
 - (a) Generate DB
 - (b) Generate CA.

504. Each departmental compilation section should prepare for the relevant subsidiary account a consolidated abstract wherein the total monthly receipt and the payments for the whole accounting circle as arrived at in the Detail Book should be posted month by month to show the progress of receipts and payments under each Major, minor and upto the detailed head of account and upto sub-detailed head level wherever agreed to by Accountant General during the year. The consolidated abstract should be sent to the Book Section for verification of the Major head figures by the Civil Accounts Clerk, who should initial in the remarks column of the Memorandum of Inspection (in Form S.Y. 316) in the consolidated abstract, in token thereof.

The DC sections should return the subsidiary accounts of PAOs to the Resident Audit Branch after booking on or before 3rd of the second succeeding month to enable the latter to complete the check of subsidiary accounts.

Check of Postings in the Detail Book and Consolidated Abstracts

505. The check of postings in the Detail Book prescribed in Article 6.6 of Account Code for Accountants General should be done in full in the case of Debt, deposit and Remittance heads. In other cases, the concerned AAO of the DC section should test check the DB postings relating to any four districts under each Sub-Account. Further, a certificate to that effect should be given by each AAO in the respective Monthly report which is endorsed by the Branch Officer.

Review of the posting in the Consolidated Abstract

506. The Consolidated Abstract is generated in the system by all DC sections every quarter, and stored in the shared information folder. This is viewed by the Sr. AOs of the TM/Book sections. During review of Consolidated Abstract, Specific attention has to be given on the following points by the AAO of the concerned sections viz.,

- (i) Cases of Minus expenditure, no expenditure and excess expenditure over the provision are to be critically reviewed.
- (ii) If any figure appear in the Adjustment head like “797” , “902” etc. their correctness to be checked with reference to the authority.
- (iii) In respect of “Deduct Refunds” in Receipt CA or Deduct Recoveries in charge CA, normally (-) figures only should appear. In cases of deviation, reasons to be verified.

(iv) Whether proper action has been taken to clear the provisional booking if any.

(v) Cases of variation of expenditure with reference to the provisions have to be reviewed and warning slips issued wherever necessary.

Steps for Generation of warning slips in the VLC system:

1. VLC -> Inhouse -> Treasury Compilation -> Warning Slips.

Due dates

507.1. Detail Book – Completion of authorization & posting done by AAOs for the booking work done by the bookers - 30th of the succeeding month.

2. Consolidated Abstract – Generated every quarter. However printouts are taken for March (P), (Supplemental) & (Journal).

Statement of Disbursers' Accounts

508. (a) Book Section Posts the Statement of Disbursers' Accounts for the Stat Government ---Vide Chapter 4 of Account Code for Accountants General. This is generated in the VLC system in form AC. 2 (Account Code for opening and closing balances of all officers rendering accounts to the Accountant General. While the grand total of the Consolidated Abstract of Major Heads show the amount received and paid on all accounts, the statement of Disbursers' Accounts shows the amounts received and paid by all Accountants. The grand total of receipts and payments in both should therefore, be equal. The statement thus furnished is an effective check on the grand totals made out in the consolidated Abstract of Major Heads (Article 4.8 of Account Code for Accountants General).

The check contemplated above is exercised in the following manner. The statement of Disbursers' Accounts is posted from Treasury Accounts, Departmental Accounts, Statement of local Remittances in Transit, Accounts Current Abstracts and Transfer Entry Ledgers. The total of the receipts and payment for the month are then worked out and compared with the total worked out in the consolidated Abstract of Major heads. Any difference noticed between the two sets of figures is settled before the Civil Accounts are dispatched.

(b)The entries against "Local Remittances in Transit" should be posted with reference to the figures of closing balances arrived at in eh Remittance Check Register maintained separately in "RBRD";the local remittances in transit at the end of the month should represent the remittances into or from the Currency chest at the treasuries for which the necessary opposite adjustments have not been carried out by Bank in the same month's accounts or vice versa. The opening balance against "Local Remittances in Transit" will be the amount of local remittances in transit at the beginning of the month, and its closing balance outstanding at the end of it. The entire amount of opening balance should then be posted under disbursements, and that of the closing balance under receipts.

© The closing balance under local remittance in transit arrived at in the Remittance Check Register should be posted in the Disbursers' Accounts in the following manner. If the net figure is a credit which represents an excess withdrawal from the Currency chest, a minus sign should be affixed to the local remittance in transit; in the opposite case, a plus sign should be affixed.

At present in Tamil Nadu state there is no Non-Banking Treasury to maintain the Remittance Account.

Reconciliation of the Departmental Figures with Account Figures

509. The Controlling Officers for appropriation of funds have to reconcile their expenditure with those booked in this office as explained in Paragraph 128 of the Tamil Nadu Budget Manual.

510. The CCO wise Detail Books are generated and forwarded to the respective CCOs through E-mail for effective reconciliation. They should also furnish a certificate of reconciliation before the 20th of the second month to the Accountant General to the effect that the figures have been reconciled and adjustments required to be made in their books have been carried out.

As regards the Medical Department, the reconciliation certificates may be furnished to the Accountant General on the 10th of the third succeeding month to which the accounts relate. (G.O. Ms. No. 1535, finance, dated 1.12.1954, T.M. Case 15-70/54-55 and G.O. Ms. No. 1507 Health, dated 7.6.1963 D.A.XVI case No. 7/63-64).

511. (1) To ensure that certificates of final reconciliation from the departmental authorities are duly received, a module is created in the system by VLC which is illustrated below where in the entries for all receipts of reconciliation certificates from the departmental authorities are made.

(Screen Shot for reconciliation is enclosed)

- (2) For the purpose of computing the number of certificates not received each Chief controlling Officer will be threatened as one Unit. However, where the Chief Controlling Officer operates more than one Major Head of Account, each Major Head will be treated as a separate unit. The number of certificates due from the Chief Controlling Officers for mention in the Report of the C & A.G. of India on the accounts of the State will also be computed on this basis.
- (3) The Chief Controlling Officers will be informed that, while furnishing the certificate of reconciliation in respect of the Head of Account controlled by them, they should indicate in the certificates, the sub-head of account in respect of which reconciliation is pending. They will also be required to furnish the certificates in the following form---

“Certified that in respect of the sub-heads falling under the Major Head.....controlled by me, the figures of expenditure as per the registers of this officer have been reconciled with those in the books of the Accounts General except in regard to the following sub-heads of account as detailed below:--

Name of	Expenditure figures as per	Stage of
Sub-Head	the book of the Department	Reconciliation

Such certificates will have to be furnished by the Controlling Officers MONTHLY.

- (4) When a qualified certificates is given, it will be deemed that reconciliation for the month has not been completed ad a single certificate will still be shown as outstanding from the Controlling Officer. Wherever qualified certificates are given, as and when reconciliation is completed in respect of the pending sub-heads of account the sections should not the fact in the original certificate furnished by the chief Controlling Officer and after the work is fully completed a final certificate will be furnished by the Chief Controlling Authority.
- (5) The Chief Controlling Officer will also be required to furnished at the end of the year a single report indicating the extent of reconciliation pending sub-headwise, for the different months in the year in the same form as for monthly certificate. On the basis of the certificate furnished in the aforesaid manner the sections should compute at the end of the year the sub-heads of accounts in respect of which reconciliation is pending and compare the departmental figures as reported by the Chief Controlling Officers with the figures booked by this office for the purpose of mention in the report of the C & A. G. of India.

(No. DCM V/15----55/78-79/135 dated 2.12.78)

Specimen forms of letters to be sent to the Chief Controlling Officer in connection with the work of reconciliation, intimation of adjustments made etc., are indicated in Annexures I and II.

- (6) The firm date of closing of March (Supplementary) account and also the time schedule for reconciliation should be communicated well in advance to State Government by DCM section. If the departmental officers turn up for reconciliation after this closing of accounts, the adjustments which are possible may be made in belated Journal entries. In other cases they should be incorporated as not of the error under orders of he Accountant General. A suitable comment may be incorporated in Chapter 2 of Audit Report, if there is delay in reconciliation or if the departmental representatives do not turn up for reconciliation.

(Hqrs. Genl. Circular No. 13-AC. II/1987, No. 268/ACII/62---86 dt. 30.3.87 and Pr. A.G.'s order dated 6.5.87)

512. The departmental compilation sections should review the RC module every month indicating the progress made in the receipt of reconciliation certificates up to the third preceding month. The Branch Officer should critically review the module to see that the reconciliation works is carried on systematically.

Thereafter, the module should be reviewed by DCM section on the 5th of every month. The controlling section should review the module and submit a summary of the arrear position to the Group Officer on the 15th of every month and to the Accountant General on the 15th January/April/July/October.

513. In order to acquaint the departmental Controlling officers with the progress of revenue Collections and to assist them in framing proper; and accurate estimates for provision in the budget, Statements of revenue receipts are forwarded by this office monthly to Heads of Departments of Departments or other Chief or Sub Controlling Officers, soon after the Compilation of the accouns for the month is completed. The responsibility for reconciliation of the departmental figures of receipts with those of the Accountant general and issue of reconciliation rests with the departmental officer. The

Compilation Sectins should watch the reconciliation certificates in respect of receipts (Hqrs. Lr No. 17-AC-I/SP-III/17-2000 Vol I dt. 21.12002)

514:(a)The compilation sections should agree their figures for the month/upto the month (including for NIL figure) under Contingency fund every month with those booked in LA6A, by viewing the figures in the system.

(b)The compilation section should also agree the figures under “7610 Loans and Advances” 8009 State Provident Fund” monthly, subaccount wise with the figures booked in LA6 and LA3 respectively.

ANNEXURE I

(Para 511)

Officer of the Accountant General (Accounts & Entitlement)

Tamil Nadu

Anna Salai, Chennai---600 018.

Ref:

Date:

To

The @

CHENNAI

Sir

Sub Reconciliation of Departmental figures with those of the Accountant General----**--
Regarding .

The statement of discrepancies, if any noticed during reconciliations has not so far been received nor has the final certificate of reconciliation been furnished, in respect of the account offor the heads of account mentioned below:--

Sub Account	Heads of Account	Month
-------------	------------------	-------

I am therefore to request you to expedite the furnishing of Statement of discrepancies.

Certificate of reconciliation.

Yours faithfully

Accounts Officer

ANNEXURE II

Office of the Accountant General (Accounts & Entitlement)

Tamil nadu

Anna Salai Chennai—600 018.

Ref:

Date:

To:

The @

CHENNAI

Sir,

Sub Reconciliation of Department figures with those of the Accountant General—Regarding.

Ref: Your letter No.

Date:

I am to state that the adjustments indicated in Annexure I * proposed in your letter cited have been carried out by this Officer in the accounts o. ***

The adjustments mentioned in Annexure II* could not be carried out for reasons mentioned against them.

I am to request that final certificate of reconciliation may please be sent immediately.

Yours

faithfully,

Encl: Annexure
Officer

Accounts

ANNEXURE III

Statement showing details of Adjustments carried out in the Books of the Account General (Accounts & Entitlement), Tamilnadu

Sl. No.	Month of Account	<u>head of Account</u>		Amount
		Debit	Credit	

Accounts Officer

ANNEXURE IV

Statement Showing Details of Adjustments which could not be Carried out

Sl. No.	Details of adjustments proposed by			Reasons for non-adjustment
	<u>Chief Controlling Officer Head of Account</u>			
	Debit	Credit	Amount	
<hr/>				
				Accounts Officer

CHAPTER 6

TRANSFER ENTRIES ETC.

601. The object of transfer entries and the rules and procedure for preparing the entries and posting them in the Transfer Entry Ledger and Abstract are detailed in chapter 7 of Account Code for Accountant General. See also Paras 5.15.1, 5.15.2 of C.A.G's MSO (A&E), Volume I. In the computerized step up, the Transfer entries are booked in the Transfer Entry module provided in the system.

Steps for posting Transfer entries in the VLC system :

Go to VLC module -> Treasury compilation -> Internal inputs -> select Transfer entry.

Preparation of Transfer Entries

602. Detailed heads of account are opened (one for each Subsidiary Account) under the Major head 8658 "Suspense Accounts-111 Departmental Adjusting Accounts", both on the receipt side and on the charges side of the Deb and Remittance heads of account. These heads should be operated for adjustment involving (i.e). more than one Subsidiary Account.

603. if an item is to be transferred to a head of account in another departmental account in the accounts of the same Government, it should be classified in the transfer entry as pertaining to the relevant sub-account relating to the other Department to which the transaction is transferred under the Suspense head "Departmental adjusting account" and the transfer entry with the supporting schedules or vouchers sent to the Compilation Section which deals with the head of Account/Department in which the transferred items will be finally adjusted under the proper head. The other section should immediately prepare a responding transfer entry by minus credit or minus debit, as the case may be under the relevant detailed head of account under the suspense head "Departmental Adjusting Account" by transferring the

item to the proper head of account under which it is final adjustable. The responding section should certify on the original transfer entry to the fact of corresponding adjustment having been made in eh month, quoting therein the number assigned to the corresponding transfer entry in that section and return the Original transfer entry to the originating section obtaining its acknowledgement at the foot of the corresponding transfer entry. The former transfer entry should be booked only after obtaining the certificate thereon of the corresponding transfer entry having been made. To ensure that the amounts are not allowed to remain unadjusted under the suspense head of account "Department Adjusting Account" it should be seen that the original and the responding transfer entries are booked in the accounts of the same month.

NOTE—When any T.E. is made with reference to inward to inward letters the T.E. Number and month should be given in the file order on the papers (O.O. T.M. 132 dt. 31.3.60 IAD case 3-4/59-60)

604. All transfer entries which affect other Accounts Offices should contain full details and be supported by the relevant documents. To this end the sections should follow the procedure given below:--

-

(i) All such transfer entries should be passed through Account Current sections before they are booked.

(ii) Vouchers and schedules in support of the adjustment should be invariably attached to the transfer entries without which account Current Section will not accept the transfer entries.

(iii) whenever an adjustment involves a write-back, reference to the original transfer entry should be invariably given.

Suspense Slips from Account current Sections

605. In eh case of items received through the Inward Settlement Accounts or other inward accounts, the Account Current Branch will prepare only a single suspense slip. Account Current/Other Sections will not henceforth issue the suspense slips in duplicate. Instead only a single suspense slip will be issued. Account Current sections will enter all the suspense slips relating to one DAA in the "Outward Suspense Slip register" in the revised form MSO (A&E) Form 4 and send them to the section concerned. The Assistant Accounts Officer/Section Officer of the receiving section should carefully scrutinize the suspense slip to see whether they are prima facie adjustable against the DAA noted in the suspense slip and arrange to acknowledge them in the register itself. Once the suspense slips are acknowledged by the receiving sections the Account Current Sections will directly debit the concerned DAA without waiting for the certificate of adjustment from the section concerned.

In view of the direct operation of the D.A.A. by the A.C. section, greater responsibility is now thrust on the sections to adjust the suspense slips expeditiously as any delay in the adjustment would only result in the increase in the number of outstanding items in the D.A.A. Broadsheets.

All the suspense slips received should be entered in the "In ward Suspense Slip Register" Revised form, M.S.O. (A&E) Form 5 for watching the disposal and adjustment of the suspense slips. The suspense slips should be disposed of within three days from the date of receipt. The register should be closed every Monday upto the Saturday of the second preceding week and submitted to the Branch Officer. Items

which could not be adjusted should be abstracted indicating the steps taken for their adjustment. The Branch Officer should (carefully) review the outstanding items and issue instructions for their expeditious adjustment.

(Letter No. 286-O&M/ 36-67 dt. 19.9.68 of the C & A.G filed in TM/ 12-21/68-71)

606. Transactions which have to be adjusted to a Debt or Remittance head, will be adjusted by the Account Current Section to the concerned Debt or Remittance head in the Settlement Account Abstract Prepared by it and necessary advices of adjustment issued to the concerned sections or departments.”(Refer para 406 of AC Manual)”

Where net amounts are passed through Account Current [Eg. In r/p Establishment Vouchers] the departmental compilation sections should adjust gross amounts to service heads and should, in respect of the deductions, apprise the sections concerned of the corresponding adjustments to be made in their books. It is not necessary that separate transfer entry should be made by the latter sections for credit on account of the deductions for each transaction. There is no objection to a consolidated transfer entry being made for each month. However, if the deductions are to be booked under the head of account coming under different subsidiary account (deductions for family benefit fund 0235 SA 26C) separate Transfer Entries duly passing on the deductions to the relevant subsidiary account D.A. A . should be proposed and handed over to the concerned compilation sections for booking. Also it should be ensured that credits on account of the deductions are booked in the same month in which the charges are booked.

Responsibility for proposing Transfer Entries connected with misclassification.

607. (a) The general principle is that if a transfer entry is due to misclassification the section responsible for compiling the subsidiary account in which the misclassification occurred alone is responsible for rectifying the mistakes by means of transfer entry.

(b) Appropriation Audit Department section is responsible for initiating transfer entries in certain cases, but it is in no way responsible for making the actual transfer entries themselves. This has to be done by the Compilation section Accountant who is responsible for checking/compiling the accounts.

Correction in accounts in respect of errors involving amounts not exceeding Rupees Ten.

608. The intention of the Rule in Chapter 6.15 (b) Account Code for Accountants General is to minimize the number of readjustments made after the accounts are closed. The rule is, however, not to be applied literally to all cases. When the misclassification is glaring or will otherwise attract the attention of the Public Accounts Committee although no explanations are necessary in the Appropriation Accounts it would be advisable to make necessary readjustment irrespective of the amount involved.

(Ar. Gl.'s D.O. LR. No. 357-Com p/71-39, dt.. 6.7.39 to A.G. U.P. Communicated with his endt. No. 196 Comp/40-40,dt. 26.7.40 Book Department “Correction of Accounts” File of 1940-41) T.E. Number Book.

609. The following general rules are indicated for guidance in the preparation of transfer Entries.

(i) Transfer Entries should be prepared in Form AC23. On one side of every transfer entry there should be only one major head against which there may be sundry debits/credits heads on the other side.

Sundry debits should not be taken against sundry credits. A fortiori, the same entry should not contain independent corrections of two major heads; it may not debit A by credit to B, and again C by credit to D.

The transfer entry should contain a narration elucidating both the nature of the adjustment and the grounds on which the rectification entry is proposed in cases of rectification of misclassification.

(ii) In cases of rectification of transfer entries affecting major heads involving different sub accounts, the Departmental Adjusting Accounts Suspense head relating to the correct head against which the transaction is classifiable is to be operated. The section in eh accounts of which the misclassification has occurred should initiate the rectification entries.

(iii) In respect of transactions affecting head of account other than Debt, deposit Remittance and Suspense Heads no Transfer Entry is admissible if the accounts of the year is closed. However necessary 'Note of the error' has to be made against the original entries in the concerned Consolidated Abstract. Copies of "Note of the error" affecting Capital Heads should be furnished to AAD to enable proforma correction against the progress capital Outlay being made in the Finance Accounts.

Revised Para 610

Compilation Sections should maintain a transfer Entry Number Book (Form A.O.51) which is meant for incorporation of the Transfer entry proposals relating to the concerned subsidiary account initiated by them as well as those received from other section maintaining detailed accounts. Similar transfer entry number book should be maintained by the Sections maintaining the detailed accounts for recording the Transfer entry proposals initiated by them which are to be handed over to the compilation Section. The receipt of the transfer entry proposals should be acknowledged by the compilation section. The transfer entries should be numbered serially commencing from the account of April and ending up in the Journal account. The numbers allotted to the transfer entries by the section proposing them apart, General numbers should be allotted to the transfer entries serially by the compilation sections. The information relating to the transfer entries should be furnished as per the columns and the footnote provided in the transfer entry number book for this purpose.

The Transfer Entry Number Book should be closed monthly and submitted to the Branch Officer on the first of every month. While approving the closing the Assistant Accounts Officer/Section Officer should ensure that all the transfer entry proposals incorporated in the Transfer Entry Ledger have actually been included in the Transfer Entry Ledger for compilation. It should also be ascertained that the reasons for the proposal of the Transfer Entry indicated against the columns by using the guide letters 'A', 'B', 'C' as per the footnote in the Journal Entry Number book for this purpose are correct. The branch Officer of the section should critically review the entries in the Transfer Entry Number Book especially in regard to this information while approving the closing.

It should also be ensured that the reasons for the proposals of Transfer Entries as incorporated in the Transfer Entry Number Book have been indicated in the Register of Errors in classification. The Transfer Entry number Book should be submitted to DCM/TM Section for review along with the registers of errors in classification.

NOTE

Transfer Entries are now being booked in the computer directly and Transfer Entries Ledger is also being generated through the system. In addition to the general number given for each Transfer Entry by the Compilation Section, another general number is also allotted by the system for each posted Transfer Entry. This system generated number should be also noted on the Transfer Entry Form. The transfer entries booked are authorized and posted by the AAO of the concerned DC section.

Intimation of Adjustment

611. Every section making and adjustment involving a head of account included in the Scheme for control of expenditure should send an intimation of the month of adjustment and the amount, to the disbursing officer through the Chief Controlling Officer concerned immediately after the approval of the transfer entries. A note of such intimation having been sent to the Departmental Officer should be made on each transfer entry (i.e., the number and date of the A.C.X issued). This information should be sent in the proper A.C.X form. While approving the Transfer Entries, S.O/A.A.O. should ensure that intimation of the Transfer entries in the A.C.X slip are also issued to the department concerned simultaneously.

(C.A.G's Lr. 542-Admn. II/89-58 dt 11.3.58-TM Case 15-73/57-58)

Note of Correction

612. A Note of correction affecting figures relating to revenue, expenditure debt, deposit or remittances heads should be made against the original entry in the relevant Treasury Subsidiary Account (Main account wherever necessary) or consolidated Abstract in which the error occurred.

(A.G's orders- T.M Case No. 12-1/51-52)

613. According to the provisions of Para 11 of Comptroller Auditor General's Secret Memo of instruction the Assistant Accounts officer/ Accounts Officer is responsible for the correctness of the classification of item over Rs. 5,000/-Rs. 10,000/-respectively. Above Rs.10,000/-the transfer entries are forwarded to the group officer for approval. Based on the Transfer Entry proposals received from the Department, the correctness is verified with the vouchers and Transfer Entries are proposed.

Review of the Register of suspense slips

614. The Registers of Suspense Slips duly closed and reviewed by the Branch Officer, should be sent all the D.C.L.A. sections to T.M/DCM respectively once a quarter (i.e. 15th April/July/October/January). T.M/D.C.M sections will scrutinize the registers and submit a consolidated report to the Accountant General through the Deputy Accountant General within 3 days of the date specified above.

This procedure applies also to other sections specified below which should submit their registers to the controlling section noted against each for the scrutiny and submission of a consolidated report to the Accountant General through the respective Deputy Accountant General.

“PWC” Section & FC Sections	---- PWC II
Pension	---- PM
GA Section	-----GAD-I
Funds Section	-----FM

Register of Errors in Classification

615. (i) A separate register in the form shown below will be maintained by each Accounting Section (including P.W.C. A.C. F.C G.A.D. and Funds Sections) wherein errors in classification committed by this officer the treasuries and the departmental Officer should be recorded. The register is divided into two parts. Part I showing the errors committed by this officer and Part II showing those noticed in the treasury or departmental accounts. In part I of the register all the entries relating to category A of the T.E number book, as well as those indicated in sub-paragraph (ii) below have to be noted. In part II of the register the entries relating to Category B of the T.E number book and those made in the A.M approval register have to be incorporated. The Assistant Accounts Officer Section officer of the Section is responsible for the proper maintenance of this register and its submission to the Branch Officer along with the T.E number book. The Branch Officer should scrutinize the entries in the register with reference to those of the T.E. number book. He should investigate the reasons for the large number of items in Part I of he register with reference to those of the T.E number book. He should investigate the reasons for the large number of items in Part I of the register with reference to those of the T.E number book, and take suitable action against those responsible for the misclassification Regarding the entries in Part II of the Government as the circumstances may require for remedial measures.

Register of errors in classification

Part I

Serial	Month	Name of Treasury or Departmental Officer	T.E. or A.M. number, amount	Orders of B.O.
(1)	(2)	(3)	(4)	(5)

(ii)“While closing the register on the first of each month, the errors in classification noticed in the accounts or the second preceding month should be detailed in parts I and II of the register as laid down in Sub-para (i) aboe”. (Sr. DAG’s orders dt. 2.7.64 filed in TM Case 11-33A/61-65)(iii)the register duly approved by the Branch Officer should be sent to DCM section not later than the 5th of May, August, November & February for review and posting in a consolidated register to be maintained in that section.

The consolidated register and the review notes should be submitted by DCM to A.G through the D.A.G for his orders (Quarterly) on the 10th of may August November & February. DCM section should also test-c heck some of the entries in the Register with reference to the transfer entries in the Transfer entry number book and A.M. approval register and include its remarks in the report to be submitted to A.G.

Error in Book-keeping

616. In cases where it is possible to clearly establish the outstandings as due to an error in Book-keeping, there should be no objection to approach the C.A.G's officer to obtain their concurrence to write off to "Miscellaneous Government Account" in terms of the provisions obtained in Rule 38 of Government Accounting Rules 1990. The prior concurrence of the Government concerned should be necessary in all cases where there in any scope of doubt regarding the origin of the outstanding before sanction to the write off of the same can be given by the Comptroller and Auditor General.

(C.A.G's lr. No. 441-Comp.I/60-56, dt. 22.6.56 filed in Book and copy filed in T.M. case 12-6/56-57)

Periodical adjustments

617. As required in Article 7.3 of Account Code for Accountants General a list of adjustments which have to be made periodically should be maintained by the sections; in order to ensure that they are regularly made; sections should consult this before the transfer entry ledgers are closed for each month. The list should be kept upto date and copies of the orders prescribing new periodical adjustments should be furnished to the D.C Miscellaneous Sections. The list of periodical adjustments should also be sent to the Book section on the due dates.

The D.C Miscellaneous Section will maintain a consolidated record in a register, showing the periodical adjustments to be made by the different section of the Officer and keep it up to date by incorporating therein fresh items, as and when they are intimated to D.C .M by section concerned. The section responsible for making the adjustments should intimate to DCM the fact of adjustment of each item, as soon as it is carried out. DCM with not the fact of adjustment against the relevant item in the register, with reference to the intimation received from each section and close the register monthly indicating the items in respect of which adjustments due to be made in the accounts of the previous month that have been carried out by the sections. The register should be submitted to D.A.G duly closed on the 20th of every month and to A.G quarterly on the 20th April July ,October and January.

(See also Para 1916 of this Manual)

(O.M. No. CXXXVI dt 27.11.53 of A.G-T.M 00 185 dated 25.1.67)

The sections should make all efforts to address the department/Government concerned to obtain necessary sanction orders/receipts/ expenditure particulars so that the periodical adjustments are carried out as and when due and in any case before the closure of the year's accounts.

March Supplemental accounts

618. Special efforts should be made for the prompt detection of incorrect posting and misclassification in the accounts for a year and for the incorporation of the correction entries before the close of the March supplemental account itself. A thorough review of the outstanding items under suspense and remittance heads should be made immediately on the close of the March preliminary accounts and necessary adjustments carried out in the March supplemental account itself. The March supplemental accounts should, for all purposes, be a final account for the year. The number of transfer entries proposed subsequently should be reduced to the lowest possible extent and be confined only to corrections advised by Comptroller and Auditor General at the time of scrutiny of the accounts in his office and to rectification of misclassifications detected during the course of the preparation of the Appropriation accounts.

619. Adjustments proposed to be made in the March supplemental accounts, can made only if the transaction relate to the supplies, etc. made during the year. If, however they relate to previous years and are not of the class of charges to be automatically adjusted by this office in the March supplemental accounts the head of the department or the Government should be addressed and if there is any objection to the adjustments being of the March Supplemental accounts, it should be made in her current year's accounts on hand.

(G.I. Ir. No 9621-A, Finance dt. 28.11.24; G.O. No. 942, Finance dt. 31.12.24-TM Case 23-11/1924-25)

620. All transfer entries proposed for incorporation in the account for March Supplemental should be approved by the Branch Officer. If the value of the Transfer entry exceed Rs. 50,000/- under Debt Deposit Remittance and Suspense heads and Rupees Two lakhas under other heads (viz) Revenue, Capital etc. the Transfer Entry should be got approved by the Group Officer.

The Transfer Entries for adjustment of inter Government/Inter Departmental transactions proposed by the Account Current Sections, Reserve Bank of India, Nagpur, may be approved by the Assistant Accounts Officer Section Officers themselves, even if the amount of T.Es. exceed Rs. 10,000/-

(C.& A.G's letter. No. 1842-T.AI/751-63 dt. 8.7.64 received and filed in I.A.Dk. Sections)

Supplemental Transfer Entries need not be sent to Book & AAD. These Transfer Entries should be compiled in the respective DC Section.

Journal Entries

621. Journal entries affecting different heads of account should be made direct without operating the Departmental Adjusting Account. These Journal entries should be sent to Book I/AAD Section along with a brief note explaining as to why the adjustment was not affected before the closing of March Supplemental Accounts. The explanation of the persons responsible for the misclassifications of belated readjustments should in addition be submitted to the Accounts General for orders. After scrutiny by Book AAD section the Journal entries involving debt deposit and remittance heads should be approved by Deputy accounts General and those for amounts exceeding Rs. 50,000. In respect of other heads all the

Journal Transfer entries should be approved by Branch Officer and Group Officer and for amounts exceeding Rs. 2Lacs by the Accountant General..

(Footnote I: In respect of those Journal entries which do not affect the non plan or plan total figures under the same minor head the original need not be given to Book for Booking.

Footnote 2: Journal entries affecting heads dealt with by different compilation sections should be routed through the concerned section before submitting to Book/AAd for scrutiny.)

After booking, Book section will prepare a report showing sectionwise the number of entries involved. The internal test Audit Accountant will test-check a certain percentage thereof from each section (a) with regard to the cause of delay and remedial measures therefor; (b) with regard to their accuracy in the light of the orders of Government and the instructions in the various Account Codes and (c) with a view to verifying whether the misclassification could not have been detected during the course of checking the accounts.

The Account Current Section is permitted as a special case, to consolidated in the form of an account all the adjustments required to be made in the March journal accounts. These Accounts should be submitted to the Accountant General for approval through the Book/AAD and other section concerned and after his approval, should be sent to the Book Section for necessary action.

Alteration Memoranda

622. The rules governing the submission of Alteration Memoranda by Treasury Officers are given in Local Ruling 8 to 10 under Articles 95—99 of the Tamil Nadu Account Code, Volume II.

Alteration in Accounts etc.

Rule 8. When after the dispatch of the monthly treasury account, the Treasury officer discovers that the classification of any item in that or in a previous month's account is erroneous, or when a departmental officer brings any misclassification in the accounts to the notice of the Treasury Officer, he should prepare an alteration memorandum in Form T.A IX explaining clearly the necessity for the alteration and showing the addition or deduction to be made under each head of account affected and sign it in full. The Treasury officer should certify in every alteration memorandum that he has personally satisfied himself that the alteration proposed is necessary.

The alteration memoranda need not be sent to the Accountant General for previous approval; and the alterations may be carried out in the accounts of the month under preparation at the time without his formal permission. The alteration memoranda should however accompany the next treasury account in support of the additions or deduction made therein on account of the corrections. If any mistake is detected by the Accountant General, the amount will be corrected and communicated through the outgoing objection statement.

Every alteration memorandum should be prepared in such a way as not to affect more than two subsidiary accounts or more than one subsidiary account and the main treasury account. When an alteration memorandum affects only a single account; it should be attached in original to the account affected. When an alteration memorandum affects two accounts, it should be prepared in duplicate with the

accounts to which it relates distinctly marked on it and should be attached to the respective account in support of the alteration made.

NOTE:-- Corrections made by the Treasury Officer should be communicated to the departmental officer concerned who are responsible for watching the recoveries of revenue and expenditure.

Rule 9. The above procedure should not, however be followed in the case of alterations affecting the accounts of a past year or those relating to April, May and June which affect fasli returns or those affecting Forest Remittances or Forest Accounts. In these cases alteration memoranda should be submitted to the Accountant General for approval. He will make the necessary corrections in his accounts by means of transfer entries and send intimation in the prescribed form. On receipt of the intimation, a note should be made against the original head of account. As an exception to the above rule, alterations in the account of a previous year affection debt, deposit etc. heads should be adjusted through the treasury accounts. These alteration memoranda should be sent to the Accountant General as a rule in two batches, on the 1st and the 16th of each month.

Alterations for sums not exceeding Rs. 10 affecting revenue or service heads should not be proposed to the Accountant General as the rule prohibit transfer entries for such sums. A note of the error should be entered in the treasury account and in the departmental registers.

Rule 10 . All corrections affecting the accounts of a previous year should be submitted to the Account General by the 20th May. Any alteration sent after that date should be accompanied by an explanation for not detecting the error before that date. If the explanation is unsatisfactory, the Accountant General will submit it to the Government for orders.

NOTE: In the case of districts where the jamabandi work extends to June the corrections in the accounts of the previous year relating to land revenue receipts may be reported upto 1st July, but corrections which can be communicated by the 7th June should be sent by them.

623. Alterations affecting debt, deposit etc, head (i.e. Revenue, Civil Court, Criminal Court and Personal Deposits) will always be adjusted through the treasury accounts even though they affect the accounts of a previous year (vide Local Ruling No, 9 under Articles 95---99 of the Tamilnadu Account Code, Volume II) Lapsed deposits will be dealt with as laid down in rule 635 of the Central Treasury Rule and in Articles 271 and 272 of the Tamilnadu Financial Code Volume I.

624. When an Alteration Memorandum is submitted by the Treasury Officers for such alteration affecting debt deposit etc heads the Accountant will examine the memorandum and enter it in a register in the following form with a draft endorsement approving or disapproving of the alteration, with or without modification. The memoranda should be submitted for the approval of the Branch Officer if they fall under one or more of the under mentioned categories:---

(i) Case where the amount involved exceeds Rs. 10,000/-in each case .

(ii) Cases where transfer entries would be submitted to the Branch Officer including those in which March Supplemental Accounts are affected.

(iii) Cases where the approval of the Branch Office or special sanction is specifically required any orders or by any of the foot notes in the list of Major and Minor Heads e.g. Foot Note under 2252 Other Social Services—Other expenditure and Foot Note under 2014 Administration of Justice 800 other expenditure of the list of major and Minor Heads.

- (i) Alterations contrary to Budget Provision.
- (ii) Adjustments having any special or peculiar features.

NOTE- The procedure prescribed in this paragraph applies mutatis mutandis to Alteration Memoranda submitted by the Treasury officers in respect of other head account also with reference to Local Ruling 9 under Articles 95—99 of Tamilnadu Account code Volume II.

In other cases, the Section Officer himself can finally approve of the Alteration memoranda and return the same to the Treasury officers.

When an Alteration Memorandum is submitted by the Treasury officer for such alterations affecting the Debt, Deposit etc. heads the section which deals with the compilation of concerned heads where misclassification initially occurred should receive the Alteration Memorandum and examine the same in the manner prescribed above. After entering the Alteration Memorandum in the register the Alteration Memorandum should be forwarded to the concerned compilation section/Accountant who deals with the compilation of other heads of account to which the transfer is required, for verification of the correctness of the head of account as well as the verification of figure noted in the Alteration memorandum and return. On receipt back the section which received the Alteration Memorandum originally should return the Alteration Memorandum to the Treasury officer with necessary with necessary endorsement.

The register should be submitted to the Section Officer every month on the 10th and to the Branch Officer for review quarterly.

FORM OF REGISTER

Alteration memoranda approval Register

Sl. No.	Purport number	Date of Receipt	District	Number and date of alteration Memorandum	Amount of the alteration Memorandum	Head of a/c effected to the debit of	To the credit of
1	2	3	4	5	6	7	8
Branch Officer of Section Officer initials in token of approval			Number and date of dispatch		Month of Account in which included		Remarks
9			10		11		12

625. The endorsement as finally approved will be written on the back of the memorandum of alterations which should be folded in two (lengthways) and issued. The Treasury officer will then make the necessary correction in the account under preparation and return the approved alteration memorandum along with the account. All cases where alteration memoranda which have been approved by this Officer in previous months as entered in the Alteration Memoranda Approval Register have not been incorporated in the Treasury account should be detailed and the explanation of the Treasury officer should be called for in regard to the failure to carry them out in the accounts.

626. Whenever re-classification of an amount already charged in the treasury account is found necessary and can be made in this Officer alteration memoranda should not be called for from the Treasury Officers for carrying out such reclassification. The re-classification should be done by this Officer and details of the alterations made should be communicated forth with to the Treasury officer to enable them to correct their account.

Transmission of Suspense Slips/Transfer Entries to Other Sections

627. The accountant or booker who prepares the Suspense Slip or the Transfer Entry should enter the particulars serially in a separate transit register in the case of suspense slips and in the T.E. Number book in the case of T.Es and hand over the documents along with the Transit Register/T.E Number Book to the concerned sections duly getting the acknowledgements of the Clerks or Accountants concerned of the other sections. The on the same day and are duly acknowledged in the Transit Register T.E. Number Book. If, however the documents could not be delivered the same day the Transit Register/T.E Number Book together with the documents should be got back from the Group D official at the end of the kept intact till they are handed over the next day.

The transmission of the Suspense Slips by the Account Sections to the various Sections will be governed by the instructions contained in para 605.

The procedure laid down in para 605 will, however, apply, mutatis mutandis to the disposal of Suspense Slips referred to in this para.

(O.O.T.M 316 of 64-65 dated 29.12.64 filed in Corr. I. Case R 6-19/64-65).

628. Departmental Adjusting Account Broadsheet

Every month the DAA Broadsheets for both receipts and Charges are generated in the system and the balance outstanding under the Departmental adjusting Account can be viewed by the Booker / AAO/ BO of the concerned DC sections in the system itself. Every quarter a consolidated report is sent to Headquarters by the TM section on the outstanding balance under the DAA.”

CHAPTER 7

CITY PAYMENTS

701. The first Pay and Accounts office was constituted on 1.11.54 to take over from the Accountant General (Madras) his preaudit functions regarding payments in the city. As at present there are seven Pay and Accounts Officers constituted, Seven in Chennai City, (North, South , East , Secretariat, Corporation, High Court, PPO Chennai) in Madurai City, two (Madurai, High Court Bench (Madurai) and one in PAO (New Delhi).

Pay and Accounts Officer (North, South, East) are dealing with transactions relating to specified departments/offices coming under their jurisdiction. Pay and Accounts officer (Pension) is dealing with the pension transactions in State Government departments in Madras city. Pay and Accounts Office (Secretariat) is dealing with the transactions of Secretariat staff. Pay and Accounts office (Corporation) is in charge of transactions relating to teaching and non-teaching staff of Corporation. Pay and Accounts Office (North) is in charge of compilation of monthly account for the Government transactions at the Reserve Bank of India reported through the daily Bank sheets rendered by it. Pay and Account officer (Madurai) formed in 1987 is dealing with transactions relating to department/offices located in Madurai city.

There are Resident Audit sections in A.G. (Audit) one each is attached to each pay and Accounts office. The Pay and accounts officer has the added function of pre-check of all payments. The voucher are retained in the pay and Accounts officer and are audited by the Resident Audit officer with reference to

the initial records (viz. Salary Audit Register, T.A. Register, S.C.R., P.C.R Estt. Audit Register) kept by the P.A.O. as per the P.A.O. Manual.

Note: (a) In respect of Provident Fund transactions of State Government officials (including All India Service) the Pay and Account officer conduct Treasury checks, as the detailed accounts are maintained in the Provident fund Branch of this office. The schedules and vouchers in support of the credits/debits in the monthly account rendered by each of the P.A.Os are sent direct to the P.F. Section in AG(A&E) officer.

(b) Similarly the credit schedules and debit vouchers relating to long term advances like House Building Advance, Marriage advance Motor car Advance, Computer Advance etc. are sent by the P.A.O.s direct to the L.A. sections. The Credit Schedules and Debit vouchers relating to long term advances like house Building advance, Motor Car advance etc relating to all India Service Officers are sent by the PAOs direct to the LA – 5 section.” with reference to initial records (viz. Salary audit Register, T.A. Register S.C.R., P.C.R) kept by the P.A.Os as per the pay and accounts Officer Manual.

702. The Pay and Accounts Officer render monthly accounts (sub accounts and Main accounts) on the Treasury pattern like any District Treasury for the Transaction of each month. The due date for the receipt of the accounts of each month, is as prescribed from time to time by Government in consultation with the Accountant General (D.C.M.).

The following are the dates fixed for the receipt of the list of payments, vouchers and accounts by the Resident Audit Officer.

LOP & Monthly Accounts : 18th of the following month including main account.”

The Resident Audit section should check the sub accounts / Main accounts on their receipt and transmit them to D.C/L.A section for booking.

Note: In respect of the receipts/payments made directly at Reserve Bank of India, Chennai, the P.A.O (North) renders an separate monthly account to this office.

The D.C. sections should return the sub accounts to Resident audit office after booking to enable the latter to complete the check of sub accounts.

703. the check of sub accounts should be completed and certificate furnished to DCM by 20th of the second succeeding month in respect of Resident Audit officer.

Adjustment of transactions relating to city offices in respect of settlement Accounts/Departmental accounts etc. (Forest/PWD etc)

704. The suspense slips for the transactions relating to State Government Department/Offices in Madras city under the payment control of P.A.Os. will be issued to the Resident audit Section concerned. The Resident Audit section concerned, should scrutinize such transactions and propose Transfer Entries, After getting the details recorded in the initial records of P.A. O. wherever necessary.

For this purpose, each Resident Audit section should maintain a Register of suspense slips in the form prescribed and close them weekly. These registers will be reviewed monthly by D.C.M along with

similar registers maintained by D.C/L.A. Section in respect of mofussil officer. The Transfer Entries for the state as a whole should however, be watched by the departmental compilation section and necessary reconciliation certificates obtained by them.

Reconciliation of departmental figures with A.G.s figures

705. The reconciliation of the figures relating to the city Officer will be done at the Pay and Account Officer. In regard to discrepancies between the departmental and the A.G.s figures in respect of city transaction pointed out by the department officers, the Resident Audit Sections will propose necessary transfer entry and send them to the D.C section concerned for booking. The reconciliation of the figures for the State as a whole should, however, be watched by the departmental compilation section and necessary reconciliation certificates obtained by them.

(O.O. No. CA I/II-I/54-55/387 dated 23.3.55)

706. In respect of misclassifications and adjustments arising in the accounts of a year after the accounts for March in sent by the P.A.O (Viz. March Prelim.) the Resident Audit section concerned should propose Transfer Entries and send them for booking the D.C./L.A section concerned. The advices for such adjustment issued by eh Resident Audit sections to the Departmental Officer/P.A.O should be enclosed to the T.E. for being sent by D.C/L.A after booking.

Miscellaneous

707. Similar to furnishing of Provident Fund schedules vouchers, Long Term advance schedules vouchers. "In respect of AIS Officers" also should be sent by the P.A.O direct to the Accountant General (A&E).In respect of AIS Officers s In the case of other debt heads also vouchers and Chalan for credits plus and minus memoranda should be sent to Account General (A&E) L.A section wherever broadsheets are maintained.

In respect of missing credits/missing schedules, wherever necessary the Pay and Accounts Officer will furnish directly to the D.C./L.A. Sections, the details of the credits like recoveries of loans/subscriptions etc. taken form the Establishment Vouchers or from challans duly furnishing the amount recovered, number of installment, rate, voucher number with gross amount, net amount of the bill etc. along with a certificate. The name and designation of the officer name of the officer, sub-account number should also be furnished.The maintenance of Broadsheets in respect of long term advances viz., HBA, MCA, and M.A are dispensed with. Only Broadsheets in respect of All India Service Officers are maintained in LA V section. (As per TM orders dt 23/12/2009).

Communication of copies of references between Resident Audit officer and this office

708. Government orders, Sanctions and other General orders issued by Government/Departments relating to both city and districts should be scrutinized by the concerned section in the Main office and their acceptance communicated to Resident Audit section wherever necessary.

References relating to Departmental accounts including P.D accounts in respect of City offices will be dealt with by the sections in main Office.

Consolidated Treasury receipts/Issues.

709. The Pay and Accounts officer has been entrusted with the following items of work also with effect from 1st February 1962.

(i) Issue of consolidated Treasury receipts to the Departmental Officers.

(ii) Writing up of Pass Book for the cheques encashed of the Departmental officer and issue of necessary certificates in the forms prescribed.

(G.O.Ms No. 1941, Fin. Dt. 12.12.61-C.A Case 15-7/1960---62, read with T.M. circular T.M3—7/61-62/114 dt. 14.2.62 T.M Case 3—7/61-62).

CHAPTER 8

INTER-DEPARTMENTAL/GOVERNMENT ADJUSTMENTS

801. (A) Inter-Departmental Adjustments

The general outline of the procedure connected with the settlement of transactions between a State Government and the Central Government (including those of Railways, Posts and Telegraphs and Defence) and between one state government and another is set forth in Chapter 5 of Account Code for Accountants General.

(Article 5.1 of Account Code for Accountant General)

Chapter 4 of “Government accounting rules 1990” prescribe the conditions under which a department of a Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government concerned.

The practice of commercial departments or commercial undertakings which work to a financial result, charging or being charged for supplies made or services rendered should continue. Such of the commercial departments or undertakings as are authorized to draw cheques should settle the bills in respect of the services rendered or supplies made to it through cheques. The amounts due to such commercial departments or undertakings from other departments should be settled through bank drafts.

Where the commercial Department or undertakings are not vested with cheque drawing powers, the system of settlement through bank draft should be adopted. In case of transactions between two

service departments of the same government where manufacturing or production or supply of articles or repair operations are involved and the existing principles require statement, the adjustments might be done away with if the cost of the services or supplies is for Rs. 250/- or less in each case.

In respect of transactions for amounts in excess of Rs. 250/- the supplied department will present a bill at the Treasury Pay and Accounts Officer for the cost of supplies or services along with the accepted invoice and chalan in quadruplicate indicating the designation of the supplying officer in the invoice and the latter will pass the bill for payment by transfer credit to the head of account relating to the supplying department (indicated in the chalan) debiting to the amount to the heads indicated in the bill by the supplied officer.

The public works and Forest and other Departments, if any vested with cheque drawing powers will settle the claims through cheques.

In other cases, where inter-departmental adjustments between two service departments are in respect of services rendered and do not involve manufacturing or production or supply of articles, etc., there should be no monetary or accounting settlement except where some fees are levied under a particular enactment. In the latter case also, settlement should be made either in cash or through bank draft.

In respect of commercial undertakings which are not vested with cheque drawing powers and in the case service departments involving manufacturing or production or supply of articles or repair operations, with effect from 1st April 1974, the Departmental Officers (Supplied Officer) should send to the Treasury Officer Pay and Accounts officer the adjustment bill (in the form given in Annexure I) supported by chalangans in quadruplicate for payment by transfer credit to the head of account indicated in the chalan. The treasury officers Pay and Accounts officer will retain the original copy of the chalangans and send the duplicate and the triplicate copies to the supplied officers) and the fourth copy to the Accountant General, Tamilnadu along with the bill in support of the adjustment. The first copy of the chalan should bear the words "Treasury copy" the second copy "Supplied Officer's copy" "Supplying Officer's Copy" and fourth copy "Accountant General's copy". The words "By ADJUSTMENT" should also be indicated in each of the copies of the chalan.

The adjustment bill be in a particular colour so as to immediately distinguish it from a bill presented for payment of cash. The Director of Treasuries and Accounts and Accounts and the Director of Stationery and Printing will arrange to print and supply the forms to the Departmental Officers.

The Treasury Officers/Pay and Accounts Officer should treat the adjustment bills on par with bills for cash payment and take prompt action to carry out adjustments in the accounts within seven days from their receipt of the adjustment bills in the Treasuries/Pay and Accounts Officers.

(G.O. No. 297, Finance (Budget-General) Department dt. 12th March 1974)

In the non-banking Sub-Treasuries where there are no Reserve Banks of India remittance facilities and consequently the bill presented for supplies made by the Commercial Departments cannot be paid by means of bank drafts, the bill shall be encashed by the drawing officer and payment made to the commercial Department in case after obtaining necessary acknowledgement.

In places where the supplying and supplied Department are in one and the same place the procedure set out above shall be followed as no bank draft can be obtained from a bank for payment at the same branch.

Under paragraph 3 (a) of Appendix 21 of the Tamilnadu Treasury Code Volume II, Government drafts will be issued for a minimum amount of Rs. 50/- Rupees fifty only). Therefore bills for amounts less than Rs. 50/- shall be encashed by the drawing officer and payment made to Commercial Department in cash. In other cases where bank drafts can be obtained the amounts due to the Commercial Departments or undertakings from other departments should be settled through bank drafts only. At present in Tamil Nadu state there are no Non-Banking Treasuries.

(G.O. No 46, Finance (Budget General I) Departments dt. 11th January 1977).

(B) Inter-Government Adjustments

With effect from I. 10.76 the procedure set out below will be followed for settlement of inter-Governmental transactions on accounts of supplies made or services rendered by one Government to another:---

1. In all cases of claims for an amount not exceeding Rs. 100/- in each case, no monetary settlement will be resorted to. However in each of the following claims monetary settlement should be made irrespective of the amount:--
 - (i) Claims relating to commercial department/ undertakings of a Government which are required do work to financial result for services rendered of supplies made to or by them; and
 - (ii) Incidence of charges viz., leave salary, pension etc. arising out of inter-Governmental deputations of individual Government servants which will continue to be regulated by the rules laid down in appendix 5 B to Government Accounting Rules 1990.
2. For transactions above the limit of Rs. 1000/- and where the supplies/ services are to be paid for irrespective of any monetary limit, the settlement will be made through cheques/bank drafts by the supplied Government. The procedure to be followed for making the monetary settlements in these cases (i) between the State Governments inter se and (ii) in respect of supplies/services to a Central Government Department will be as indicated below:
 - (i) Between the State Governments inter se:

The concerned officer of the Government in receipt of the supplies or services will present a bill at the Treasury for the cost of services of supplies along with the accepted invoice and a requisition for a bank draft in favour of the officer concerned in the supplying Government and remit the bank draft so obtained to the latter who will present it at the Treasury for encashment and crediting to the proper head of account.

(ii) Between a State Government and a Central Government Department (including Defence Railways and Posts and Telegraphs Department besides Civil).

The Department of the Central Government which received the supplies/services will present a bill along with the accepted invoice to its own Accounts officer concerned who will make the payment by

cheques/bank drafts drawn in favour of the officer concerned of the supplying Government, in settlement of its claims.

In the reverse case of supplies/services rendered by a Central Government Department the cheques bank drafts received by it from the supplied Government will be presented by it to its Accounts Officer for encashment and credit to the proper head of account. In case the departmental officer is himself in account with a branch of the bank the cheque bank draft will be remitted by him to the bank with chalan showing particulars of the Head of account for credit to Government account.

3. The Union Territory Governments will also follow the procedure indicated above as may be applicable to them for settlement of their inter-Governmental transactions arising out of services rendered or supplies made by to them.
4. These instructions will not apply to payments to suppliers, arranged by the Department of Supply in the Ministry of Supply and Rehabilitation for purchases made by the State Governments etc., Through the Directorate General, Supplies and Disposals, in regard to which the procedure laid down in this Ministry's letter No. F.I(43)- B/ 73 dt. The 31st July 1975 will continue to hold good.
5. The procedure to be followed for realization of Customs duty on goods imported by the various Government Departments will be laid down separately by the Department of Revenue and Banking (Revenue wing). Similarly the procedure to be followed for settlement of claims relating to supplies made by the medical stores Depots to various Governments Departments will be prescribed separately by the Department of Health in the Ministry of Health and Family Planning.

(Govt. of India Ministry of Finance, Dept of Economic Affairs letter No. F. I (57)-B/74 dt. 12.10.76).

6. The procedure of settlement by sending advices to Central Accounts Section. Reserve Bank of India Nagpur will be followed in respect of transactions (including Supplies and Services) taking place between Railways Defence and Posts and Telegraphs amongst themselves. The procedure of settlement by sending advice to Central Accounts section, Reserve Bank of India will also be followed by Principal Accounts officer Ministry of External Affairs so far as transactions on behalf of P&T Defence and railways arising the book of Chief Accounts Officer High Commission for London and Indian Embassy Washington are concerned.

However, settlement of transactions between Defence/ P& T/Railways on the one hand and any State U.T Government (whose accounts have not been departmentalized) on the other hand will be by cheques/Bank Drafts only.

(Govt. of India MOF, Department of Expenditure CGA OM No. S. /110111/MF-CGA/Accts/1902 dated 18/10/77)

Waiving of petty isolated claims between Tamil Nadu and the Central government or any State Government

802. The Government of Tamilnadu have approved the principle of not preferring petty and isolated claims of Rs. 1,000/- or less against the Government of India or any other State Government of

services rendered on a reciprocal basis and have directed that their arrangement be continued permanently. The services rendered by the Commercial Undertakings of the Central and State Governments such as Railways Posts and Telegraphs etc., will however be outside the purview of the reciprocal arrangement.

The term "Services rendered" must be interpreted as an individual act of service and would not apply to

- (a) Supply of stores, etc.,
- (b) Contribution for officer on deputation, etc.

(G.O.Ms. No. 503, Finance dt. 25.4.55, G.O. Ms. No 512, Finance dt. 27.5.59 Memo No. 71332-A/Accts/59-2 Finance, dt. 28.8.59 and G.O. Ms. No. 1109 Finance dt 7.10.60 T.M Case 15-56/48-61)

An agreement to the same effect has been entered into with the Government of Kerala for the period upto 31st March 1966 and may be extended beyond that date mutual agreement.

(M.G.F.D. Endt. No. 57811/Accts. 62-1 dt. 10.8.62- T.M Case 12-3/62-63)

Time-limits for adjustment of past transactions

803. In respect of adjustments for past transactions between Commercial and Non-Commercial Departments of the Government of Tamilnadu, the period of limitation has been fixed as three years. This limitation should however be regarded as convention rather than a rigid accounting rule actual cases being settled by mutual agreement between the departments concerned.

(G.I.O.M. No. 4160-F. dt. 1.5.35 communicated in Ar. GI's Endt. No. 292 AC/314-34 dt. 18.4.35-T.M. Case 15-10/35-36)

Extra Expenditure incurred by Defence Services on account of employment of Defence forces in aid of civil Power-Adjustment of.

804. With a view to speedy settlement of debits relating to the above expenditure the Comptroller and Auditor General has decided in with the Controller General of Defence Accounts and some selected Civil Accountants General that the following procedure should be adopted in future:--

Clarifications obtained from the Director General of NCC (enclosed)

- (i) The controllers of Defence Accounts should in support of the debits raised by them against the Civil Accountants General through the Joint Controller of Defence Account Patna furnish information regarding the exact date and place at which and the purpose and period for which the troops were employed and the name and designation of the Civilian officer on whose request the troops were requisitioned.
- (ii) In view of the practical difficulties on the part of the Controller of Defence Accounts to furnish the vouchers as in respect of pay and allowances of the personnel employed on the aid operations, and Railway warrants stores etc. issued in connection with such operations, independent vouchers would not be available it has been decided in partial relaxation of the provision of Note under Article 5012 of

Account Code for Accountants General that the debits on this account need not be supported by actual vouchers the follow.

(iii)The responsibility for the audit of such voucher will devolve on the C.D.A concerned who will furnish in support of the debits the following:--

- (a) A brief statement showing the details of he calculations forming the basis of debit;
- (b) Audit Certificate in the following form:--

“Certified that the expenditure has been audited with reference to the rules and orders on the subject and t hat the services for which debit has been raised have actually been rendered.”

(iv)with the details referred to in (i) above it should be possible for the Civil Accounts General to approach the State Government concerned for the acceptance of the liability and the indication of the heads of account under which the expenditure is adjustable.

(CAG's Ir, No. 1296-AC/2-57,dt. 7-9-59- T.M 7-28/59-60)

T.C.A Programme/Colombo Plan Aid.

805. Under the T.C.A Programme/Colombo plan materials and equipment are received as aid. The value of such aid is reflected in the account of Government on eh basis of administrative sanctions which are required to be issued by the Ministries on receipt of the goods by the administrative authorities in India. The basic factor for making the necessary accounts adjustment is the sanction and not merely the receipt of goods or invoices. An Accounts Officer has Brought to the notice of the ministry of Finance (D.E.A.) the inordinate delay on the part of a Ministry between the receipt of the aid and the issue of expenditure sanctions. The Comptroller and Auditor General of India who was consulted in eh matter has pointed out that though the adjustment on account of the cost of materials and equipments received under the above programmer does not involve cash transactions as a general principle the adjustment should be made in the year in which the materials are received. The postponement of the adjustment to a further year can be justified only where it may not be possible to issue the sanction within the same year du to unavoidable circumstances such as receipt of materials towards the close of the year. The adjustment should however in no circumstances be held up merely for want of provision of funds.

(G.I. Min. of Fin. D.E.A.O.M.No. F8 (7) E.C.A.(A) 60, dt. 2.6.60 T.M Case No. 7-32/ 1960-61)

Procedure for payment to Private parties residing in places outside the jurisdiction of this audit circle.

806. With a view to reducing the number of transaction through the Settlement Accounts and to avoid the delay in adjusting the transaction finally the Government of India and the Tamilnadu government have decided that payments to private parties e.g.,

- (i) Repayments of earnest money deposits by contractors.
- (ii) refunds of examination fees remitted by candidates.
- (iii)Payments to advocates Solicitors etc. for rendering service to Government.

(iv) Other payments for supplies made or services rendered who reside in places outside this audit circle should be made by bank drafts by the Departmental Officers themselves. This Officer will not therefore issue payment authorizations to other accounts officer for disbursement in such cases Authorisations for such payments, if any received from other Accounts Officer should be rejected.

Payments of grants-in aid to private parties outside this State will however be made by authorizations on other Accounts Officer.

(G.O.Ms No 416, Finance dt. 9-3-55 and G.I., M.F. O.M No F. 4 (I) B. II 55, dt. 28.6.55 T.M. Case 15-38/53-56 and M.G., E.P.H. Ir No 248-E, 4/61-6, dt. 11.4.61 D.A. XIV case 10-7/56-62).

ANNEXURE I

Adjustment bill for Supplies made or Services Rendered (To be use for adjustment between two Government Departments)

Payable at	Voucher No.
Drawing Officer's Designation	Month
Drawing Officer Code	Sub Account No.
Debit	Amount

HEAD OF ACCOUNT	Data Processing Code	Rs. P
Major Head		
Minor Head		
Sub-Head		

Detailed Head	D.P. Code	Amount
Name of the supplying Officer	Invoice number	Description of charge and number and date of authority for all charges requiring special sanction
		Amount Rs P

Total Rupees	Total
	Drawing Officer

NOTE: The chalan in quadruplicate should accompany the bill. The original should be retained in the Treasury the duplicate and triplicate copies to be returned to the Drawing Officer (Supplied Officer) and the quadruplicate copy sent to Accountant General with the bill.

(For use in Treasury Sub-Treasury/Pay and accounts Officer)

1. I certify that the expenditure charged in this bill could not with due regard to the interests of the public service be avoided; all bills to be paid by book transfer are annexed.
2. Certified that the materials and stores billed for above have been brought on the respective inventories and that all materials and stores are being duly accounted for and verified in the manner laid down in Article 133-145 of TNFC Vol. I.
3. Certified that the articles have been received in good order that eh quantities are correct and their quality good, and according to specifications that the retes paid are not in excess of the accepted and the market rates and that suitable notes of payments have been recorded against the original invoices concerned to prevent double payment.
4. Certified that the monetary or quantitative limits prescribed by the Government in respect of the item of contingencies included in the bill have not been exceeded.

Amount of the bill RS. Rupees Rs. P.

Appropriation for the current year

Expenditure including this bill

Balance available

Received contents Please pay be transfer credit to the head of Account.

Signature of the Drawing Officer

(For use the Treasury Sub-Treasury/Pay and Accounts Officer)

Pay (Rs.) Rupees by transfer

Rs.

Date

Pay and Accounts Officer/treasury

Officer Sub-Treasury Officer.

For use in the Accounts General's office

Admitted for Rs.

Head of Accounts Chargeable.

Objected to Rs. Reasons for objection

Accountant

Section Officer

CHAPTER 9

CONTINGENCY FUND

901. The accounting arrangements for transaction connected with the Contingency fund are detailed in Chapter 7 and Appendix IV of the Manual of Appropriation Audit Section.

902. Departmental officers have instructions to stamp prominently (by rubber stamp or otherwise) all bills for expenditure from the contingency fund as pertaining to the Contingency fund and to record the full classification. Treasury officer have been instructed to prepare separate lists of payments (major head wise) for payments relating to Contingency Fund with reference to the classification recorded on the vouchers and send them to this office with the supporting voucher along with the bundle of vouchers of the corresponding Sub-accounts under the Consolidated Fund. The classified accounts of expenditure met out of advances from the contingency Fund have also be prepared sub accountwise in manuscript and attached to the relavant Sub- Account. The total of the expenditure should be shown in the main account t under the major head “8000-Contingency Fund” Each major head of expenditure in treated as a minor head subordinate to the major head “8000-Contingency Fund” Details of expenditure by Sub-account should be given in eh main accounts in a separate appendix and named “Account of debits to eh Contingency Fund” the total of this being agreed with the debit against the above Major head as shown in

the body of the account. The figures shown in this appendix against each sub-account should agree with the total expenditure from Contingency Fund as recorded in the Accounts of the Contingency Fund attached to the relative sub-account of the Consolidated Fund.

LA 6A should record the transactions relating to the Contingency Fund appearing in the Main Account in the Detail Book and consolidated abstract relating to the sub-account No. 27D. Each month D.C section should agree the total expenditure met out of advance form the Contingency Fund in their sub-account with the corresponding figure in LA 6A.. By viewing in the system and that has to be ensured by the AAO of each DC section. The Assistant Account Officer/Section Officer of each section should ensure that this agreement is done every month. This can be viewed by the DC sections in the screens available in the system.

903. In scrutinizing the sanctions of the Contingency Fund it should be seen –

- (i) that all order sanctioning the advance form the Contingency Fund are issued as orders of the Governor;
- (ii) that the orders specify the amounts of advances the grant or appropriation to which they relate and particulars of the expenditure to be met; by sub-heads and units of appropriation,
- (iii) that the sanctions have been issued in accordance with the provisions of the Contingency Fund rules framed by the Government;
- (iv) that the sanctions are made towards unforeseen expenditure only, i.e. in respect of cases which could not have reasonably foreseen at eh time of framing Budget Estimates or Supplementary Estimates, as the case may be and provision therefor not made in such estimates;
- (v) that the expenditure is really urgent and cannot be postponed till the voting of the Supplementary Demand;
- (vi) that the sanctions are not made as a matter of course to cover normal excesses under certain sub-heads of grants;
- (vii) that the actual expenditure met out of the advances sanctioned from the Contingency Fund does not exceed the sanctioned amount;
- (viii) that no amount is debited to the Contingency Fund without the sanction for an advance from the Fund;
- (ix) that the recoupment of the advance is made strictly in accordance with the rules framed by the Government; and
- (x) that in no case and advance remains outstanding at the enc of the following financial year.

904. The sanctions for advances from the /contingency fund should also be examined with reference to the relevant provisions of the Constitution of India. The section should scrutinize the sanctions for advances form the Contingency Fund in this light with reference to the corresponding administrative sanctions to the schemes and doubtful cases referred to DCM and AAD. Cases which appear to violate the provisions of the constitution should be submitted to the Account General for orders.

905. The sanction for the grant of advances from the contingency fund should be scrutinized from the Higher Audit angle with a view to see whether the advances are made towards unforeseen expenditure only and not to cover normal excesses under sub heads or grants. The sanction for the grant of advance from the contingency Fund issued after an excess had occurred under a sub-head of grant may be accepted and acted upon, if otherwise, in order, but they should be scrutinized to see whether it was not possible for a Supplementary vote or an advance from the Contingency fund to be taken before the expenditure was actually incurred in excess of the budget provision. If the examination shows that either a Supplementary vote or an advance from the Contingency Fund could have been obtained by following the normal procedure for control over expenditure, before the excess expenditure was actually incurred, the matter may be taken up with the State Government and considered for inclusion of a suitable comment in the Audit Report.

906. The criteria for treating expenditure as on “New Service” are detailed in paragraph 1101. All sanction to expenditure constituting “New Service” whether sanctioned as such or not should be entered in the Register of New Service (Annexure I). In cases where the sanctions issued by the Government of India appear to be on a semi-official basis with the Secretary/Joint Secretary of the Administrative Ministry with a copy to the Joint Secretary simultaneously to the Comptroller and Auditor General of India with full details so that they might be examined and resolved quickly. Sanctions accorded by the State Government for expenditure on doubtful cases of “New Service” should similarly be taken up with the Finance Department at appropriate level so as to secure a speedy settlement of the issue.

The Register of New Service should be submitted to the Branch Officer for review on the 5th of every month and to AAD section on the 7th.

(Authority Orders of Sr. D.A. G dt. 26.3.1968 in A.A case No. 60-7/66-69/and C&AG’s letter No. -1912 Rep./274-65 date 24.9.68 filed in A.A case 60-/67-69)

ANNEXURE I

(Para 906)

Register of “New Service”

Sl. No.	Number and date of the Government Order sanctioning the scheme	Brief details of the Scheme	Whether the Scheme has been declared by Government as “New Service” Yes or No
1. Reference to number and date of order sanctioning The advance from the Contingency Fund	2. Item Number in the supplementary Estimate	3. Month in which the expenditure against the sanction was first incurred	4.
5.	6.	7.	
Remarks	Initials of B.O.		

8.

9.

Appropriation Audit Register for Contingency Fund

907. A separate Appropriation Audit Register (A.T.M. Form I) should be maintained by the D.C. section to ensure that the actual expenditure met out of the advance from the contingency Fund does not exceed the sanctioned amount.

As and when sanctioned to advance from the Contingency Fund are received from Government through A.A.D. they should be noted in the register. The biked expenditure under the relevant minor head sub head should be posted from "Part II Contingency Fund" in the Appropriation Audit Register so as to facilitate detection of any expenditure incurred in excess of the sanction and not covered by the Appropriation Act and the verification of the figures of actual expenditure reported by the Finance Department to the Legislature and it should be ensured that at no stage does the progressive expenditure of any particular minor head/sub head exceed the amount of advance. As soon as the supplementary Appropriation Acts covering either fully or partly the advances taken from the Contingency Fund are passed, the expenditure should be transferred from the Contingency Fund to the Consolidated Fund. Against the amounts recouped the T.E. nos and the month of adjustment should be recorded in the register in proof of the fact of recoupment and should be attested by the Assistant accounts Officer/Section Officer. The Treasury Officers/Heads of Officers/Drawing officers should also be addressed by the D.C. sections to classify further expenditure against the respective head under Consolidated Fund. The Supplementary estimates should also be examined to see whether all items in respect of which advances have been sanctioned from the contingency fund and the transfer of the actual expenditure to the Consolidated Fund as and of advances of the Contingency Fund and the transfer of the actual expenditure to the Consolidated Fund as and when supplementary Appropriation Act are passé should be shown in the Appropriation Audit Register by minus entries thus reducing the progressive figures of appropriation and actual expenditure to nil.

As regards sanction against which no expenditure has been booked and which have been covered by recoupment orders issued by Government, it should be ensured that no expenditure has actually been incurred and the fact recorded against the sanction indicating also that no question of recoupment arises. If there be any expenditure, necessary adjustment should be made and the fact recorded. The sanction should not be kept blank without any remarks after receipt of recoupment orders from Government.

In cases of rectification of misclassifications TE. Nos. and month of adjustment should be specified in the register and attested by the Assistant Accounts Officer/Section Officer.

Assistant Accounts Officer Section Officer should scrutinize all expenditure sanctions to see if any scheme which should be treated as "New Service" has been omitted to be so treated by the Government Such cases should be promptly to DCM section. They should also ensure that there are no omissions to spot any misclassification or erroneous classification of transactions relating to Contingency Fund under the consolidated Fund or vice versa and should arrange with the director of Treasuries and Accounts for the award of Treasury irregularity to a treasury which has committed the error more than once.

The Appropriation Audit Registers in of Part II Contingency fund Advance should be submitted to the Branch Officer for review every quarter on the 10th August 10th November/ 10th February/10th May and the submission watched through the memorandum of Inspection duly pasted in the register. The register should be sent to AAD quarterly on or before 12th August/12th November/12th February/12th May for review. AAD section should review the postings in the register to see that the procedure of accounting is correctly followed by the sections and should submit the review report to the Accountant General on the 25th August 25th November/25th February/25th May.

(T.M. file 11-28/65-66 and DCM/V/15-4/76-77/89dt 21.6.76)

908. On receipt of the Appropriation Act the Resident Audit section should ascertain from the D.C section whether the New Service schemes dealt with or noticed by them have been covered by such Acts and whether suitable action has been taken by D.C. sections to transfer the relative expenditure to the Consolidated Fund. The responsibility for watched whether all the items for which advances have been sanctioned by Government are governed by the Appropriation Act primarily rests with the D.C sections.

909. Whenever orders are issued by Government for any temporary or permanent increase to the corpus of the Contingency Fund necessary T.E. will be proposed by LA 6 section debiting “7999 Appropriations to contingency Fund” crediting “8000 Contingency Fund”. In cases of temporary increase as soon as the period of temporary increase is over as per the orders of the Government order, original balance of the Contingency Fund will be restored by proposing necessary T.E. debiting “8000 Contingency Fund” and crediting “7999 Appropriations to Contingency Fund”.

However, if the amount of the temporary increase is not being ordered to the original position by the 31st March of the year, the temporary increase automatically ceases as on 1st April to represent which necessary proforma correction to the Opening Balance of the contingency Fund will be made in the Finance Accounts on the 1st April by the Book section.

No specific authority for making payments or for honoring of bills need be issued by A.G. (A&E) on the basis of orders from the State Government sanctioning the advances from the Contingency Fund

(CAG's Ir. No, 337 Admn I/82-56 Pt. I dt. 18.2.58 addressed to A.G. Assam).

910. Unless the power for the grant of advance under Article 267(2) of the Constitution is exercised and necessary formal sanction is actually issued the money will not be legally available and accordingly incurring of any expenditure out of the Contingency Fund in anticipation of such a sanction will be ultra vires of the Constitution. Authorizing expenditure out of Contingency Fund in anticipation of formal sanction of the Finance Department will not be in order.

(CAG's Ir. C.O no. 1204-AC/201-60, dt. 16.9.60-A.A Case 60-3/60-63).

911. Government should take advance from the Contingency Fund for the full amount for meeting expenditure on a new service but not token advances from the Contingency Fund for meeting a part of expenditure on new service, the balance being met from saving within the grant even if the grant as a whole is not exceeded. It will however, be permissible to meet the expenditure on a new service from

savings within a grant provided that a token vote of the Legislature is taken within the year and before the new service expenditure is actually incurred.

The advance taken from the Contingency Fund should always be recouped in time in accordance with the rule framed by the State Government where such rules exist or before the close of the financial year. The Finance Department should be reminded for taking necessary supplementary vote at the earliest occasion in accordance with the Contingency Fund Rules framed by the Government.

(CAG's Ir. No 358-AC/335- 58 dt. 9.3.59 A.A case 60-3/50-63)

912. Constitutionally the adjustment to transfer the amount from Part II Contingency Fund to Part I Consolidated Fund should be carried out as soon as the necessary Appropriation Act repaying the advance sanctioned from the Contingency Fund is passed i.e if the act is passed by the Legislature on or before the 31st March of any particular financial year resumption has to be treated as to have been effected during the same financial year. As it is obligatory that once such an Appropriation act has been passed the necessary adjustment should be carried out in the year's account it would be preferable if such an adjustment is carried out before the 31st March. In any case, it should be ensured that necessary adjustment is made before the closure of the account of the year.

(CAG's Ir No. 198-AG/21 -61dt. 23.2.61 A.A case 60-3/60-61)

913.Recoupment's of expenditure to the Contingency Fund in respect of advance taken during the year should be adjusted by transferring to the appropriate heads under Part I Consolidated Fund by minus debit under during the previous years should be adjusted as credits to the fund.

(CAG's letter. No. 377- Comp.I/4-61 dated 19.6.62)

A Grant or Appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the financial year or to be adjusted in the accounts of that year. It is operative until the close of that year. Any unspent balance lapses and is not available for utilization in the following year.

Note 1: The expenditure recorded against a Grant or Appropriation should ordinarily represent sums which actually come in course of payment within the financial year. There are, however, in operation various special arrangements whereby expenditure actually incurred in the previous years in recorded against a Grant or Appropriation of the current year. In general these are at variance with strict constitutional theory of parliamentary financial control.

Note 2: The special arrangements referred to above are of the nature indicated below:---

- (a) One such arrangement where the expenditure actually incurred in the previous year is recorded against the Grant or Appropriation of the current year relates to the expenditure met out of the advances from the Contingency Fund which are not recouped till the close of the relevant financial year. In this case, the expenditure met out of the advances from the contingency Fund and recouped during the financial year. In this case the expenditure the expenditure of that year and a note kept under the concerned Grant/Major head in the relevant appropriation Accounts/Finance Accounts.

When the recoupment of the advances drawn from the Contingency Fund is made through an excess demand in the subsequent year, the expenditure of the previous year is included in the relevant Grant/Major head and a note to this effect is given in the Finance Accounts of that year. However the expenditure is treated as expenditure of the year in which it is actually incurred and not of the year in which it is eventually recouped.

- (b) Similar procedure is also followed for making inevitable payments, for which no provision exists in a financial year by obtaining an advance from the Contingency Fund before it is actually incurred and the recoupment of which is not made during the financial year.

(Para 3.6 and Note 2 (a) & (b) thereunder of CAG's MSO (A&E) Vol. I)

CHAPTER 10

APPROPRIATION AUDIT, FINANCE ACCOUNTS ETC.

1001. Please see Chapter 3 of the C.A.G's M.S.O (A&E) Vol. I regarding General principles relating to check against provision of funds.

1002. The Extent and scope of the detailed appropriation audit to be conducted in the D.C Section are detailed in the Manual of the Appropriation Audit Section and the procedure and the due dates prescribed therein for the conduct of the detailed appropriation audit and for the supply of material to the appropriation Audit section should be strictly observed. The D.C section should promptly attend to the references from the Appropriation Audit Section for Further information.

Finance Accounts

1003. The instructions for the preparation of the Finance Accounts are given in the Manual of Appropriation Audit Department and the Manual of the Book Department. These instructions and the due dates prescribed therein should be strictly observed in furnishing the requisite material to Appropriation Audit Department and Book Department respectively by the Compilation and other concerned sections.

Instructions regarding the submission of returns to the Comptroller and Auditor General and the Government of India.

1004. The subsidiary returns referred to in the Annexure to Chapter 9 of Account Code for Accountants General should before submission to the Comptroller and Auditor General be carefully checked and tallied with the general accounts. A certificate that this has been done should be furnished in the covering letter of endorsement forwarding the returns. If more than one return is sent together by a section it will suffice if a single certificate covering all such returns is furnished.

The returns and statements referred to above, should be sent to the Book Department for general scrutiny before submission to the Branch Officer and the Accountant General. The office copies should be sent to the Book Department at least two clear days before the due date of submission to the Branch Officer. It must be distinctly understood that the scrutiny by the Book Department does not in any way minimize the responsibility of the Departmental Compilation Sections and the Branch Officer for the correctness of the statements and for their dispatch on the due dates.

CHAPTER 11

RULINGS ON CONTINGENCY FUND

1101. (1) a 'New Service' may be new form of service or a new instrument of service. A new form of service is a new type of expenditure which the Legislature has not voted e.g., expenditure on a Nuclear Research Institute. A new Instrument of Service is the extension of an existing type of service such as the provision of a new jail or a new hospital, besides those provided for.

Article 267 of the Constitution provides that a Contingency 'fund entitled "the Contingency Fund of India" or the "Contingency Fund of the State" may be established (by law made by Parliament or by a State Legislatures in the nature of an imprest into which shall be paid from time to time such sums as may be determined by such law. This Fund is placed at the disposal of the president or Governor of a State to enable him to make advance from the Fund for meeting unforeseen expenditure pending authorization of such expenditure by the Parliament or the State Legislature. Generally advances from the Contingency Fund are made by Government to meet expenditure on a New Service.

According to Articles 115 and 205 of the constitution of India, if a need arises during the year for "Supplementary or additional expenditure upon some new service not contemplated in the annual Financial Statement for that year" another statement should be laid before the Legislature showing the estimated amount of that expenditure; the amount has to be authorized by the Legislature in the usual manner. However the Constitution does not define the expression "New Service".

It has been recognized that the term “New Service” is not susceptible of precise definition and its application has been left to be decided by the evolution of a body of case law from the recommendations of the public Accounts committee. A new item of expenditure is not necessarily a “New Service” but expenditure which involves the adoption of a new policy a new activity a new facility or a major alteration in the character of an existing facility would normally constitute a “New Service”.

A distinction has also been drawn between a New form of service and a New Instrument of Service while any expenditure, howsoever small on a New form of service has been understood to mean an important extension of a provision specific commitment on facility provided the amount involved is appreciable. Thus in declaring a service as a “New Instrument of Service” the main criteria will be the magnitude and importance of the expenditure. Once an item is accepted as “new Instrument of Service”, it has to be treated as a “New Service for the purpose of obtaining the authorization of the legislature before expenditure can be incurred.

The monetary limits and criteria laid down by the Public Accounts Committee of Tamil Nadu for determination of items of New Service/New Instrument of service are given in the Budget Manual of the Government and are reproduced in Annexure.

There may be certain item of expenditure which cannot wait till the next session of the Legislature in which the necessary grants can be sanctioned. Such items are financed from the Contingency Fund kept at the disposal of the Governor to enable the Government to meet such unforeseen and urgent expenditure.

The expenditure is incurred in anticipation of Legislature’s approval and the necessary supplementary demands are placed before it normally in the immediate next session. After the demands are voted by the Legislature, the money withdrawn from the Contingency Fund is recouped to the fund.

The following classes of expenditure need not be treated as “New Service”:-

- (i) The expenditure on items mentioned at item (1) (i) of Annexure to this chapter, if it is not likely to extend beyond a single financial year will be treated as arising out of a temporary need, not requiring to be brought to the notice of the Legislature specifically.
- (ii) Employment of additional staff for normal increase of work involving no change in policy or the sanction of any new service e.g. if an extra clerk is given to each Taluk officer owing to the growth of land revenue work this extra cost does not constitute either a new form of service or a new instrument of service, being obviously the result of the normal increase in Government work.
- (iii) Cases already approved by the Legislature but where the expenditure is subsequently expected to exceed appreciably the amount originally intimated to the Legislature.

NOTE: Information regarding large variations should be given in the Budget Memorandum. Full information should be furnished to the Finance (Budget General) Department by the Departments of the Secretariat in time for incorporation in the budget Memorandum.

- (iv) Experiments, investigations and demonstrations.

NOTE: All expenditure of this character incurred each year without fruitful result should be reported to A.G. for incorporation in the Appropriation Accounts with suitable explanation for report to the P.A.C. in due course. For this purpose each department of the Secretariat should send a consolidated statement of such expenditure to the Finance Department every year by the 31st may. “Nil” returns also should be sent to the Finance Department.

(M.G. Finance (B.G.) Dept. U.O. No 59395- BG/ 56-1,dt. 30.6.56) (Chapter 6 of A.A.D Manual)

Some of the important decisions in regard to “new Service” are given below for guidance

If in a case, it turns out that funds have either been reappropriated or utilized for meeting expenditure on an item not contemplated in the financial year it shall be brought to the notice of the Public Accounts Committee through the Audit Report. The public Accounts Committee shall bring it to the notice of the Parliament/Legislature and if they agree with the observations in the Audit Report, they may recommend that parliament legislature may approve the expenditure. No fresh vote for the expenditure is called for as the money already voted by Legislature for that particular demand has not been exceeded. However, in cases where by incurring such expenditure the amount authorized by Parliament/Legislature for a particular demand (Service) for that year has been exceeded, the provision of Articles 175 (i) (b) of the Constitution will be attracted and the excess will have to be regularized under these provisions.

[Extract of para 82 from the 42nd Report of the Central Public Accounts Committee, 1961-62 circulated under comptroller and Auditor General’s letter No. 583-AC/253-56 dated 4th June 1962].

In order to avoid as far as possible cases of ‘New Service/New Instrument of Service requiring regularization after the close of the year it has since been decided that where an Accountant General feels a doubt about a particular expenditure sanction i.e., whether the expenditure attracts the provisions of ‘New Service/New Instrument of Service’, so far as the State Governments are concerned he may settle such issues quickly by taking up the matter with the Finance Department of the State Government concerned at appropriate level.

[Authority --- CAG’s Lr. No. 1912-Rep/274-65 dated 24.9.1968]

The latest thinking on the subject is that cases of “New Service” noticed after the close of the year in which expenditure has been incurred cannot be regularized unless the Constitution is amended which has not been considered necessary at this stage. The procedure laid down in C&AG’s Office Circular Letter No. 1912-Rep/274-65 dated 24th September 1968 will no doubt help to reduce the number of cases needing regularization after the close of the year but it cannot eliminate completely the cases which may be discovered late. The Ministry of Finance have already submitted a note to the Central Public Accounts Committee. It has been decided that the Central Public Accounts Committee on this may be awaited. In the meantime the Accountant General may not advise the Public Accounts Committee for regularization of such cases by a token vote.

[CAG’s Lr. No. 2354-Rep/ 274-66-11 dated 19th November 1968]

It has been decided in consultation with Ministry of Finance that a statement showing the advances sanctioned from the Contingency Fund during the vote on account period for expenditure on “New Service” Items for which necessary provision has been made in the Budget Estimates of that year will be laid on the table of the Lok Sabha by the Ministry of Finance before the Appropriation Bill for the year is introduced in that Sabha. This Statement will form part of the budget documents to be sent to Audit and other authorities.

[CAG’s Lr. No. 424-AC/168-66 dated 14th May 1968]

A case was referred to the Comptroller and Auditor General by Accountant General Gujarat, on how a case of “New Service” which caused an excess over the grant can be regularized after the close of the year. The accountant General quoted one particular case relating to a major head “124, capital Outlay on Schemes of Government Trading” of government of Gujarat for the Year 1965-66 where there was an excess expenditure of Rs. 4,02.81 lakhs over the voted grant. This included Rs. 2.65.00 lakhs advanced by the State Government to the Gujarat State Co-operative Marketing Society Limited during that year for procurement, storage distribution etc., of groundnut oil. The State Public Accounts Committee upheld the view of Audit that the advances of Rs. 2,65.00 lakhs for that purpose constituted a “New service”. This was after the close of the financial year. Having regard to the review of the Attorney-General of India that the Constitution makes no provision for regularization of this expenditure on “New Service”, the question that arose was whether in a case (as this one) where the excess over the grant has been caused by expenditure on a “New Service” as well as by excess expenditure over the approved services there will be any legal or constitutional objection to get the excess expenditure over the approved services only (i.e., the total excess over the grant minus the expenditure on “New Service”) regularized under Articles 205 or 206 of the Constitution.

The Ministry of Law have advised that part of the excess over the approved services only may be got regularized under Articles 115/205 of the Constitution without attempting to regularize the rest (i.e., the expenditure on the item adjudged as “New Service”) by putting a strained construction on articles 116/206 *ibid*.

[CAG’s circular letter No. 1778-Rep 274-65-III dated 22.8.1969]

Guidelines for inclusion in the Supplementary Estimates in respect of Schemes receiving assistance from Central Government/Autonomous Bodies etc.

Copy of G.O Ms. No. 105, Finance (BGI) Department dated 14.2.95 is furnished below.

GOVERNMENT OF TAMILNADU

ABSTRACT

BUDGET-Financial Procedure—Schemes receiving assistance from Central Government, Autonomous Bodies, etc.-Inclusion in the Supplementary Estimates-Guidelines-Issued.

FINANCE (B.G.I) DEPARTMENT

dated: 14.2.1995

Bhava, Maasi-2

Thiruvalluvar Anandu-2026

Read:

GO. Ms. 1157, Finance (BGI) Department, dated 30.12.86.

ORDER

According to general exemption accorded in the G.O read above, in respect of the schemes receiving assistance from Central Government, Autonomous Bodies, etc., and in respect of expenditure relating to natural calamities if a token provision has been made in the Budget, the expenditure need not be treated as “New Service” when the sanction actually issues. However such cases should be brought to the notice of the Legislature by specific inclusion in the Supplementary Estimates.

2.The Accountant General Tamilnadu had brought to the notice of the Government in Civil Audit reports regarding the non-inclusion of huge excess expenditure on such schemes in Supplementary Estimates by Heads of Departments and Department of Secretariat on several occasions. This has been engaging the attention of the Government in the Past.

3. The Government has after detailed examination, decided to resolve the issue raised in the reports by evolving a new procedure of all the schemes referred to in Para I above.

(i) If a token provision already exists in the Budget of a year for a particular scheme in the nature of Centrally Sponsored Schemes, Centrally assisted Schemes (Sharing) and the Schemes funded by autonomous bodies like National Co-operative Development Corporation, etc, and in respect of schemes relating to natural calamities, as referred to in para I above, the additional provision for the expenditure sanctioned thereto should be included in the Supplementary Estimates either entirely or partly after reappropriation of funds in utilization of savings within the grant, depending upon the Final position obtaining in each of the Demands for Grants for the year.

(ii) In cases of “nil” provisions (i.e even no token provision) are available in the Budget for a year for such schemes also the same procedure as outlined in item (i) above in necessarily to be followed wherever the additional provisions are to be made attraction “New Service” limits.

(iii) In cases where a token provision is already available in the Budget of a year and if the excess expenditure for a particular scheme is to be entirely met by reappropriation of funds from the savings within the grant no additional token appropriation shall be obtained for such schemes by inclusion in the Supplementary Estimates. However, full details of each scheme along with the total sanctioned amount and the actual expenditure incurred therefor during the year for all such schemes shall be furnished in the annexure to the Supplementary Estimates, as is being followed in the case of Ways and Means advances sanctioned to various institutions, for specific information of the Legislative Assembly.

(BT IRDER If THE GOVERNOR)

S. KRISHNAN,
DEPUTY SECRETARY TO GOVERNMENT.
TRUE COPY

ANNEXURE

EXTRACT OF PARAS 170 AND 171 OF THE TAMILNADU BUDGET MANUAL

170. (a) The criteria for classifying the schemes of new expenditure as “New Service” or “New instrument of Service” or other New Schemes as laid down by the Public Account Committee are shown below :--

Nature of expenditure

Revised Criteria as approved by the Public Accounts Committee for treating expenditure as New Service/New instrument of Services

1. Salaries

(i) Employment of additional staff when it arises out of the adoption of a new Policy by the Government, i.e., the sanction or increase of the cadres of service or service or number of posts of a particular kind (either permanently or a purely temporary measure e.g., sanction of an additional Revenue Inspector or an Accountant in each of

the taluk offices consequent on the introduction of new scheme of Governmental activity like the Community Development Project).

(ii) Employment of additional staff for the expansion of an existing service, ie., expenditure on a New Instrument of Service, like the opening

of a new school or the starting of a new scheme in the Industries Department, Animal Husbandry Department, etc., though similar schemes are already under operation.

(iii)Employment of additional staff
reorganization of an existing administrative unit such as the bifurcation of a Revenue or a Police District or the creation of new administrative unit etc., e.g., a New Public Works Circle.

When the cost exceeds Rs 12.50 lakhs per annum recurring or Rs. 25 lakhs non-recurring, taking the scheme as a whole, it will be treated as a scheme of “New Service”. (The entire cost of establishment building, equipment, other amenities, etc., should be taken into account for the purpose of this limit)

When the cost exceeds Rs. 12.50 lakhs per annum recurring or R. 25 lakhs non-recurring taking the scheme as whole, it will be treated as a scheme of “New Service” (The entire cost of establishment, building, equipment, other amenities, etc., should be taken into account for the purpose of this limit) New Instrument of Service.

When the cost exceeds Rs. 12.50 lakhs per annum recurring or Rs. 25 lakhs non-recurring, taking the scheme as a whole, it will be treated as a scheme or “New Service”. (The entire cost of establishment building, equipment, other amenities, etc., should be taken into account for the purpose of this limit) –New Instrument of Service. NOTE: (i) The following classes of expenditure need not be treated as “New Service:.

Works

2.

3.Expenditure to be met from lump sum provision in the budget.

4.Plant and Machinery. Tools and Equipment.

5.Committee constituted by the Government from time to time

(a)Employment of additional staff for a purely temporary need for a specific period during a financial year if the cost does not exceed Rs. 12.50 lakhs recurring or Rs. 25 lakhs non-recurring.

(b)Employment of additional staff for normal increase of work involving no change in policy or the sanction of any new schemes.

(ii) The classification includes “Travel Expenses”

(iii)This classification includes expansion of staff in existing departments, formation of new departments and upgradation post and

(iv)In a composite scheme involving additional staff as also other items the entire costs has to be taken into account and the New Service limits applicable to the scheme as a whole will be those under this category (i.e., Salaries).

When the cost of new work exceeds Rs. 20 lakhs. In regard to the expenditure on works relating to new schemes which involve expenditure on staff equipment etc., the cost of scheme as a whole should be taken into account for this monetary limit.

When the cost exceeds Rs. 20 lakhs.

(i)Individual purchase need not be treated as a “New Service” irrespective of cost so long as there is specific provision in the Budget.

(ii)Where specific provision is not included in the Budget, when the cost exceeds Rs. 10 lakhs the purchase of tools and plant will constitute a “New Service”.

Note: This classification includes “Motor Vehicles”.

When the expenditure is estimated to exceed Rs.2 lakhs per annum recurring or Rs4 lakhs non-

6.Grants-in –aid and contributions

7.Revision of scales of pay and Allowances.

8.Loans to Government Companies, Statutory Boards, Local Funds, etc.

9.Investments in Statutory Boards, Government Companies, Departmental undertakings and Co-operative Institutions.

(1)When the amount involved exceeds Rs.5 lakhs per annum recurring or Rs. 10 lakhs non-recurring.

Note: For definitions “Grants –in aid” Contributions please see item 12infra.

(2)this includes “Assistance to Local Bodies”.

(i)Where the revision of a scale or scales of pay involves an extra cost of over Rs. 25 lakhs per annum.

Note: the revision includes “pensions”

(i)Where specific provision is not included in the budget, when the loan exceeds Rs. 10 lakhs.

(ii)Where there specific provision in the budget when the expenditure exceeds the budget provision for a scheme by Rs. 50 lakhs or 10 per cent of the budget provision for the scheme whichever is higher.

Note: 1. Loans to Co-operative Institutions will also be governed by the above criteria.

2.Loans to Government Companies, statutory bodies and Government undertakings involving additional expenditure resulting from cost escalation without any increase in the physical component and exceeding the budget provision by the limit prescribed in item (ii) above need not be treated as “New Service” but details of such cases should be given in the Budget Memorandum of the following year.

(i)Setting up of new Government Company or amalgamation of two or more Government Companies will constitute “New Service”.

(ii)Additional investments in an existing departmental undertaking of Rs. 80 lakhs and above and where is no budget provision.

10.Loans and Investments in Private Sector companies and Private Institutions by government.

11.Ways and Means Advance

12.Subsidies

(iii)(a) Additional investment of Rs.20lakhs and above in an existing Government Company with a paid up capital of Rs. 1crore and below; and (b) Rs. 50 lakhs and above in case or companies with a paid up capital of more than Rs. 1 crore, where there is no budget provision.

(iv)Additional investment of Rs. 5 lakhs and above in an existing Co-operative Institution with a paid up capital of Rs. 25 lakhs and below and Rs. 10 lakhs and above in case of Co-operative

Institutions with a paid up capital of more than Rs. 25 lakhs.

(v) All investments for the first time will constitute “New Service”.

Note: Investments in Statutory boards, Government companies and Departmental undertakings exceeding the budget provision by the limits prescribed in items (ii) to (iv) above need not be treated as “New Service” but details of such cases should be given in the Budget Memorandum of the following year.

(i) Loans and Investments in share capital of private Sector (Joint Sector Companies/Private Institutions), whatever the magnitude, will constitute a “New Service”.

Note: For this purpose, Joint Sector will be treated as private Sector.

Need not be treated as “New Service” not covered by an advance from the Contingency Fund; but they must be brought to the notice of the Legislative Assembly in the next session, by inclusion in the Annexure to the supplementary Estimates.

(i) When subsidy is introduced for the first time if the expenditure exceeds Rs. 5 lakhs per annum recurring or Rs. 10 lakhs non-recurring.

13. Expenditure not classifiable under any other heading—other Charges (Residuary).

(ii) additional subsidy caused by increase in the rate of subsidy extension of schemes to more areas, etc, should be treated as “New Instrument of Service” requiring the approval of Legislature if it exceeds Rs 25 lakhs or 20% of the specific budget provision for the item, whichever is higher. (Distinction between Public beneficiaries and Institutions shall be dispensed with).

Note: 1. Subsidy should be shown distinctly in the Demand concerned. Details regarding the expenditure on subsidy, commodities involved and the reasons therefor should be mentioned in the Budget Memorandum.

2. Increase in subsidy resulting from a change in administered prices, without any change in the scheme of subsidy or scope of subsidy, need not be treated as “New Service”.

Definitions:

SUBSIDY: Amounts paid by Government to any Undertakings or Institutions to cover the losses arising from a concessional price fixed by Government for any product or service, will be treated as “SUBSIDY”

GRANTS-IN-AID: Amounts paid by Government to an Institution to cover recurrent and or non-recurrent costs of the Institution and which are subject to scrutiny and or audit of actual utilization shall be termed as “GRANTS-IN-AID”.

CONTRIBUTION: Amounts paid to Institution without any conditions regarding audit of actual utilization shall be termed as “CONTRIBUTION”.

When the amount exceeds Rs. 5 lakhs per annum recurring or Rs. 10 lakhs non-recurring .

This classification includes the following:

(1) Interest payments when it involves enhancement in rates of interest.

14. Lands

15. Changes in classification of expenditure

16. Expenditure on plan other schemes with financial assistance from Government of India or other bodies/Institutions.

(2) Feeding/dietary charges

(3) Medicines

(4) Office Expenses

(5) Scholarships and Stipends

(6) Materials and Supplies

(7) Payment for professional and special Services

(8) Rent, Rates and Taxes

(9) Training

(10) Expenditure on New Objects and Purposes

Cost of acquisition exceeding Rs. 20 lakhs (Non-recurring).

Expenditure—on existing service under one head but involving provision of funds under a different head within the same section due to change in classification of expenditure need not be considered as expenditure on “New Service”.

EXPLANATION—where provision for an existing service has been made either in the Revenue, Capital or loan section and it is proposed to change the character of service by transferring it from the existing section to any other section it will constitute a “New Service/New Instrument of Service” if the limits prescribed for such expenditure are exceeded.

Schemes receiving financial assistance from Government of India or other autonomous bodies/institutions, etc., need not be treated as “New Service”, if:

(i) the approval of Government of India is communicated in the last month of the financial year; and

(ii) there is no commitment to the State Exchequer or the commitment to the State

17. Schemes coming under Non-Plan/State Plan for which token provisions have been made required to be treated as “New Service”.

18. Write-off of loans

Exchequer is below the “New Service” limits applicable in each case.

Such cases shall, however, be specifically brought to the notice of the Legislature by means of the inclusion in an Appendix in the Budget Memorandum of the Succeeding financial year.

Wherever a token provision exists, the scheme need not be treated as a New Service”. When the sanction actually issues, but should be brought to the notice of the Legislature by specific inclusion in the Supplementary Estimates.

For write-off of loan, appropriations (as Grant in Revenue Account) are necessary. In such cases,

“New Service” limits prescribed for “Grants-in aid” may be adopted. The limit will apply to each individual loan.

GENERAL

- (i) A scheme treated as “New Service” in the immediate previous financial year and acted upon in that year, for which no provision has been made in the current financial year, need not be treated as “New Service”.
- (ii) A scheme for which a token provision has been made in the Budget, which would otherwise be treated as a “New Service/New Instrument of Service” need not be so treated if it receives assistance from Central Government, autonomous bodies or Public financial institutions or if it relates to relief on natural calamities. Such a scheme (if it exceeds the “New Service New Instrument of Service” limits which would otherwise be applicable) shall, however, be brought to the notice of the Legislature by specific inclusion in the Supplementary Estimates.
- (iii) Cases already approved by the Legislature but subsequently the expenditure is expected to exceed appreciably:

Cases already approved by the Legislature, but where the expenditure is subsequently expected to exceed appreciably the amount originally intimated to the Legislature only on account of cost increases need not be treated as “New Service”. But information regarding large variation should be given in Appendix of the Budget Memorandum. Full information should be furnished to the Finance Department by the Departments of Secretariat in time for incorporation in the Budget Memorandum.

- (iv) When an asset of the Local Government has been damaged or destroyed by floods, cyclones, fire or unforeseen causes the replacement of or repairs to such an asset need not be treated as “New Service”, provided that the Service which the asset gives is not changed, irrespective of the cost or change in design involved, and that the asset in the public interest, is required to be replaced immediately.

NOTE: The formula is applicable also to reconstruction of or replacement of an asset necessitated by wear and tear if the service intended to be provided by such reconstruction or replacement not different from or superior to that which was originally provided or intended.

- (v) Additional expenditure due to the continued employment after the expiry of the period originally fixed of a special staff which has been appointed for a specific piece of work and for which the Legislature has voted funds for specified period. If he staff did not finish the work by the date originally fixed, the expenditure after that date need not be treated as a “New Service”.
- (vi) Diversion of a scholarship for a student of one technical subject at one institution for the study of the same or another subject in another institution need not be treated as “New Service”.
- (vii) Experiments, Investigations and Demonstration:

All expenditure of this character incurred each year without fruitful result should be reported to the Account-General for incorporation in the Appropriation Accounts with suitable explanation for report to the public Accounts Committee in due course. For this purpose each department of the Secretariat should send a consolidated statement of such expenditure to the Finance Department every year by 31st May. “Nil” return also should be sent to the Finance Department, Wherever applicable.

170(b). When the estimated cost of a scheme whether new or extension of an existing scheme is within the monetary limits mentioned above they are New Schemes. In addition, the following schemes will be treated as new Schemes and not as new Services—

- (i) Employment of additional staff for a purely temporary need for a specific period during a financial year if the cost does not exceed Rs. 2 lakhs recurring or Rs. 3 lakhs non-recurring.
- (ii) Employment of additional staff for normal increase of work involving no change in policy or the sanction of any new scheme.
- (iii) Irrespective of the cost on the individual's purchase of Tools and Plant when there is specific provision in the Budget.
- (iv) Ways and Means Advance but they must be brought to the notice of the Legislature in the next session.
- (v) Expenditure on existing service under one head but involving provision of funds under a different head within the same section due to change in classification of expenditure.
- (vi) Cases already approved by the Legislature but where the expenditure is subsequently expected to exceed appreciably the amount originally intimated to the Legislature.

NOTE: -- But information regarding large variation should be given in the Budget memorandum. Full information should be furnished to the Finance Departments by the Departments of Secretariat in time for incorporation in the Budget Memorandum.

(c) All New works (Non-new service) costing Rs. 50,000 and above sanctioned in the course of the year and not provided for in the original budget should be reported to the Legislature by mentioning in the annexure to Supplementary Estimates.

(d) All cases of transfer of gift of Government Property of a value exceeding rupees one lakh to autonomous bodies, other Governments etc. should be brought to the notice of the legislature by inclusion in the Budget Memorandum.

171. The Government will not be prepared to sanction a “New Service” or a “New Instrument of Service” for introduction in the course of a financial year unless it satisfies one of the following criteria:-

(i) It is so essential that delay in sanctioning it is likely to cause break down in the machinery of administration.

(ii) it is highly remunerative;

(iii) it relates to additional staff required very urgently for a project (i.e. large construction work) already sanctioned;

(iv) delay in sanctioning it is likely to cause permanent loss of revenue to Government.

(v) It is centrally-sponsored or central sector scheme which is, therefore financed by Government of India.

CHAPTER 12

GRANTS-IN-AID

General Principles

1201. please see Chapter Xvi of CAG's MSO (A&E) Volume I. Grants-in-aid can be³ given only to a person or body which is independent of the Government. One department of the Government cannot make a grant-in-aid to another department of the same Government. An organization set by a Government resolution or by an executive order does not have separate legal status of its own and function only as a limb of the Government. Therefore, Government cannot give grant to such an organization. A grant may be conditional or unconditional.

[Para 16.1 of C.A.G's MSO (A&E) Vol. I]

1202. Grants-in-aid are final payments of the nature of donation to the grantees. Such grants may be classified as:--

(i) Grants by the Union, in aid of the revenues of the State under Article 275 of the constitution.

(ii) Grants-in-aid paid to a corporate body, institution or other authority under the control of Government and

(iii) Grants-in-aid paid to a body, institution or concern, which is financially independent of Government.

System of payments of grants

1203. A grant may be paid to meet the expenditure for a specified purpose in advance of the expiry of the period to which it relates and before the actual expenditure for the period can be ascertained. It may be based on an estimate of the probable expenditure for the period or on the actual expenditure of a corresponding past period as modified by careful forecast of circumstances likely to affect the actual expenditure of the period in question. Such a grant is said to be on the pre-payment system. A grant is said to be on the post-payment system when it is a contribution to meet the whole or a moiety of the expenditure already incurred by the grantee.

Condition of grants

1204. Every payment of a grant-in-aid on the per-payment system involves three principal processes, viz;

- (i) Sanction to the Grant;
- (ii) Disbursement to the grantee;
- (iii) Utilization of the grant by the grantee.

In the case of a grant paid on the post payment system, there are only two stages. Viz. (i) and (ii) above, since the expenditure by the grantee, stage (iii) precedes stage (i).

Calling for a certificate from the competent authority in the case of grants sanctioned on the post payment system, that the claims have been checked with reference to actual expenditure.

Recurring/Non-Recurring Loans

1205. Unless in any case the Government directs otherwise every order sanctioning a grant shall indicate whether it is recurring or non-recurring in nature and specify clearly the objects for which it is given and the conditions, if any attached to the grant. In the case of non-recurring grants for specified objects the order shall also specify the time limit within which the grant or each installment of it is to be spent.

[Par 16.3 of CAG's MSO (A&E) Vol I]

Unless it is otherwise ruled by Government every grant made for a specified object is subject to the implied conditions—

- (i) That if time limit has been fixed by the sanctioning authority the grant will be spent upon that object within a reasonable time (normally within one year from the date of issue of the letter sanctioning the grant) and
- (ii) That any portion of the amount which is not ultimately required for expenditure upon that object will be surrendered.

[Para 16.8 of CAG's MSO (A&E) vol I]

Payment of Grants to private bodies for repayment of loans

1206. The payment of the grant by the Government to a private body for the repayment of a loan from Government should be regarded as an item of “New Service” and brought to the notice of Parliament/the Legislature.

All proposals for grants to private bodies for repayment of loans from Government involving individual payment of Rs. 1 lakhs and more should be explained in the Explanatory Memorandum on the Budget before payments are actually made. If in the course of the year, new cases involving payments of grants for repayment of loan of Rs. 1 lakhs or more occur, such cases should be treated as involving expenditure on “New Service” and a supplementary grant obtained.

While examining the sanctions to grants-in-aid to private bodies it should be seen that the above provision are complied with.

Government of India, Ministry of finance (Dept. of Economic Affairs) OM No. F. 8(21) B/65 dt 5.1.66(Accounts General, Madras Rep. 59-3/66-67/P.C 17 dated 11.5.66-File DA.II/Grants/10-1/66-67).

Maintenance of Register of Grants-in-Aid

1208. A separate register of grants-in-aid in Form 89 should be maintained in respect of each department by the Accountant General. Maintaining the grant-in-aid audit register and watching the receipt of the Utilization Certificates are functions of the Accountant General (A&E) Immediately on receipt of a sanction to a grant, it should be entered in the relevant portion of the Register and the entry attested by a member of the Superintending staff should be entered in the relevant portion of the Register and the entry attested by a member of the Superintending staff.

Note 1: A new Register should ordinarily be opened every year, into which should be brought forward all entries in the old Register relating to recurring grants which are still in force. These entries should be attested in the new Register by a member of Superintending staff.

Note 2: For any department in which the number of grants in aid is small, the same Register may continue in use for a number of years separate sets of pages being allotted for the transactions of each year. In this case also entries relating to recurring grants should be brought forward at the beginning of each year to the new set of pages and attested as provided in Note 1.

Note 3: In cases where it is found difficult to summarise the conditions and conditions and limitations within the limits of column 10 of the form of the Register of Grants-in-aid as a matter of detailed procedure, the conditions and limitation may be noted separately and reference made in column 10 of the form to such separate records.

Grants-in-aid vouchers should be captured in the relevant module in the system.

[Para 16.12 of CAG’s MSO (A&E) Vol I]

If conditions are attached to a grant, a reference to any document furnishing information as to their fulfillment should be recorded in the appropriate column of the register and attested by the dated initials of the AAO/SO.

Full particulars of Head of Account under which the grant is classified should be entered in the relevant column.

Utilization Certificates

1209. The utilization certificates should be watched not through the objection book but through the Grants-in-aid Audit Register (Form 89). Utilisation certificates from the Inspecting Officer may also be watched through the same by making a suitable note in the remarks columns in respect of case covered by paragraphs 16.4, 16.6 and 16.9 of the Comptroller and Auditor General's Manual of Standing Orders (A&E) Volume I.

An abstract in the following form should be incorporated in the Grant-in aid Register while submitting it to the Branch Officer for review as prescribed in paragraph:---

Opening Balance.

Number of grant in aid sanctioned since the last closing (in which utilization certificates have to be received).

Number of utilization certificate received.

Balance.

The Branch Officers should ensure during their review that effective action has been taken in cases where the certificates are due.

(CAG's Ir. No. 523-Admn II/412-61 dt. 9.4.62- T.M. Case 15-118/53-63 Volume VIII).

Note 1: In cases in which conditions are attached to the utilization of grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise the sanctioning authority shall be primarily responsible for certifying to the Accounts officer where necessary the fulfillment of the conditions attaching to the grant unless there is any special rule or order to the contrary.

[Para 16.4 of CAG's MSO (A&E) Vol I]

Note 2: In the case of unconditional grants, the Accountant General in no way concerned with the manner in which the grant is utilized by the grantee. In the case of conditional grants a formal utilization certificate about the proper utilization of the grant from the administrative, technical and financial point of view should be furnished to the Accountant General (A&E) by the sanctioning authority.

[Para 16.9 of CAG's MSO (A&E) Vol I]

Note 3: Under paragraph 208 of the G.F.Rs Volume I, it is primarily the responsibility of sanctioning authority to satisfy itself that the grant has as a matter of fact been applied for the purpose for which it was intended and a certificate to this effect has to be furnished to the Accountant General. Though in terms of paragraphs 16.4 and 16.9 of CAG's MSO (A&E) Vol. I, audit cannot be divested of the responsibility for seeing that the condition attached to a grant are fulfilled, the local audit of the records of the sanctioning authorities or the test-check of the accounts of the grantees undertaken by audit in terms of paragraph 16.5 of C&AG's MSO (A&E) Vol. I cannot take the place of the checks to be exercised by the sanctioning authorities

who have wider responsibilities in that they have to satisfy themselves about the proper utilization of the grants from the administrative technical and financial points of view. It follows that irrespective of any local test-check of the accounts conducted by audit, the furnishing of the utilization certificates by the Administrative authorities to audit is necessary and cannot be dispensed with. This general principle will apply to all the categories of grants detailed in Para 16.9 of CAG's MSO (A&E) Volume I.

(C.A.G.'s Ir. No. 191-ADmn. 11/577-59 dt. 1-2-60 T.M. Case 15-118/53-60 Volume I)

Note 4: In respect of grants to non-Government or Quasi-Government bodies or institution the Central Government have decided that where assets are to be acquired wholly or substantially out of Government grants it should be laid down that assets should not, without the prior sanction of the government be disposed or utilized for purposes other than those for which the grants are sanctioned.

[Para 16.6 of CAG's MSO (A&E) Vol I]

1210. The register should be reviewed and submitted to the Branch Officer once in every Quarter and reminders issued where submission of utilization certificates form the sanctioning authorities etc. or certificates from Inspection Officers have been delayed.

1211. In addition, an annual report should be sent to the Finance Department of the Government indication the amounts of grant-in-aid in respect of which utilization certificates are due for submission to the Accountant General by the end of March of the previous financial year and have not been received by the end of June, if the Government have prescribed time limits for the submission of utilization certificates to the Accountant General if no time for submission of utilization certificates has been prescribed by Government the annual report should indicate the amounts of grant-in-aid in respect of which the period of utilization prescribed by Government has expired by the end of March of the previous financial year and the utilization certificates has not been received by the end of June. This report should indicates the number and date of sanction to the grant-in-aid payment, administrative Ministry/Department which sanctioned the grant-in-aid name of the limit prescribed for amount of grant-in-aid paid, date of payment time limit prescribed for utilization, time limit prescribed for submitting the utilization certificates, if any, authority from which the utilization certificates is to be received and the details of correspondence exchanged with the said authority. Copies of these reports may be sent to the sanctioning authorities as well, for necessary action. This report should be sent in August each year.

[Para 16.14 of CAG's MSO (A&E) Vol.I]

(a)The D.C. sections should furnish to DCM by the 31st July each year a statement (in the proforma indicated below) showing the outstanding utilization certificates in respect of Grant-in-aid for which the period of utilization has expired on 31st March of previous financial year and for which the Utilisation Certificates are wanting as on 30th June for the purpose of inclusion in Audit report.

PROFORMA

Statement Showing Outstanding Utilization Certificates

Sl. No.	Reference to letter No. and date in which the Grant-in-aid was sanctioned	Department/Ministry which sanctioned the Grant-in-aid	Name of the Grantee Institution
1	2.	3.	4.
Amount of Grant-in-aid paid	Purpose of Grant-in-aid	Date of payment	Period by which the grant must be utilized
5.	6.	7.	8.
Authority form which utilization certificate is due			Reference to latest letter No. and date in which the utilization certificate has been called for
9.			10.

(b) In addition to the above statement the D.C. sections may also furnish information on the following points to the extent available with them.

(i) grants sanctioned in excess of amount admissible.

(ii) Utilization of Grants-in-aid for unauthorized purposes.

(iii) Refunds due from Grantees of grant due to non-observance of conditions when rules so require.

(c) A copy of the statement furnished to D.C.M should simultaneously be furnished to the authority authorities which sanctioned the Grants-in-aid and DCM section intimated accordingly. An office copy of the Statement must also be retained by the sections for future ready reference.

(d) The case of outstanding utilization certificates must be reviewed again by the end of September and a list showing the items for which utilization certificates have been subsequently received must be furnished to DCM by the 5th October.

(CAG's letter No. 117-O&M/14-67 dt. 12.5.67 and T.M O.O.No. T.M. VIII/15-118/67-68 Vol. XII/50 dt. 22.6.67 filed in T.M. 15-118/67-68/Vol. XII).

Materials in lieu of Grants-in-aid

1212. Materials and equipment supplied to the grantee by way of aid should be treated on the same footing and accounted for on the same lines as assets acquired out of cash grants. The sanctioning authority has to satisfy in such cases also that the grant has been applied for the purpose for which it was intended. Utilization certificates should therefore, be insisted upon in all cases. The value of materials, equipment and stores supplied has to be added to the cash grants for computing the monetary limits prescribed for undertaking test-check of the accounts.

If the aid is given solely in the form of materials, etc, no useful purpose will be served by compilation section conducting any check locally. Compilation section may rest content with the receipt of utilization certificate.

(CAG's Endt. No. 1280-Admn. 11/271-61 dt. 1-8-61 T.M Case 15-118/53-62 Volume VII)

Adjustments to be limited to the funds available in the Deposit Account

1213. The grants received from other Governments Local Funds and other outside bodies on schemes financed by them are taken as deposits in the deposit section of the accounts and the expenditure thereon is initially met from the consolidated fund of the State and an equivalent amount is transferred from Deposit Section of the Account. The Comptroller and Auditor General has ordered that such adjustment of expenditure from the Deposit Account should be limited to the amounts available therein. If a portion of the expenditure which was to be met from the Deposit Account remains within the Consolidated Fund due to non receipt of the grants, it should be suitably explained in the Appropriation accounts. Non-recovery or delay in recovery should also be commented upon in the Audit Report.

Where grants from other Governments, Local Funds or outside bodies are received in subsequent years an equivalent amount of the grant corresponding to the expenditure relating to previous years may be credited under a new detailed head of account Amount met from the Deposit account of grants made by other Governments, Local Funds and other outside bodies' under the existing minor heads viz. 'Miscellaneous' or other Receipts under the Revenue Receipt head of account of the Department concerned.

(i)CAG's letter No. 328- AC.53-63 dated 19.3.63 filed in TM case 7-33/62-63 and (ii) G.O. Ms. No. 890 Finance dated 11-10-68 filed in DA XXI case 22-8/60-69)

Centre to Stat- Grants-From Accounting of

1214. Grants received by the State Governments from the Centre (Union Government) for Development Schemes constitute accretions to the revenues of the State Governments. Such grants should be credited to the receipt major head 1601 Grants-in-aid from Central Government under the appropriate sub Major/Minor Head (List of Major and Minor Head of Account as revised with effect from 1.4.87).

(Gl. Min of Commerce and Industry Irs. No. 5(31) B-G 7/59, dated 28.8.59 and 5 (31) B.G. 7/59 dt. 4-12-59 T.M Case 15-118/53-60-Vol. III)

Refund of unutilized grants-in-aid to the Central Government

In respect of refund of unutilized grants-in-aid received from Central Government an accounting adjustment should be proposed by the concerned Departmental compilation section debiting the head "1601 Grants-in-aid from Central Government-Deduct refunds" and crediting the head "8658-110". The necessary advice will be issued by Account current section to the Reserve Bank of India Central Accounts Section, Nagpur for making monetary settlement in this regard.

In regard to the quantum of the grant-in-aid to State Governments for development schemes taking into account the miscellaneous receipts accruing there from the Central Government has decided that.

- (i) Where recurring grants-in-aid are given the quantum of such grants should be based on the net expenditure arrived at by reducing gross expenditure by the amount of estimated receipt and
- (ii) Where the grant-in-aid is of a capital nature (e.g. non-recurring grant for the construction of a building or acquisition of a Machinery) not only the elements of possible receipts which would accrue to the State Government should be duly taken into account in determining the quantum of such grant-in-aid but any receipts from the disposal of property built out of such grants-in-aid in respect of schemes which are closed or abandoned should also be shared proportionately.

(Para 16.2 of CAG's MSO (A&E) Vol I)

In respect of grants given by Central Government to State Governments, the Following procedure is to be followed in regard to submission of utilization certificates:--

- (a) Utilization certificates need not be furnished by the Ministries/Departments of the Central Government.
- (b) Where the expenditure out of the Central grants is incurred by the State Government direct, utilization certificates will not be required to be furnished by them.
- (c) Where such expenditure is incurred by the State Government through local bodies or private institutions, utilization certificates should be furnished by the State Government concerned.

(Para 16.10 of CAG's MSO (A&E) Vol. I)

Grants by Central Government on a State Subject and vice versa

1215. Under Article 282 of the Constitution, the Union or State May make any grants for any public purpose notwithstanding that the purpose is not one with respect to which Parliament or Legislature of the State as the case may be, may make laws. A question arose in this connection whether a grant under this article should invariably be in the form of a Grant-in-aid payable in cash, or it could also take the Form of direct expenditure by the Central Government on a State subject or vice versa.

The Comptroller and Auditor General has held that it will not be proper for the Central or State Governments to incur direct expenditure on a State or a Union subject unless there is a formal entrustment to the other Government under Article 325 or 325-A of the Constitution as the case may be, and that financial assistance under Article 282 of the Constitution should invariably take the form of Grant-in-aid.

Accepting the views of the Comptroller and Auditor General, the government of India have decided that there would be no further direct expenditure by the Central Government on a state subject. Where however, there is a formal entrustment to the Central Government for executing a work falling under the State field, the expenditure should be passed on for adjustment in the books of the State Government and financial assistance proposed to be given to the State Government treated as a Grant-in-aid payable in cash. The Government of Tamil Nadu have accepted the above decision of Government of India.

[G.I. M.F.(D.E.A.) O.M.N.F.I (86) B/56 dt. 23-10-58 H.A.D. Case 1-13/58-59 and M.G. Finance, G.O Ms. No. 1263, Finance dt. 22-11-58-H.A.D. case 1-7/58-59]

Interpretation of Rule 5 of Appendix 5 to the Public Works Account Code

1217. The principle underlying rule 5 of Appendix 5 to the Central Public Works Account code (rule 9 of Appendix 7 of the Tamilandu Public Works Account code) is that in the case of all non-Government works costing not less than Rs. 1,000 it is more appropriate to give a grant-in-aid to cover departmental charges than to remit those charges. The rule is thus strictly sprictluy speaking, a rule of financial nature but at the same time is one on which audit can express strong views before the Public Accounts Committee. (Ar. Gl's Lr.T. 39. Admn. II/100-36 dt. 1-5-36 to the A.G Punjab, copy communicated in Endt. No. T-40-Admn. II-100/360dt. 1-5-36 W.M Case 15-12 of 1936-37).

CHAPTER 13

CERTIFICATION OF PLAN EXPENDITURE

1301. Please see Chapter 17 of M.S.O (A&E) Volume I. The Government of India releases each year assistance in the form of grants and/or loans to various States/Union Territories Government for various central and centrally sponsored schemes in accordance with the pattern specified in the sanction relating to the Schemes. While on certain Schemes the entire expenditure is borne by the Government of India on others the expenditure is shared between the Union and state Government. For State Plan schemes the assistance takes the form of block grants which is related to the total outlay approved for the State Plan as a whole by the Planning Commission without linkage with individual schemes except to the extent of certain earmarked categories like power, major irrigation schemes, rural water supply etc.

The grants are accounted for under the major head of account "1601 Grant-in-aid from Central Government" and the loans are taken to the Major head of account, "6004 Loans & advances from Central Government" Repayment of Loans is also shown under "6004 Loans and advances from Central government" in the books of the Accountant General.

1302. Every year advances are paid by the government of India to States for implementation of schemes. For finalization of Central assistance in such cases, the Government of India requires audited figures of expenditure on Plan Schemes.

Duties of the Ag (A&E) in relation to Plan Expenditure

1303. It is the duty of the Accountant General (A&E) to furnish a statement of Plan expenditure figures for each year duly reconciled with those of the State Government to the Principal Accountant General (G & SSA) for audit and certification. The Statement of expenditure is to be furnished in the form given below:

Sector No.	Name of sector	Code	Name of Scheme
	Head of Development		
Head of account	Expenditure		

1304. The work of reconciliation of Plan expenditure figures for a year should be taken up as soon as the Finance Accounts and Appropriation Accounts for the year are finalized.

1305. The Government of Tamilanadu publishes annually a supplement to the detailed Budget Estimates called Plan Budget Link which is a statement showing details of Plan Schemes under various developmental heads and this publication contains the figures in lakhs, of actual expenditure for the second preceding year, Budget Estimate and Revised Estimate for the preceding year and Budget Estimate for the ensuing year. The figures of expenditure available in the Detailed Appropriation Accounts are compared with the figures in the Plan Budget Link and all items in respect of which both the figures agree, are forwarded to Accountant General (Audit) for issue of Audit Certificate. However items where there are differences between both these documents, are included in the 4 annexure mentioned below and they are also forwarded to Accountant General (Audit) along with the verified statement.

Annexure A-- Vast difference between the figures of Detailed Appropriation Account and Plan Budget Link.

Annexure AI- Variations due to rounding off of the figures.

Annexure B-- Items not identified in the Plan Budget Link but available in the Detailed Appropriation Account.

Annexure C-- Items not available in the Detailed Appropriation Account but reflected in the Plan Budget Link.

Items included in these Annexure are reported to Government for reconciliation and for final certification.

1306. Quarterly Progress Report (For the quarters ending March, June, September and December) in respect of reconciled statement of expenditure furnished by Accountant General (A&E) to Accountant General

(Audit) should be sent to the Comptroller and Auditor General of India so as to reach him by the 10th of the month following the quarter to which the report relates.

The report should be prepared in the form given below:

Statement showing the progress made towards the forwarding of reconciled Statements of expenditure in respect of Central Assistance to States for Plan Schemes to Accountant General (Audit) for the quarter ending.

Year (No. of schemes for which reconciled Statement	Opening Balance of expenditure were to be sent)	Clearance (No. of schemes for which reconciled statement of expenditure have been sent)	Closing Balance (No. of schemes for which reconciled statement of expenditure have to be sent)
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Part A ---- Central Plan Schemes

Part B --- Centrally Sponsored Schemes

Part C--- State Plan Schemes.

1307. In cases where the State Accountants General are able to relate the amounts held under objection for want of D.C. Bills or utilization certificates to a particular scheme or category of schemes these may be excluded from the figures of audited expenditure while furnishing the certificates. In cases where the accountant General (A&E) are unable to identify the particulars of individual schemes or categories of schemes to which the objection relate, they should qualify the certificate to indicate the schemewise break down of amounts held under objection was not available and was being obtained from the Departmental Officers.

CHAPTER 14

CLASSIFICATION OF TRANSACTIONS IN GOVERNMENT ACCOUNTS

1401. The rules on classification of transactions in Government Accounts are laid down in Chapter 3 (Rules 26 to 38 of Government Accounting Rules 1990) and in Chapter 4 of C & A.G's MSO (A&E) volume I.

Opening of New Heads of Account

1402. Consequent on the amendment to Article 150 of the Constitution, with effect from 1.4.77, the responsibility of opening New heads of account from Major head of account to Minor head of account devolves on the Controller General of Accounts who has to discharge the responsibility in consultation with the Comptroller and Auditor General of India and in terms of Government of India notification No. S. 11236/178/TA Part I/3836 dated 26/12/81. The State Government can with effect from 1.1.82 discharge the

function of the Central Government under Article 150 of the Constitution of India in so far as it relates to the opening of sub heads and detailed heads of account under the various Major and minor heads of account.

The sanction order opening new sub/detailed heads of account issued by the State Government should be scrutinized by the concerned Compilation Sections in consultation with Book/AAD/DCM sections. Cases of doubts/disputes arising out of the aforesaid examination will be referred to Headquarters for clarification.

[C&AG's letter No. 45-AC/12-77 dated 18.1.82 Government of India notification S. 11036/1/78/TA/Part 1/3836 dated 26.12.81]

Sanction orders from the Government relating to the opening of new sub/detailed heads of account under the various sub accounts are received in concerned DC/LA sections dealing with the relevant sub accounts. The appropriateness of the new heads ordered to be opened should be examined by the DC/LA sections with reference to the general directions and various footnotes etc, under major and Minor heads shown in the List of Major and Minor Head of Account as corrected from time to time and the Budget Estimates (vide par 4.5 of Civil Accounts Manual) in consultation with DCM/Book/AAD and the final acceptance watched through the Register of New heads of account opened provisionally which is maintained by DC/LA sections.

[DCM Circular DCM/V/18-12/84-85/63 dated 9.7.84]

The register should be closed to end of a month on the 10th of the following month and submitted to the Branch Officer for review and effective pursuit of the items pending therein. The register should contain the following particulars.

- (i) Government order number and date ordering the new head of account.
- (ii) Full particulars of the Head of account along with the nomenclature of the head of account to be opened.
- (iii) Remarks.

In the remarks column the final acceptance of the new head opened should be indicated. In the cases of disputes or doubts the correspondence with State Government Department/Controller General of accounts should be indicated till final acceptance of the new head.

A register should be maintained in DCM section to note details of all such heads opened with reference to copies of orders furnished by DC/LA sections.

The registers of DC/LA section should be reviewed quarterly in July/October/January/April by DCM section to see that adequate and prompt action is taken by the section in accordance with the foregoing instructions. The report on the review should be submitted to Senior Deputy Accountant General (Accounts) on 26th July/October/January/April. For this purpose the sections should send the registers to DCM on 11th July/October/January/April. These items should be noted in the Calendar of Returns of the section concerned for prompt compliance monthly/annually.

NOTE: In respect of Government orders authorizing the opening of new head which relate to both city and mofussil offices, action for acceptance etc. as detailed above should be taken by DC/LA section concerned and not by Resident Audit Branch.

[CAG's Lr. NO. 640-AC (IMPL/4-76 dated 6th May 1977 and DCM O.OV/15-2A/77-78/301 dated 30.12.77 filed in DCM Case No. 15-2A/76-78]

1403. All orders introducing changes in classification including those between “Voted” and “Charged” and those sanctioning new heads of account or units should be communicated to the Appropriation Audit Section.

Allocation of expenditure between Capital and Revenue and financing and accounting of Capital Expenditure

1404. The power to lay down principles regulating the allocation of expenditure between “Capital” and “Revenue” and particularly the determination of the policy of financing expenditure from other than Revenue sources are the functions of the Government in its Finance Department subject of course to the general control of the Legislature. While the Comptroller and Auditor General might set standards with which he would expect Governments to conform, he has no power to impose these standards by direction. State Government may therefore frame financial Rules upon the subject for which the approval of the Comptroller and Auditor General is not necessary. It is the duty of the Accountant General however to compare these Rules with the standards fixed by the Comptroller and Auditor General vide paragraphs 4.6 to 4.13 of the MSO (A&E) Volume I.

[Ar. GI.'s Lr. No. 46-A C/K.W/68-Ref. 37 dated 24.1.40 to M.G.F.D recd. With his Endt. Dt. 1.2.40 Case W., M. 9-4/37-40 and T.M. 12-15/39-40]

Check of Classification

1406. If in a particular case remuneration has been paid to a non-official for some work done or services rendered to the Government of India, no objection need be raised to its being called ‘Honorarium’ and classified under ‘Allowances and Honoraria’.

[CAG's Lr. No. 536-A. II/50-59 dt. 13.5.59-H.A. Case 1-9/59-60, copy furnished to T.M in H.A. 1-9/59-60/192 dt. 2.7.59 T.M Case 12-3/59-60]

Classification of expenditure as between charged Grants and Voted Grants

1407. It has been decided by the Government of India that in cases where payments are made in satisfaction of Court decrees or Arbitral awards given against State Governments in cases of disputes arising out of the acquisition of buildings and properties by States for the purposes of the Union Government the liability for the initial payment in satisfaction of the decree or award would devolve upon the State which would be “charged” on their consolidated Funds in accordance with the provisions of Article 202 (3) (e) of the Constitution subsequent reimbursement by the Central government would be merely an inter-Governmental adjustment to which the provisions of Article 112 (3) (f) of the Constitution would not be applicable since the decree is not enforceable against the Government of India cum-Consolidated Fund of India.

[G.I.M (D.E.A.) Lr. No F. 2(43) B/59 dt. 12.9.59 forwarded in C.A.G.'s No. 1382-AC/246-59 dated 24.9.59 C.A. III Case 22-75/59-60]

1408. Article 202(3)(e) of the Constitution of India and item (6) of Appendix G to the Tamilnadu Budget Manual lay down that any sums required to satisfy any judgment decree or award of any Court or Arbitral Tribunal should be “charged” on the Consolidated Fund of the State.

A question was raised by the Government of India whether the above provisions would cover not only cases where sums to be paid are specified in the decree itself but also payments which arise directly or indirectly in consequence of a Court judgment and the exact amount of which is not indicated by the Court in the judgment. Cases of the latter type would arise for instance where an order of dismissal of a Government servant by an administrative authority is set aside by the Court thus resulting in payment to the Government servant concerned pay and allowances for the period intervening between the date of his dismissal and the date of his reinstatement but the exact amount is not specified generally.

The view taken by the Government of India is that Article 202(3) (e) of the Constitution would be attracted if the judgment specifically mentions that certain payments way salary pension etc. should be made even if no amount is specified. If the judgment merely sets aside the dismissal order the above Article would not be attracted in respect in respect of the payments which have become due to be paid to the Government servant under service rules in consequence of that judgment.

The views of the Government of India have been accepted by the Tamilanadu Government.

[M.G.G.D. G.O. Ms. No. 723 dt. 4.7.62-H.A Case 1-29/59-63]

Charges connected with the visit of “High Personages”

1409. The charges in connection with the visit of High Personages should be debited to the head “2075 Miscellaneous General Services—800 Other Expenditure (SA 10) Charges in connection with the visit of the other major heads as for instance;

- (1) Expenditure in connection with the patrolling of Railway lines, and special lighting which should be debited to —“2055 Police”.
- (2) Durbar charges, etc. and all expenses incurred by Collectors and Divisional Officers which should be debited to “2053 District Administration”.
- (3) Charges on account of decorations and temporary constructions within the Government House Compound and expenditure in connection with the laying of the foundation stones of buildings in the construction of which should be debited to “2059 Public Works”.

CHAPTER 15

RAISING AND PURSUANCE OF OBJECTGIONS

1501. The following paragraphs should be read with Chapter 20 of C.A.G's MSO (A&E) Volume I.

1502. All objections of accounting nature e.g. want of sub-vouchers, want of detailed contractor bills, errors in treasury/divisional accounts should be raised and pursued by the A&E officer.

Objection of accounting nature by CAPs and CASS of Accountant General (Au) will be intimated to the concerned accounting section of Accountant General (A&E) for entering in the objection Book and further action.

All observations and objection must be conveyed in courteous and impersonal terms and must be clear and intelligible.

All objections raised should be scrutinized by the Branch Officer. If an Assistant Accounts Officer/Section Officer thinks that any objection cannot be sustained he should cross it out in the bills and record therein his remarks such as "not necessary", "admit", etc. if he finds that objections raised indicate an important irregularity on the part of the treasury, he should enter prominently in red ink beneath the objection in the bill, "T.I.". Doubtful objections should be specifically submitted to the Branch Officer for orders.

1503. If the same mistakes are noticed in the vouchers/accounts in our office, despite repeated directions, a special letter should be issued to the head of the office drawing his attention to this, which should be followed up, if necessary by a report to the higher authority. Cases of deliberate evasion of rules and supply of misleading information should be regarded as serious. Any disregard of the rules likely to lead to or indicative of fraud should at once be brought to the notice of the superior authority.

1504. Paragraph 5.10 (g) of CAG's MSO (A&E) Volume I lays down that it should be seen that revenue stamps are affixed to all vouchers for sums in excess of Rs. 5000/- As the labour, time and expenditure on postal charges involved in returning such a voucher would be much more than the value of the stamp it would be enough if the attention of the disbursing Officer is drawn to the provisions of the Indian Stamp Act in case a voucher is not so stamped. If however an office repeatedly submits unstamped receipts, stronger measures may be initiated.

Waiver of Objections

1505. Some items are placed under objection, not because not because the whole or any portion of the expenditure is unjustifiable in itself but because it is not exactly covered by rule; or the authority for it is insufficient; or full-proof, such as is afforded by sub-vouchers, that it has been incurred has not been produced. In such cases, the upto the limits indicated in the State financial Rules, subject to the following conditions:

- (i) The expenditure must not be of a recurring nature.
- (ii) The Accountant General/Senior Deputy Accountant General/Deputy Accountant General must be satisfied that undue trouble would be caused by insistence on submission of full proof and must see no reason to doubt that the charge has actually been paid.

[Para 20.10.1 (b) of CAG's MSO (A&E) Volume I]

Where expenditure under objection has for any reason, become irrecoverable an Accounts Officer may write off amounts according to the powers delegated to him by State Government.

Note 1: The powers conferred upon the Accounts and Entitlement Officer under the foregoing provisions of this para should not be exercised in respect of any amount of outstandings under a Debt or Deposit head.

Note 2: Under the powers conferred by clause (b) above Accounts Officer may however write on outstandings in Provident Fund Accounts when such outstandings are not due to any mistake in accounting but represent overpayments established as irrecoverable for other reasons.

[Para 20.10.1 © of CAG's MSO Volume I]

The State Government have, however, agreed that in respect of cases of the type referred to in para 20.10.2(a) preceding, the Accountant when such outstandings are not due to any mistake in accounting but represent overpayments established as irrecoverable for other reasons.

[Para 20.10.2 (b) of CAG's MSO (A&E) Volume I]

Objections waived before the closing of the objection books need not be noted in the objection books unless there are special reasons for doing so.

Other objections should be entered in the objection book and removed after the recoveries are waived.

[G.O.Ms No. 1236, Finance dated 11.10.61-TM Case 11-18/57-62]

1506.It should constantly be borne in mind that pursuing petty objections to the recovery of the amounts would often cost more than the recoveries themselves. The powers of waiver of such petty objections detailed in Para 20.10 of CAG's MSO (A&E) Volume I should, therefore be freely used. The Accountants and Assistant Accounts Officers/Section Officers should therefore put up to the appropriate authority proposals for the waiver of such objections.

1507. There is sometimes an impression that para 20.10 of CAG's MSO (A&E) Volume I can relate only to such objections as those for which money value should be recorded (see para 20.29 *ibid*). This is not so. There may be cases where the money value would not be recorded in accordance with Para 20.30 of CAG's MSO (A&E) Volume I but to which para 20.10 may be made to apply, For example, it is not necessary to record a money value where equerries and remarks are made on doubtful points, but still there may be a definite amount at stake in certain of such cases. If the case and the amount come within the scope of Para 20.10, the Accounts should make the necessary proposals for waiver of such objections.

1508. Register of items to be waived or written off under paragraph 20.10 of CAG's MSO (A&E) Volume I--- Items of objections waived under clause (1) (a) of this paragraph need not be recorded in a waiver register. The sanctions of the Gazetted Officer in-charge or the Deputy Accountant General for the writes-off should be obtained on the bills themselves or on the office copies of inspection reports in respect of objections taken during inspections. A record should however be kept of objections waived under clauses (1) (b), (1) (c) or (2)(b) of the paragraph. For this purpose a register in Form S.Y 265 is maintained by the Treasury Miscellaneous Section for the whole Office except Public Works Sections for which a separate register is maintained in Public Works Sections. This register should be submitted to the Accountant General once a quarter on the 5th of January, April, July and October for review.

[C.C.A's Ir. No. 1710—Admn. C/437-30 dt. 7.11.30-T.M. Case Spl 2-B/30-31 and 11-26/60-61]

The DC, GAD FC and RA sections will send an extract of the objections waived under clauses 1(b) 1(c) or 2(b) of para 20.10 of CAG's MSO (A&E) Volume I, in form SY 265, quarterly on 30th of December, March, June and September, to enable TM to submit a consolidated report to the Accountant General. These due dates may be noted in Part II of the Calendar of Returns.

[Letter No. 28-O&M/14-70/Volume 1 dt. 21.1.71 of the CAG filed in TM file 12-21/68-71]

1509. The provisions of clauses 2(a) of para 20.10 of CAG's MSO (A&E) Volume I, are also applicable to overpayments and non-recovery of Government dues (in case where it is the duty of the Accounts Officer to watch recovery) detected by executive authorities and reported to the Accounts Officer. But no reference to (State) Government is necessary in cases where the recoveries are effected by the departmental authority without dispute. A reference to the State Government is necessary only in cases where a departmental authority requests the accounts officer to waive the recovery.

[C.C.A's Ir, No. 1817-Admn./550-27, dt. 12.12.27-A.G's decision dt. 22.3.29 T.M Case 23-85/27-28 and T. 9 Edn. Case of 28-29].

1510. The register prescribed in clause (2) (a) of Para 20.10 of CAG's MSO (A&E) Volume I, is maintained in TM Section for the Officer as a whole. All orders of Government waiving the recoveries in question, should first be submitted by the departmental compilation sections for the orders of the Accountant General or the group officer in the form of a not under the following headings:-

1. Details of overpayment and amount involved.
2. How the overpayment occurred and what rules if any where contravened.
3. Degree of responsibility of drawing and disbursing Officers.
4. Degree of responsibility of the Accounts Officer.
5. Reasons for Government waiving the recovery.
6. Reasons for accepting the orders in Accounts.
7. Remedial measures, if any, taken to prevent such cases.

The note containing the orders of the Accountant General, should be sent to T.M. Section for incorporating the particulars in the register maintained by that section.

[O.O. T.M-11-16/40-42/60 dated 17.4.41-T.M. Case 11-16/40-42]

1511. The Register should be submitted for the Accountant General's review half-yearly instead of quarterly as prescribed in para 20.10.2 (a) of the CAG's MSO (A&E) volume I. The items entered in a year should also be analyzed and submitted for Accountant General review by the 15th May, each year, While the individual cases entered in the register may not form the subject of comment in the Audit Report or Appropriation Accounts, the collective annual review of the items may provide materials for mention in the reports.

Objections to insufficient or irregular Sanctions

1512. D.C. Sections should enter the objections to insufficient or irregular sanctions in a separate register (Form A.T.M. 121) referred to in Para 20.230 of CAG's MSO (A&E) Volume I which should be submitted to the branch officer by the 10th of every month. The entries in the first two columns of this register should be made with reference to the first charge incurred under an authorization which requires the sanctions of the higher authority. The Assistant Accounts Officer Section officer or each section is responsible for

seeing that all such objections relating to his section are entered in this register and that the extracts of these objections are also entered in the common register maintained for the whole office in T.M. Section.

T.M. Section should submit the common register to the Accountant General through the D.A.G. on the 15th January April July October.

Objection books

1513. Each Accountant Unit will maintain an objection book. The objection memoranda should be prepared as objections arise and submitted for approval to the Branch Officer. After approval, the objections should be copied in the objection book and the objection memorandum dispatched forthwith. The objection book of a month will be closed by the 25th of the second succeeding month and submitted to the Branch Officer as laid down in para 20.48 of CAG's MSO (A&E) Volume I. Any objection which is marked as an error or irregularity against the Treasury should be communicated to the Director of Treasuries and Accounts (Vide Para 1704). The audit memoranda and the objection book should be written with care and neatness. Not less than three and not more than five entries should be made in one page of the objection book. Sufficient space should be left for subsequent remarks and note of replies, whenever it is thought that such space may be required.

NOTE—Objection revised on vouchers delivered for audit to other sections or to A.G. Audit or elsewhere should be include in the objection book of the other section on whom the responsibility for conducting further correspondence rests.

Reference to the original objection statement and subsequent chain of correspondence should be recorded in the objection Book till the outstanding items are brought over to the Six Monthly Register. On carrying forward these items to the Six Monthly Register steps taken to clear them and references on the subject should be recorded in the Six Monthly Register. It is not necessary to record the subsequent action taken in the objection book. It should be recorded in the objection Book against the relevant item that the item has been carried forward to the Six Monthly Register. But entries regarding adjustment of the item should continue to be made in the relevant columns of the objection book and the Adjustment Register.

[CAG's letter No. 2632—Tecxh. Admn. 1/397-65 dated 28.8.66 filed in TM Case 15-7/65-66].

1514. The objections relating to want of sub-vouchers and want of sanction should also be recorded in the objection book in respect of non-P.W. Transactions. The objections should be recorded in the objection books drawing-officer-wise as far as possible. The subsidiary objection books contemplated in the note below paragraph 20.29 (1) of CAG's MSO (A&E) Volume I may however be maintained where considered necessary after taking the orders of the Accountant General.

[CAG's Ir. No. 1408- Admn. 1/441-59, dated 6.5.60-T.M Case 11-21/60-61].

1515. The amounts placed under objection for want of vouchers of Executive Engineer's certificates in support of charges on account of rents of and taxes on buildings should be treated as really objectionable after the end of the second month following that to which they relate. Only then should reminders be issued calling for the documents in regard to outstanding items.

Overlapping of Objections

1516. The same amount need not be included twice over, i.e., in more than one column of the objection book. As a general rule, if the objection raised on a bill are “amount objections”, i.e. objections where the amount involved has to be recorded in the objection book in accordance with paragraph 20.29(1) of the CAG’s MSO (A&E) Volume I, and the amount in any one of these objections includes the amount in any other the is involved. If however, in of the objections comes under “Service payments for Recovery” it should be recorded in that column and only the balance of the large amount i.e. after deduction of the “Service Payment” course be recorded in the objection book even though the amount is not in accordance with this rule recorded. When the objection relating to the larger amount is adjusted and an objection relating to a smaller amount still treated and recorded as a balance outstanding in the same column as that to which the larger adjusted amount relates. Similarly, when further investigation of an “amount objection” reveals a new objection of a different kind relating to a smaller amount the original objection should be treated as adjusted only to the extent of the original amount minus the smaller amount and the latter should be recorded in the same column as the original objection and not in new column.

Irregularities detected at Inspection, etc.

1517. (i) Irregularities detected in the course of treasury or other inspections or during the course of any correspondence should be copied into the objection book and the same pursued in the same way as objections taken in monthly check of Accounts (vide: also rule I under paragraph 20.19 of the CAG’s MSO (A&E) Volume I.

Closing of objection books and watch over objections (Paragraph 20.48 of CAG’s MSO (A&E), Volume I

1524. (a) Besides removing objections as soon as the necessary, voucher information or document is received, or when the delay, defect or doubt, as the case may be, has ceased to exist or has been explained, the accountants should also go through the schedule of recoveries of service payments and schedules of advanced recovered and other available sources to adjust all possible items. Items once kept under objection can be adjusted only under the authority of the Assistant Accounts Officer/Section Officer. In cases of difficulty or doubt the Assistant Accounts Officer Section Officer should obtain orders of the Branch Officer. Before authorizing the admission of any item, the Assistant Accounts Officer/Section Officer should satisfy himself that the explanation given is prima facie satisfactory, that recoveries stated to have been made have been actually made, and that documents said to have been sent or orders said to have been obtained have been duly received.

(b) When all the items on any page in an objection book are fully adjusted, the accountant should write at the top the page in ink “all adjusted” and place before the Assistant Accounts Officer/Section Officer who after examination will put his initials under the remarks and cut off about one inch, the right hand corner at the top. The accountant should periodically go through the objection books watch the objections and see that no avoidable delay takes place in the adjustment thereof. The Assistant Accounts Officer/Section officer should at least once a month (preferably about the 15th of each month), review the objection books item by item and regulate the action to be taken for the issue of reminders in time and if no reply is received within a reasonable time to the first reminder a demi-official letter should bee written to the officer concerned and if this has not the desired effect the controlling authority and finally Government should be addressed in the mater. It has been decided in consultation with the Finance Department in the first instance (Vide paragraph 20.11 of

CAG's MSO (A&E) Volume I) A special report to Government in the Finance Department should be made only when the Accountant General is of the opinion that there is excessive delay in the disposal of the case or that other circumstances justify such action.

G.O. No. 553, Finance dated 28.7.24].

1525. All the objection books duly closed and approved by the Branch Officer should be sent to DCM section of review once in 6 months. For this purpose the DCM section will select a few sections for such review every month so that the objection Books of all compilation sections are reviewed half yearly. The DCM Section will send an intimation to the Compilation Sections selected by 10 of the month and will submit their consolidated reports on the review to AG for orders by the last working day of the month.

Transfer of Old Year's Items to new books

1526. Outstanding items in the old books are not transferred to the new books until the 31st July when March Supplemental Accounts are closed (Notes I and 2 under paragraph 20.39 of CAG's MSO (A&E) Volume I).

The adjustment as regards these outstandings made in April, May and June of the next year will be note in the old objection book itself. An entry "Transferred to the new book" should be made under the initials of the Assistant Accounts Officer/ Section officer against the uncleared items in eh past year's book then laid aside.

In respect objection books in which the number of unsettled items is heavy, the outstanding items may remain in the objection book of the year in which they were placed under objection and pursued. This relaxation is however, permissible as a temporary measure in specific cases under the personal orders of the Accountant General, where he feels that such relaxation would be justified. In such cases, the outstanding items may remain in the old objection book which will be treated as subsidiary to the new objection book. For the purpose of the abstract of objections (prescribed in paragraph 20.50 of CAG's MSO (A&E) Volume I) attached to each objection book, the year-wise totals of the outstanding items should be worked out and recorded in the abstract after check by the Assistant Accounts Officer Sections Officer. The outstanding items should, however, be copied in a new Objection book once in three years so as to avoid maintenance of more than thee objection Book volumes of any particular Objection book at any time. The necessity for continuance of this relaxed procedure should be reviewed in April each year in the light of the number of the unsettled items at that time and orders of the Accountant General for continuance or otherwise of the same obtained.

[CAG's Ir. NO. 3935-ADmn. I/ 416-59 dated 31.12.59-T.M case 15-18/59-

60]

Review of Objections

1527. The following instructions should be observed in the review of objections outstanding for more than six months referred to in paragraph 20.51 of the CAG's MSO (A&E) Volume I:--

(i) The period of six month should be calculated from the month in which the objection taken, i.e. if the objection is taken in the month of August in respect of June accounts, the item will be outstanding for more than six months in March of the next year.

(ii) In respect of objections outstanding for more than six months, each of the 12 columns in Form SY 286 should be filled in briefly and clearly. Chain of correspondence should be indicated chronologically insufficient detail from the beginning to the end. For this purpose, a separate page should be left for each outstanding item.

(iii) The pages as well as the items in columns I (for the whole year) of eh register should be numbered.

(iv) At the end of the register, a few pages should be set apart for furnishing an abstract of items out, standing at the time of submission of eh register to the Branch Officer the Group Officer or the Accountant General, as the case may be. The abstract should be prepared in the following form:--

(A) Closed to the end of	Number of	Amount
	Items	

Opening balance

New items

Total items

Items cleared *	-----	-----

Balance	-----	-----
---------	-------	-------

*The column "date of adjustment" in the Six Months Register should be filled in and attested by the Assistant Accounts Officer/Section officer in token of check.

(B) Year-wise analysis

Period	Number	Page Number	Total amount
From To	of items	From To	outstanding for the Period

(C) Certificates

(1) Regarding agreement of ladder figure with the total shown in the Six Monthly Register.

(2) To the effect that the instructions and remarks contained in previous review report of D.C.M Section have been borne in mind and carried out at the time of closing the register.

(v) The Assistant Accounts Officers/Section Officers and Branch officers should critically examine the outstanding items in the Six Months Registers every month and record the results of their review indicating their recommendation for specific action against each item. The Branch Officers are also required to ensure that proper action is taken by the accountants on the review remarks so that the items are settled expeditiously. D.C.M. and other controlling sections should, during the review of Six Months Register, also verify whether these requirements have been complied with by the Assistant Accounts Officers/Section Officers and Branch Officer and the Accountant General.

[CAG's Ir. No. 2204-Tech. Admn. I/ 401-65 dt. 28.7.65 and T.M. 0.015-7/55-66/110 dated 18.8.65 filed in T.M case 15-7/65-66].

The Six Months Register should be submitted to the Branch Officer on the 27th of each month for his review; he should then arrange to issue suitable (D.O. or otherwise) reminders at appropriate level and initiate effective action as may be considered necessary for speedy clearance of the items. Each control section should maintain a register for the selection of a third of the total registers of the respective group every month for intensive review and ensure that all the registers are reviewed once in a quarter. The review reports of the selected registers should be submitted to the group officer concerned together with the registers selected for review on the 7th of the succeeding month by the control. For this purpose necessary intimation to the sections selected for review will be sent by the corresponding control section on the 10th of each month.

The review report should be submitted to the Accountant General quarterly for perusal on the 10th of February, May, August and November.

- (vi) In order to show at a glance the progress of clearance of items held under objection in each of the units and the section as a whole, the sections should while sending the Six months Registers to the respective Control Sections for review, furnish a statement in the following form:--

		Number of items outstanding to the end of the previous month (i.e. opening balance for the current month)		Number of items added during the month (i.e. new items)		Clearance during the month (i.e. items adjusted)		Closing balance	
Sl. No.	Name of unit	Number of items	Amount	Number of items	Amount	Number of items	Amount	Number of items	Amount
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

The control Sections should after check of the statements, prepare an abstract Section-wise for each group of sections and include it in the opening paragraphs of the review report.

On- the spot settlement of audit objection during local audit

1529. In order to effect on-the-spot settlement of the audit objections by the Test Audit Accountant during local audit and to guard against any failure to take action in any case in which departmental officer has already furnished adequate information meeting the objections, the procedure prescribed below should be followed by the DC Sections and the Inspection parties:--

The copy of the programme of each inspection party for the quarter should be sent by T.M Section to the DC Section concerned by the end of the previous quarter. Any modification or deviation in the programme made subsequently should also be intimated by TM section. The programme when received in DC/LA Section should be diarised in the common purport Register. The accountants concerned should immediately prepare a

list of audit objections which are more than six months old at the beginning of the quarter relating to the Officer which are to be visited by the party, separately in triplicate, giving the following details:--

- (1) The number of the objection book item/Six Months Register item/month of account.
- (2) The Huzur voucher number, the gross amount of the bill, date of payment and the designation of the drawing officer.
- (3) The nature of the claim.
- (4) The nature of objection reference to the code, rule or order under which the objection is raised (this is for the guidance of the Inspection staff).
- (5) The number and date of the letters issued from this Officer and also the number and date of any latest correspondence received from the departmental Officer.
- (6) The further information required for settling the objection and any other special remarks.

Two copies of the list should be handed over to TM Section retaining the third copy for reference in the section. This item of work should be given top priority by the sections so as to enable TM to send suitable advance information to the departmental officer.

On receipt of the list of objections in duplicate in TM one copy should, at the time of issue of intimation records ready. The other copy should be sent to the Inspection party along with the documents sent from this Office. The Inspecting Officer or the Test Audit Accountant will personally discuss these items in the outstanding list with the departmental officer. The note of discussion duly countersigned by the departmental officer should be returned to TM.

On the receipt back in DC/LA Sections of the list of outstanding objections along with the note of discussion from TM it should be diarised in the purport Register. The items should be scrutinized and finally adjusted wherever possible. The not of discussion should after necessary action, be filed under the orders of the Branch Officer.

Other pending items like outstandings in broadsheets of HBA, MCA, PCA, and relating to All India Service Officers and reconciliation of departmental figures may also be advantageously included if such items can be settled quickly be a reference to the initial records maintained in the departmental offices.

If in any case there is evidence that the departmental officer has already taken suitable action to meet the audit objection and T.M. has failed to take adequate action on it, the Inspection Officer will report such cases to the Group Officer concerned for arranging an investigation and for taking steps to prevent recurrence of such cases in future.

[T.M. O.O 15-21/62-63/171 dt. 31.1.63 based on CAG's Ir. No. 1784/admn. I/173-60 (11) dated 8.8.62]

Outstanding objections

1530. While the objections should normally be pressed and action to settle them insisted upon, some discretion could be exercised in the following cases:--

(i) Want of sanction—If the expenditure is objected to for want of sanction to any establishment or contingent the objection could be waived if the circumstances justify such a course.

(ii) Want of receipts and vouchers---Certificates of payments should be accepted in lieu of receipts after considering the circumstances in which the receipt could not be produced. In the case of wanting vouchers, some latitude could be allowed if the vouchers have been genuinely lost and there is no doubt about the payments having been made to the correct parties. The detailed contingent bills in adjustment of advances should, however, be watched without exception, since in their absence serious irregularities might have been committed in regard to payments made out of advances drawn.

(iii) Other objections—There may also be cases where payments are kept under objection on the ground of defective sanction or misapplication of rules etc. In all such cases, objections raised can be reviewed suo moto if it is felt that the objections should not be pressed, it would be open to audit to withdraw the objection and accept the expenditure as regular.

[CAG's Ir. No. 374-Admn. I/59-60 dated 5.2.60 T.M. Case 11-47/59-60].

1531. The discretion to waive/drop the objection within these provisions should be fully exercised where necessary. For this purpose, all sections concerned should review the outstanding objections systematically on the lines of items (iii) above. The report of the review should be recorded in a register opened for the section as a whole and should indicate (i) the number of objection Books maintained by the sections, (ii) the actual number of items in the Objection Books to end of the month under review (iii) the number of items reviewed during the month in the light of various orders issued from time to time and (iv) the number removed as a result of the review (Account Current and Provident Fund Sections are not required to maintain these registers). The register should be submitted to the Branch Officer should record in the register a certificate to the effect that all items under objection have been reviewed in the light of the Comptroller and Auditor General's Instructions of 5.2.60 and that the objections remaining outstanding cannot be dropped.

[T.M. 11-47/59-60/331 dated 21.3.60, T.M. O.O. 275, dated 20.12.60, T.M. O.O. 322 dated 31.1.61 and T.M. O.O. No. 8 dated 10.4.61].

1532. Communication of objection outstanding for over six months to the Government of Tamil Nadu—The various Accounts sections should compile and forward half yearly on the 10th March and 10th September of each year to the administrative department concerned of the Secretariat lists of objections outstanding for more than six months against each department and its subordinate offices. Copies of the lists should be endorsed to the Finance Department and the Heads of Departments concerned. Each Administrative each year statements showing the progress made in the settlement of audit objections. In the case of departments under the control of the Board of Revenue however, quarterly statement showing the progress made in the settlement of audit objections, etc., will be received through the Government of Tamil Nadu Revenue Department, on the 15th of April, July October and January every year. The receipt of the Statements should be watched by the concerned Sections.

[M.G. Fin. G.O. Ms. No. 562, dt. 29.4.54, M.G. Rev. G.O. Ms. No. 1620 dated 9.4.62, M.G. Rev. Govt. Memo. No. 50802, G., 1/62-1 dated 10.9.62 T.M. Cases 15-18/53-35 and 15-18/62-63; D.A.G's orders, dt. 11.2.60-TM Case 4-15/57-60 G.O. Ms. 791, Finance dated 16.7.1965].

1533. Before compiling the statements due from this office the sections should scrutinize the statements last received from the Departments communicating the progress made in the settlement of audit objections and weed out as many outstanding items as possible with the information furnished by the Departments and/or available in Office. After this scrutiny the outstanding items should be consolidated and categorized according to the nature of the objection (items pending for want of sanction, items for which sub-vouchers and stamped receipts are due, items where excess payments were made requiring rectification/regularisation (1) by Government and (2) authorities subordinate to Government and the like). The sections should as far as possible indicate in a separate column what exactly is required in Audit to settle the items without undue delay to enable Government to consider the issue of orders regularizing the defect or effecting the recovery straightaway as may be deemed fit. The necessity to fix a target date for the Govt. as well as the departmental Officers to settle the outstanding should wherever necessary be reiterated.

[T.M O.O. No. 11-26/59-60/52 dated 16.7.59].

1534. Review of outstanding audit objections----In the case of audit objection copies of which have been sent to Government or to which their attention has been specially invited and which remain outstanding for more than one year a special review should be conducted at the time of preparing half-yearly lists for being specially taken up with Government for expeditious disposal. A list of such objections which point out serious irregularities or are otherwise important enough to be brought to the special notice of Government and to which the special attention of Government was already drawn should be furnished to Government with a brief synopsis of the irregularities and the implication of their non-settlement, so that expeditious action may be taken in dealing with such cases. If the items remain outstanding even after having been thus brought to the notice of Government for expeditious disposal may be made in the Audit Report. This will enable the Public Accounts committee to consider the matter in the proper perspective.

[CAG's Ir. No., 203-Admn. III/512-61 dated 1.2.62-A.A. Case 60-7/61-62].

NOTE--The objection relating to the payments made in respect of the cases pending in the Supreme Court/High Court, will be omitted from the omnibus para on "the outstanding audit objection" if the Ministries/Departments inform the Accountant General in good time that these cases are pending in the courts and that they are unable to settle them until they are decided by the Courts.

These instructions will apply to union transactions only.

[Letter No. 1569-TAI/74-67 dt. 26.6.67 and 402/TAI/64-57 dated 31.1.68 of the C&AG filed in T.M./15-18/62-68].

PROFORMA

(To filled in by the Accounts Office)

SI. No.	Name of individual and designation	Nature of overpayment	Month and year in which excess payment is made	Vr. Number, date and Treasury of encashment and amount thereof
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1 Parte recovery if any, made	2	3 Recovery still due	4 Period from which outstanding	5 Vr. number in which recovery is made
6 Amount recovered voucher wise	Balance, if any	7 Cause of delay in completing recovery	8 Any special steps taken to complete recovery within a month	9 Any other remarks
10	11	12	13	14

Note: In colum (3) specify nature of overdrawal to be recovered such as over or excess payment unauthorized drawal of pay and Allowances/Transfer and Tour Advances/Cycle/G.P.F. Advance/Festival Advance etc.

CHAPTER 16

DEFALCATIONS AND LOSSES IN GOVERNMENT ACCONTS

1601. Please see Chapter 6 of Government Accounting Rules 1990 and Chapter 6 of Tamil Nadu Account Code Volume I.

1602. The Accountant General (A&E) will be required to act upon the sanctions of write off of losses issued by competent authorities on finalization of cases. This function can be discharged by him in consultation with the Accountant General (Audit) at the appropriate time.

Whenever any case of loss in which there is a possibility of the Reserve Bank of India being made liable to Government either in respect of operation on Government account conducted by itself or by its agents or otherwise comes to the notice of the Accountant General, he should call for such further information as he may require on the subject. On receipt of this information which must be obtained without delay he should at once make a report of the case to the Finance Ministry/Department of the Government concerned for such action as it may deem fit.

[Paras 20.15 & 20.16 of C& A.G's MSO (A&E) Volume I]

1603. In cases involving defalcations of Government money, audit may call for information from departmental officer on the following points:-

- (1) The nature and extent of loss.
- (2) The defect in neglect of, t he rules by which such loss was rendered possible.
- (3) The causes or circumstances which led to the defalcation.

(4) The steps taken to prevent its recurrence, and

(5) the disciplinary action taken or proposed to be taken against the officers responsible.

1604. In this regard, the Tamilandu Government have rules as follows:--

“Under rule 16(ii) of the Audit and Accounts Order, any Officer of Government may be called upon by the Accountant General to provide information necessary for the preparation of Appropriation Accounts. The Accountant General is entitled to receive full information on all the five points mentioned above.

Ordinarily information on points (3) to (5) will be embodied by Head of Department in his report to Government and communicated to the Accountant General calling for information on these points direct from a subordinate authority and he is likely to do so when the report of the subordinate authority is delayed. Such occasions should rarely arise. Where they do arise, it is open to the Head of the Department to direct the subordinate authority to send his reply to the Accountant General through him”.

It should therefore be noted that in all possible cases the Accountant General should in the first instance address the Heads of the Departments for any information regarding disciplinary action. If, however, it is considered essential to write to a subordinate authority as an urgent measure, a copy of the communication should be sent to the Head of the Department. Cases of direct reference to a subordinate authority should be rare and such references should be made only with the approval of the Accountant General.

[Govt. Memo. No. 2663-C, 29-4, Rev., dt. 4.11.29, and A.G's order, thereon, dt. 19.11.29-T.M. Case 5-31/29-30].

1605. In all cases of defalcations, it should be examined whether the treasury officers who were responsible were junior and inexperienced and were otherwise not properly qualified to hold charge of a treasury. If so the attention of Government should be drawn to the fact. This should also be borne in mind in reviewing the working of treasuries annually.

1606. Register of Defalcations [Paragraph 16 of C.A.G's M.S.O (Tech.) Volume I]. All cases of defalcation should be noted in the “Register of Defalcations” maintained in the Treasury miscellaneous section which should be sent up to Senior Deputy Accountant General on the last day every month.

Losses

1607. The General Principles for regulating the enforcement of responsibility for losses sustained by Government through fraud or negligence of individuals are laid down in Article 300 of the Tamilandu Financial Code Volume I.

1608. Annually, a consolidated return showing the write off of losses has to be sent by T.M. section to Accountant General (Audit) AAD Reports for incorporation in the Audit Report of C & A.G. For the purpose, the compilation sections should maintain a Register, wherein the sanction of write off of losses received in the section should be entered giving the full particulars of sanction order such as name of the Department, Government order No./Proceedings No. with date, crisp description of the loss, amount of loss. This register should be submitted to the Branch Officer for approving the Memo. Of Inspection. Annually, to enable TM to furnish a consolidated report to Audit, the sections should furnish as and when called for a statement listing out

the cases of losses as entered in the Register along with the G.Os. Compilation section should keep the G.Os in a separate guard file in the custody of the Assistant Accounts Officer/Section Officer.

1609.The Comptroller and Auditor General has decided that in cases where amount are to be redrawn for disbursement to payees on account of loss having occurred by misappropriation, defalcation, embezzlement, etc., the amounts redrawn should be debited to the contingencies of the department, even if the original amount is not yet formally written-off. No financial adjustment will be necessary when the orders for write off are received from the competent authority, the original drawal having been already debited to be appropriate head of account. The recoveries made from the delinquent should be taken as a reduction of expenditure under 'contingencies' if they are effected before the accounts of the year in which the loss has occurred are closed and as receipt if they are effected in subsequent year.

[C.A.G's Lr. No. 1084-AC/167-59, dt. 22.7.59 T.M Case 7-29/59-60].

The amounts towards losses, through misappropriation defalcation, embezzlement, etc., Pending further action regarding investigation, fixation of responsibility and recovery shall be redrawn by the authorities competent to write off of the loss under the provisions of Tamilnadu financial Code, Volume II on a simple receipt in Tamilnadu Treasury Code Form 117. The loss in each case shall be reported in accordance with the provisions in the Tamilnadu Financial code, Volume I. No authority from the Accountant General is necessary for the redrawal of such amounts. A copy of the sanction of competent authority should also be enclosed when the amount is drawn. A copy of the sanction of competent authority should be sent to the Accountant General in advance.

In the accounts the amount so drawn shall be classified as "8550 Civil advances, other advances" Advances to meet loss on account of misappropriation, defalcation, etc., under the major head "8550 Civil Advance, ", "104 Other Advances" (A.Q) advance for redrawal of amount lost through embezzlement, misappropriation et. The amount recovered, if any, subsequently shall be credited to the above head of account and the balance if any, under that head if found, irrecoverable should be written off with the sanction of the competent authority and adjusted as a loss under the head of account to which the expenditure of the department concerned is ordinarily debitable.

[Memo. NO. 70171/Codes-I/ 70-11 dated 31st May 1971].

1910. It has been held by the Comptroller and Auditor General that in the cases falling under Rule 58 (1) of Government Accounting Rules' 1990 and similar cases, no question of write-off of the loss arises as a "write-off must contemplate the prior record in Government account of some sum which could be written-off and there can be no such record when no demand has actually been made.

[Ar. GI's Ir. No. 420-Admn. I/85-38, dt 12.6.33-Case C.R.A No. 1/33-34].

CHAPTER 17

ANNUAL REVIEW OF THE WORKING OF TREASURIES

1701. Under Para 20.17 of CAG's M.S.O. (A&E) Volume, I an annual review report of the working of treasuries is sent to the Tamilnadu Government through the Director of Treasuries and Accounts, Madras not latter than the 31st May following the official year concerned. The review report will be prepared by T.M section.

[Paras 20.17.1 to 20.17.11 of CAG's MS.O (A&E) Volume I]

General. Inspection and not local audit is applied to the accounts of treasuries, inclusive of Commissioner of treasuries and Accounts, Chennai and Regional Joint Director Officers" the object being to assist the revenue authorities in establishing a system of treasury working strictly in accordance with the prescribed rules. It is not intended that those authorities should be relieved of their responsibilities for management and inspection but the Inspecting Accounts Officer should see generally that the rules prescribed by Government are understood and observed. He may also be asked to undertake any special enquiry which Government desires to be made. The Principal Account General is responsible for seeing (i) that the procedure observed at treasuries meets all the requirements of audit and that Accounts are properly maintained and (ii) that orders regarding the custody and handling of cash and other valuables and the control of the balances are duly observed. No responsibility for physical verification of balances of cash stamps, or opium, however, rests on the Inspecting Accounts Officers or indeed on the Indian Audit and Accounts Department.

Note: 1. In the course of examination of initial accounts received from the treasuries, the Accountant general may also come across serious shortcomings etc., which he may like to be looked into specifically during inspection of the concerned treasuries. The Inspecting Officer may be required to took into such cases and report results of his investigation.

Note: 2. Principal Accountant General is not responsible for vouching the correctness of balances of cash etc. appearing in any report required to be submitted by the departmental officers under the Treasury Rules.

2017.2 The accounts of each district treasury and Sub-Treasury are inspected by an Accounts Officer deputed for the purpose. The Inspecting Officer should be assisted by a staff adequate to complete the inspection of treasury within the period allotted for the purpose. Previous notice of the dated of inspection is not necessary but as far as possible, it is desirable to avoid to a Treasury office on days on which the treasury work is known to be heavy, e.g. when the accounts returns are due to be prepared for submission to the Accountant General or bills are to be examined and paid.

20.17.3 The Inspecting Officer should be given a memorandum of points (10 noted from time to time since the previous inspection in the course of the work in the Central Office, as requiring special attention or examination on the spot (e.g. delays in the clearance of any arrears of work or any objection), and (2) for enquiry as may have been desired by the Accountant General vide Note. I below paragraph 20.17.1 or by the Currency Officer and the Manager of the Reserve Bank in charge of the Public Debt work of the Government or by the Government.

Note I: The concerned Group Officer or Branch Officer of the Officer of the Principal Accountant General should ascertain demi officially from the Currency Officer and the Manager of the Reserve Bank in charge of the Public Debt work of Government, a few days before the date of inspection, whether there are any special points which those officers may wish to be investigated on the spot by the Inspecting Officer.

Note II :In the absence of any Non-Banking Treasury in Tamil Nadu, there is no operation of currency chest in the Treasuries and hence there is no Currency Officer.

20.17.4 The following paragraphs describe the procedure to be followed for reporting the results of the inspections and the disposal of the Inspection Reports.

Inspection Report

20.17.5 The results of the inspection should be set forth in a brief Inspection Report, which will be in two parts, one relating to Currency Resources and Public Debt matters and the other dealing with other points. Points of minor importance should be settled on the spot or communicated to the Treasury Officer through the Test Audit Note.

20.17.6 The Inspection Report should be completed before the Inspecting Officer leaves the treasury and should not be signed until the Treasury Office has been given an opportunity of reading and discussing it and suggesting any omissions or modifications. If the Collector/Director of Treasuries having control over the treasury, is present at Headquarters, any important point in the Report should be generally discussed with him, if possible.

20.17.7 The Inspection Report, as soon it is signed, should be forwarded by the Inspection Officer to the Principal Accountant General. It should be accompanied by a note by the Inspecting Officer enumerating the items of the Report which involve considerable losses, or other irregularities of great importance. The Inspecting Officer should be careful to obtain all relevant facts in connection with each such item and discuss it specifically with the Collector/Director of Treasuries (or with the Treasury Officer in his absence), and in the note he should state that he has done so.

20.17.8 The Inspection Report should be examined in the Headquarters section, and any remarks contained in it, which are not held to be in order, or are not important enough for inclusions should be deleted or modified. The report as finally approved should be sent to the Collector/Director of Treasuries with a copy to the District Treasury Officer. The Inspection Reports relating to sub-Treasuries should be sent to the District Treasury

Officer with a copy to the Sub-Treasury Officer. In all these cases, a copy of the first part of the Inspection Report should be forwarded to the Currency Officer in whose jurisdiction the treasury is situated.

20.17.9 If, on consideration of the Inspecting Officer's note, it is held that any item in the Inspection Report is likely to find place in the Audit Report, it should be brought to the notice of the Accountant General (Audit) for further necessary action.

20.17.10 The Collector/Director of Treasuries or the District Treasury Officer will pass such orders as he considers necessary on the points included in the Report and send a copy of the orders to the Principal Accountant General and a copy of the order on the points in the first part to the Currency Officer. The currency Officer will forward his copy of the Report and of the orders thereon to the Principal Accountant General indicating whether so far as matters dealt with by the Bank are concerned, the action taken is adequate or whether any further action is required. The Principal Accountant General may refer to the Commissioner of the Division or the State Government any matter brought out in the Report if, in his opinion, it should receive the attention of the Commissioner/Government or the action taken thereon by the Collector/Director of Treasuries is inadequate. He should report to the State Government all important irregularities and points which are not settled by reference to the Commissioner. Any point of importance affecting the Central Government should be brought to its notice through the Comptroller and Auditor General. If the State Government desires, the general results of the inspections and the final order passed thereon will be summarized by the Principal Accountant General and submitted to it. This summary may be included in the annual review on the working of treasuries if such a review is, under local arrangements, submitted to Government.

20.17.11 If the Government so desires, the Principal Accountant General should submit to it a review of the working of treasuries in such form and detail as may be settled mutually. The review will be prepared by the Principal Accountant General (A&E), regarding the audit portion, necessary material for incorporation in the review will be supplied by the Audit Officer to the Principal Accountant General (A&E).

1702. The review will deal with—

(a) the working of treasuries as observed during compilation of treasury accounts and checking of sub accounts in the various compilation sections.

(b) the results of local inspections of treasuries carried out by the inspection staff of this office.

(c) the irregularities in Remittance and Public Debt work noticed by the Currency Officer and the Manager, Public Debt Officer, of the Reserve Bank of India, and

(d) the working of the Pay and Account Offices, Madras as observed by Resident Audit Sections of Accountant General (Audit).

1703. Statements showing the following particulars are appended to the review:--

(i) Punctuality in the submission of returns;

(ii) The various kinds of irregularities noticed in the working of the treasuries; and

(iii) the more important defects noticed during treasury inspections by officers of the Indian Audit and Accounts Department.

1704. In pursuance of the orders issued by the Government of Tamilnadu in G.O. Ms. No. 1004 Finance (T&A) dated 6.7.71 to the effect that it will be sufficient if the Accounts Officer brings to the notice of the Director of Treasuries and Accounts, Madras any irregularity committed by the Treasuries and the Director of Treasuries and Accounts is responsible for awarding the Treasury irregularity, all DC/LA section will follow the following procedure while considering any serious Treasury Irregularity noticed during the course of checking of Accounts, Compilation of Accounts etc.

- (1) The sections should continue to keep a Register showing the irregularities committed by the Treasuries instead of communicating the irregularity to the Treasury Officer concerned and asking for his explanation, the report on such really important and/or serious irregularities as and when noticed, may be sent to the Director of Treasuries and Accounts, Madras, with request to report to this Officer (a) the action taken to regularize the irregularity (b) the action taken to guard against such irregularities in future and (c) any departmental action taken against the erring official.
- (2) A statement of Treasury Irregularities noticed during the year may continue to be appended to the "Annual Review of the working of the Treasuries" to the State Government (vide para 701) as either to being done by TM Section.
- (3) In respect of serious irregularities brought to the notice of the State Legislature, the incorporation of a suitable comment in the Audit Report of the Comptroller and Auditor General will be considered by TM Section.

[A.G's orders dated 14.8.73 Case No. DCM/III/12-32/72-74]

1705. In the Register showing the irregularities committed by the Treasuries [Vide Para 1703 (ii) and (iii)] defects and errors are classified as follows:

- (1) Lack of punctuality in submission of accounts and returns.
- (2) Schedules and vouchers wanting.
- (3) Mistakes and omissions in accounts.
- (4) Erasures and unattested corrections.
- (5) Vouches not stamped "Paid" or "Paid by Transfer".
- (6) Accounts not signed and balance not verified by district officers for more than six months.
- (7) Number of requisitions for correction of accounts.
- (8) Bills paid without proper authority.
- (9) Certificates and documents in support of vouchers wanting.
- (10) Omissions and other defects in vouchers and supporting documents.
- (11) Bills drawn on wrong forms.
- (12) Defects in pension bills.
- (13) Defects in deposit vouchers and accounts.
- (14) Irregular payments of cheques.
- (15) Deficiency found in remittance.
- (16) Embezzlements at treasuries.
- (17) Other irregularities.

The description of the errors in the list sufficiently indicates the nature of the errors which should be included in it. It is, however necessary to explain a few items.

ITEM 1- Lack of punctuality in submission of account and returns:--- The delays in the submission of the following accounts and returns should be included:--

- (a) List of payment
- (b) Treasury accounts.
- (c) Monthly cash balance reports.
- (d) Appendices to the treasury account.
- (e) Objection statements not returned within a fortnight.
- (f) Statement of issue of Telegraphic Transfer and Bank Draft.

ITEM 2- Schedules and vouchers wanting--- Here should be stated those cases where the treasury officer has not promised to send the documents. If in any treasury, vouchers are frequently detained for subsequent submission, the case should be submitted for the orders of the Group Officer.

ITEM 3- Mistakes and omissions in accounts--- The following indicate a few of the errors which should be included in this list:--

- (a) Totals of lists of payments, schedules or vouchers not entered or incorrectly entered.
- (b) Errors of classification in accounts irregularities and corrections due to incorrect information from other departmental officers should not be noted against the treasury but those due to any errors on the part of treasury or sub-treasury officers should be noted.
- (c) Discrepancies between account and schedules or plus and minus memoranda.
- (d) Details of "Miscellaneous" or "other items" omitted.
- (e) Schedules or accounts not signed by the treasury officer.
- (f) Omission to quote heads of accounts on vouchers.

ITEM 19. Embezzlement at Treasuries--- When a final report about defalcation in treasuries should be submitted to the controlling authorities or Government, a note should be submitted to the Deputy Accountant General as to whether the case should be treated as an error against the treasury concerned. A few paragraphs in the annual review should deal with embezzlements at treasuries.

ITEM 20. Other irregularities---- Before any error is included here, the previous orders of the Branch Officer should be obtained. Only those errors which could not be entered under other items should be shown here.

1706. A report of the irregularities committed in the treasuries worthy of mention in the annual report on the working of treasuries is prepared by the Accountant General and furnished to the Government. Material for this report should be furnished by the DC/LA sections to T.M Section. For this purpose, the sections should maintain a register in which all important mistakes and all errors classed under "other irregularities" should be entered. This register should be closed every month on the 15th and submitted to the Branch Officer. Extracts from this register should also be furnished to TM section quarterly on 15th April, 15th July, 15th October and 15th January. In cases where it is desired that mistake should be prominently mentioned in the outgoing review report on the working of the treasuries, and in case where the irregularities are classed under item 20 "Other irregularities" in the previous paragraph a brief resume explaining the irregularity should be furnished to T.M. Section.

1707. Before submitting the list of Treasury Irregularities for a month for the approval of the Branch Officers, the Assistant Accounts Officers/Section Officers of the D.C/L.A sections should see whether all the returns have been received on the due dates and should send a memorandum to other sections including G.A.D. A.C and Pension calling for information as to whether any errors noticed in their sections should be marked as

errors against the treasuries concerned. The error lists of other sections should be approved by the Branch officers concerned.

1708. As the report on the working of treasuries should represent the work of the several treasuries in their true perspective, Assistant Accounts Officers/Section Officers of sections should see that Treasury irregularities are invariably marked for all important irregularities.

CHAPTER 18

VALUSBLES

1801. Receipt and Disposal of Valuables

The receipt and disposal of cheques/defts pertaining to remittances of recoveries towards House Building Advance, Motor Car Advance, Personal Computer Advance, Scheme and Group Insurance Scheme etc., -All India Services Officers by Foreign employers on behalf of Government servants on Foreign Service/deputation is dealt with in TM Section.

[AG (A&E) TM/II/Val/90-91/3 dated 18.4.91 and Pr. A.G's orders dated 13.12.90].

1802. Letters with cheques and drafts

All letters with valuables will be received Centrally in " Tapal Receiving Section. These will be diarised in a Register called "Register of Valuables" with 8 columns. A single register shall be maintained for all the registered dak units and Columns 1 to 8 shall be filled in without fail.

[Para 5.6.2.1. of MGP].

These will be sent to the concerned Branch Officer in the Register of Valuables itself and the acknowledgement of the Accountant/Clerk of the section obtained in that Register itself. No separate transit register is maintained.

[Para 5.6.2.1 & Para 5.8.2.3 of MGP].

1803. The following procedure and precautions should be observed while disposal of valuables.

- (a) The receipt of Valuables in the section will be diarised in a Register in Form SY 249 (format given below) immediately on receipt. All columns should be filled in.

SI. No.	Date of receipt	From whom received	No. & date of covering letter	Nature of valuables (e.g.) whether cheques, cash etc.	Amount
---------	-----------------	--------------------	-------------------------------	---	--------

1	2	3	4	5	6
Initials of A.A.O./S.O./B.O.	Section to which the valuables relate		How disposed of		Initials of Despatchee with date
7	8		9		10
No. & date of acknowledgement	Superintendent		G.O.		Remarks
11	12		13		14

- (b) Credit slips with the detailed classification should be prepared for onward transmission to Reserve Bank. The acknowledgements to the senders should also be issued simultaneously.

The endorsement on cheques "Received payment by transfer credit to the account of the Union government/Government of Tamilnadu" will be made on the reverse of the cheques and signed by the officers in charge of the sections before sending the same to the Reserve Bank of India for clearance. Till dispatch, the Valuables will be under the personal custody of the Assistant Accounts Officer/Section Officer and kept in a separate closed file pad with suitable arrangements to have access to the valuables whenever the Assistant Accounts Officer Section Officer is on leave.

- (c) A close watch has to be maintained by the Section concerned regarding the receipt of intimation of realization of the cheques/drafts dispatched to the Reserve Bank of India and on receipt these have to be noted in the relevant column of Register of Valuables.
- (d) The section should the register twice a month on the 5th and 20th of every month. The Branch Officer should keep a close watch on the disposal of Valuables and corrective measures should be taken when there is heavy pendency.
- (e) The register should be submitted to the Group Officer every quarter on 5th July, October, January and April and to the Accountant General once a year on the 5th April. In the fortnightly closing, the Valuables not sent will be shown as outstanding under Section A and Valuables for which intimation of realization is not received listed in Section B. Action taken in regard to both will also be indicated briefly. When the Registers are submitted quarterly to the Group Officer, the Branch Officer will record a certificate of Physical verification of the Valuables as at the end of June September, December and March.
- (f) The number of Valuables pending final action should also be mentioned in the Monthly arrear report as a separate item.
- (g) The Valuables are to be given top priority. Cheques and drafts received in this section should be dispatched along with the covering credit slips with detailed classification to the Reserve Bank of India for clearance as early as possible and at any rate before 7 days of receipt in this office.
- (h) Valuables not pertaining to the section should not be sent in the same register of Valuables maintained for the purpose to the concerned sections, but through a separate transit for them.
- (i) IAD should conduct half yearly review.
- (j) As far as possible one credit slip may be issued for each nature of transaction separately to enable the bank to credit the amounts to the State Government account without any difficulty.

[Officer Order No. AG I /Estt. III/GI/81-82/163 dated 13.5.81 and TM Circular AG (A&E)/TM/II/Val/90-91/3 dated 18.4.91].

1804. Please see Chapter 6 Para 6.25 of M.G.P.

CHAPTER 19

MISCELLANEOUS

1901. (1) The State Government or the local Body should first obtain the permission of the Government of India (Ministry of Finance, External Finance Division) in respect of any payments to be made in overseas countries through the Indian Missions abroad for the supply of goods or services received from the overseas countries.

On receipt of necessary permission from the Government of India the request for payments in the country abroad should be made through the State Accountant General concerned to the Pay and Accounts Officer Principal Accounts Officer, Ministry of Finance, Department of Economic Affairs, New Delhi. The latter of receipt of the request through the State Accountant General will issue necessary authorization to the Indian Mission abroad under intimation to the State Government and the State Accountant General.

- 2 In the case the of payments to be made in London through the High Commissioner for India London an authorization from the Accounts Officer of the Central Government is not necessary. The State Accounts General may send request direct to the Mission.

[G.I. M.E.A Ir. No. F. 18(5)-A/52 dt. 11.4.53-T.M. Case 15-105/50-54].

Transfer of Government assets to autonomous organization etc.

1902. (i) As and when a Union or State Government Undertaking is onverted into a State owned Private Limited Company in future, specific approval of the Parliament of the State Legislature, as the case may be, should be obtained by means of a token vote or otherwise, for the transfer of the Government assets to the new Company.

(ii)The transfer or gift of Government property of a value exceeding Rs.1 lakh to outside parties, institutions, etc. should be made only after it is brought to the notice of Parliament/Legislature by a suitable mention of the same in the Explanatory Memorandum on the Budget.

(iii)In cases of urgency, where it may not be possible wait till the matter is brought to the notice of Parliament/Legislature through the Explanatory Memorandum on the annual Budget, arrangements may be made by entrusting the management of the property to the body or institution, but the formal transfer of the title to the property should be effected only after a mention is made in the Explanatory Memorandum as stated in paragraph (ii) above.

(iv) When Government property is transferred to an autonomous organization, suitable safeguards should be imposed to provide that it should not be encumbered or alienated by the recipient of the property without prior approval of the Government.

[(1) G.I.M.F. (E.A.) Memo. No. F.5 (33)-B.II/55 dt. 15.6.56, O.A. Case No. M.F, 52-56; (2) M.E. Finance Memo No. 63771-BG/56-1 dt. 31.7.56; G.I.M.F. (E.A.), O.M.F. 22(92) B/58 dt. 23.12.58, G.O. Ms. No. 378 Finance dt. 13.4.59, H.A. Case No. 14-78/58-59; (3) H.A. Endt. 14-2/58-60 dt. 4.6.59 T.M. Case No. 12-3/59-60].

NOTE: (a) The term “transfer” will not include “Sale”, if the sale is not at a concessional price.

(b) The limit of Rs. One lakh should be reckoned with reference to the aggregate cost of various assets being transferred in one transaction.

(c) The original book value of the assets should be taken into consideration.

[G.I.M.F. (D.E.A) U.O. No. F 2(92)-B/58 dated 12.8.59 read with C.A.G’s Endt. No. 1642-Acc/60-58 dt. 21.12.60 and M.G. Finance Memo. No. 27848-B G/61-2 dt. 22.5.61 H.A. Case 14-100/60-62]

(d) The above orders will be applicable to transfer for gift of Government properties exceeding Rs. 1 lakh to other Governments also.

[T.M. Case 12-1/64-67]

Adjustment of Expenditure on extradition proceedings against Indian Nationals etc.

1903. The Indian Missions/Posts abroad are required to incur expenditure in connection with the extradition proceedings against the Indian Nationals and others in foreign countries and also to depute their officers to undertake tours in that connection. It has been decided by the Government of India that all expenditure on the extradition proceedings incurred by the Ministry of External Affairs and the Indian Missions/Posts abroad including that on T.A to undertake tours in connection with the extradition proceedings, should be met from the budget grant of the same Ministry Department/Office which is meeting the expenditure on the criminal cases for which purpose the extradition proceedings are taken. The expenditure incurred by the Missions/Posts abroad will be included by them in their cash account rendered to the (Accountant General, Central Revenues), in the case of the High Commissioner of India, London and Pay and Accounts Officer of the Ministry cash Account to the Pay and Accounts Officer, Supply, in the case of the Indian Supply Missions, Washington, who in turn, will adjust the debits against the head of account concerned or pass on the debits to the Accounts Officer concerned if the debits are not adjustable in his books.

In respect of expenditure on the extradition proceedings incurred on persons extradited from places outside India to India on behalf of the State Governments and Union Territory Governments (with Legislatures), the Government of India will authorize the Missions/Posts concerned to make the payments due and the Pay and Accounts Officer, will recover the amount by raising debits the Accountant General concerned in the usual manner.

In respect of expenditure incurred by the State Governments on extradition proceedings on behalf of Foreign Governments adjustment thereof will be governed by the provisions of Art. 112 of Account Code Volume IV. The expenditure incurred by the State Government should be debited by the State Accountant General to the Pay and Accounts Officer, Ministry of External Affairs for recovery from the foreign Government. The credit when received from that Foreign Government through the missions post (s) concerned may be adjusted by the Pay and Accounts Officer against the debit already received from the State Accountant General and need not be passed on the State Government.

[Govt. of India, Min. of External Affairs O.M.No. Q/754(10) BF.III/68(EA.I/70/1/56 dt. 8.9.70 filed in DC (M) Case 15-14/70-71]

Pensionary liabilities of employees in Government Commercial Department and Undertakings

1905. The pensionary liability in respect of employees of Government Departments and undertakings declared as Commercial in terms of the Note below Rule 42 of Government Accounting Rules 1990 should be adjusted in the Accounts on contribution basis. On a question raised whether the period spent on leave by such employees should be taken into account for the calculation of pension contribution it has been decided by the Government of India and Comptroller and Auditor General that the adjustment of such contributions being merely intended to exhibit the provision for all the liabilities in the accounts of Commercial Departments/Undertakings, the entire period of service irrespective of the period of leave should be taken into account for purposes of calculation of such contributions.

It has also been decided by the Comptroller and Auditor General in consultation with the Government of India, Ministry of Finance that contribution for Contributory Provident Funds recovered from Commercial Departments should be brought into account under the head of account “0071 contributions and Recoveries towards pension and other retirement benefits”.

[C.A.G's Irs. No. 544-Ac/176-60 dt. 30.5.62 and 585-Ac/43-62 dt. 2.6.62/T.M case 7-27/62-63]

Cost of Audit

1906. For the purposes of exhibition in the proforma accounts of Government Commercial and quasi-commercial concerns, the cost of Central Audit should be worked out in accordance with the method prescribed in the Annexure to this Chapter. The central Audit Sections of A.G. [Audit] concerned should intimate the figures in respect of Central Audit fees to O.A. D (c) before the end of May every year, to enable that Section to communicate the same to the commercial concerns along with those relating to Local Audit, early in June.

[C.A.G.'s 1 rs. (1) 2226-Admn. 1/420-A-56, dt. 13.9.58 (2) 661-Admn. II/420. Admn. I/56 dt. 13.3.59 and (3) 2881-Admn. I/420-A/Admn. I/56-1 dt. 3.10.59-O.A case 30-9 (Vol. III) 54-59]

For this purpose the concerned DC section in the office of the Accountant General (Accounts & Entitlement) responsible for the check and compilation of Commercial accounts should furnish required materials to Accounts General (Audit) as and when required.

1907. In the settlement of claims between a local body and Government, it has been decided by Government of Tamilnadu that petty and isolated claims not exceeding Rs. 30/- need by government and a local body against each other.

[G.O.Ms. NO. 1962, R.D & L.A dated 24.9.1968 read with G.O. Ms. No. 1306, R.D. & L.A dated 11.8.78]

Formation of cases and maintenance of files

1908. The relevant paragraph 6.23.5 of Manual of General Procedure (1981) is reproduced below as guidelines for forming important cases.

“Papers falling under a particular file head may, at times, contain important issues/matters. The correspondence on these matters may by their very nature, stand out separate and distinct from the rest of the correspondence under that file heading. They may present some peculiar or special features while the rest of the correspondence in the file be of routing nature. The correspondence on these issues/matters should, be segregated from the rest relating to the file and put in a separate file cover. This is known as ‘Case’ under that file. All subsequent correspondence on the matter/issue should be filed only in this case and not in the file until the matter/issue is finally settled or correspondence on the issue/matter comes to a close. For example, if the paper relating to the file head “pay and allowances” in a Departmental Compilations Section contains a sanction to bill/project allowance to a particular establishment and that sanction has been subjected to detailed examination, then the sanction, notes and drafts thereon should be segregated from the rest under that file head, and a separate case formed.

Instances may arise where a single paper may have to be dealt with as a case. For example orders/rulings of Government of India Government of Tamilnadu or the comptroller and Auditor General of India on matters which have not been referred to previously, should be formed into separate cases.

Except to the extent indicated in the next paragraph, the papers forming a case should be arranged in file cover in strict chronological order. The notes submitted and the office copy of the outward communication should invariably be filed in the case along with the corresponding inward dak.

Express letters, demi official letters etc. including telephonic messages received/issued in connection with the disposal of the matter in that case should also be filed in that case in proper places. Thus the case should contain every bit of correspondence connected with it and should be complete in itself.”

The important list of approved filed headings together with the number relating to DC, LA, TM and DCM sections are given in Appendix 7 of the Manual of General Procedure (1981).

Period of preservation: maintenance, Preservation and custody of files, cases, vouchers and other records

1909. Please see Chapter 10 of Manual of General Procedure (1981) read with Appendix 11 thereto.

Supply of vouchers/Documents to Police/Special Police Establishment/Court etc. and impounding of originals or copies for enquires and watching their receipt back

1910. Procedure for safe custody of documents relating to cases of Frauds and Embezzlements and production of official documents in a Court of Law are detailed in paragraph 89 & 96 of C & A. G.’s M.S.O.(Admn.) Volume I. The procedure outlined in the C.A.G’s orders from time to time in this regard should be observed in connection with the supply of vouchers/document required by Police Department/Courts of Law etc. for enquiry purposes.

A register in the form shown below should be maintained in each section for watching the return of vouchers supplied to outside offices. The register should be submitted to the Branch Officer in charge on the

7th of each month and to the Deputy Accountant General every half year bringing out the items pending with the police court etc and action taken for their receipt back.

Sl. No.	Date	No & Date of requisition	To whom sent	Subject
1	2	3	4	5
Head of Account Sub-Account		Name of the Treasury Sub- Treasury		Vr. No/Cheque No. and date
6		7		8
Amount		Details of documents & reference to orders of A.G/D.A.G authorizing such dispatch	No & date of letter supplying the documents	No. & date of acknowledgment
9		10	11	12
Action taken for watching return (No. & date of reminders)		Date of receipt of the documents with the Pt. No. etc.	Branch Officer's initials	Date of approval of the closure of the case by D.A.G
13		14	15	16

A consolidated register for watching the supply of original documents requisitioned by police, court etc. and their receipt back is required to be maintained by DCM in respect of DC/LA section as per TM Section Officer Order No. 36 dated 12.7.71. For this purpose all the DC/LA sections are required to send to DCM a statement showing the details of original vouchers etc. sent outside to Investigating Officers action taken for their receipt back and particulars of cases where in documents are received back along with the register every month.

DCM should update the consolidated register maintained by them from the details received from the various section, review the pendency and submit a review report to the Group Officer every month and once in a quarter to the Accountant General.

Central Audit by Accountant General (Audit) in the Office of the Accountant General (Accounts & Entitlement)

1911. Checking of the monthly Account, Consolidated Abstract and other basic and primary records, Copy of C.A.G's letter No. 87-Audit II/35-91 dated 24.1.92 is given below for guidance.

Subject: Associating Accountant General (Audit) for checking of accounting by Accountant General (A&E)

The XVII conference of the Accountants General had recommended in Para 3 on 'Strengthening of Accounts and using it as an aid to Management that "As extension of the year-end check and certification of the Finance and the Appropriation Accounts by the Accountant General (Audit), C.A.P or any other staff of his office could be profitably utilised for test-checking the correctness of the compiled accounts from month to month and for watching, clearance of D.A.A and other suspense heads".

This recommendation has been carefully considered and has been accepted for implementation with effect from April 1992 monthly accounts. To provide a meaningful check on monthly accounts and other basic records that go into consolidation of final accounts of the States, the checks to be carried out by the respective Accountants General (Audit) are given in the 'Annexure'. The Checks are expected to help in timely detection and rectification of errors in compilation and accounting and also in avoiding large scale corrections at the time of finalization of Appropriation and Finance Accounts.

However the following directions should be observed while conducting the checks as mentioned in the Annexure.

- (a) These checks are to be exercised only after the accounts of the month are compiled and sent to the State Government. Any discrepancy pointed out could be carried out by Accounts Wing in the following
- (b) The audit staff should be accommodated in the A&E sections for the purpose of these checks, and the records should not be sent/called to the Audit wing to avoid any misplacement of records.
- (c) Any memos pointing out the shortcomings should be issued only after this is discussed at the branch officer and if necessary at the group officer level. The memos should be more in the nature of advisory notes than criticism.
- (d) No additional staff will be given for this and the work should be performed by suitable redeployment of staff. The Accountant General (Audit) should earmark a few selected staff members in the CAP/CASS sections to conduct these monthly checks, and should not deploy different people every time.

The basic aim of the suggested method is to spread out the check of accounts monthly throughout the year so that the check and certification of Appropriation Accounts and Finance Accounts as prescribed in Headquarters circular No. 74-AC I/86 dated 17th December 1986 could be done smoothly at the end of the financial year. This may be kept in view while conducting the checks prescribed.

ANNEXURE

Checks to be assigned to Central Audit Parties in respect of checking of accounts

1.(a) Monthly checks Check of classification

To see that full classification as per Budget has recorded where any amount is provisionally classified under 'Other receipts/Other expenditure' on the basis of Insufficient/incomplete classification, proper followup action has been taken to get the particulars from the D.D.Os

(a) Periodicity

(b) Section concerned

The check will be provisions in paras 60 etc. of M.S.O. (T) Vo. I & Para 11 of Secret Memo of Instructions; Para 2.4 read with Annexure 2.4.1 of M.I.C.A (*Annexure 18 of MICA).

The classification of 'loans' should receive special attention to see that all the repayments to see that all the repayments have been booked properly.

Departmental Compilation section.

*The sentence classification checked by the Assistant Audit Officer will not be subject to review by the Audit Officer or any higher Officers' in Para B(a) of annexure 23 (Page) 77 of MICA) requires

modification and we should prescribe that 20 percent of the vouchers checked by A.A.O will be reviewed by the Audit Officer. The Group Officer can also undertake test check of classification from time to time at his discretion.

(b) Broadsheet of D.A.A Suspense

To ensure that all the transaction which are required to be accounted for have been accounted for. Items in respect of vouchers actually received but not compiled are not transferred to 'O.B. Suspense' All Suspense slips have been received from various sections and incorporated in the account. All 'Suspense slips' which were to be issued had actually been issued.,

33 1/3 Percent of the broadsheets maintained every month by Departmental Compilation Section.

(c) Register of O.B. Suspense

To see that in cases of wanting Vouchers, proper and timely followup action had been taken to obtain the wanting documents. Wanting vouchers subsequently received were duly accounted for.

33 1/3 percent of the Registers maintained every month. Departmental Compilation Section.

(d)Register of Loans and Grants from Government of India

To see that loans and grants released from Govt. of India were promptly adjusted. In cases where Govt. of India sanction were found wanting, immediate action was taken for obtaining the same. Adjustments

Monthly Loans and Book Section

To see that all adjustments relating to ways and means advances, shortfalls in cash balances overdrafts, cash balances investment accounts were promptly carried out.

Monthly Book Section

(e)Inward/Outward Claim registers

To see that all outward claims were preferred against the concerned accounting authorities promptly and all in ward claims were found acceptable necessary

Quarterly Account Current Section

action was initiated for adjustment and payment of the claims.

(f)Adjustment register To see that the Suspense slips in respect of adjustments affecting Revenue and Service heads were promptly prepared and sent to the concerned Compilation Section for incorporation.	Quarterly Account Current Section
(g)Objection Book/Broadsheet relating to unclassified suspense To see that adequate action was taken for obtaining wanting particulars/documents from the concerned accounting authority, clearance of items placed under the head was made promptly on receipt of wanting particulars/documents.	Quarterly Account Current Section

(h)Broadsheets of R.B. Suspense/P.A.O. suspense

To see that timely and effective action was taken for clearance of balances under these heads. In respect of claims preferred against outside authorities awaiting reimbursement, as proper pursuance was made.

Quarterly
Book Section
Account Current
Section

(i)Broadsheets of T.B. Deposits (CAO & Headquarters)

To see that broadsheet had been maintained properly and differences between AG's figures and RBI's figures were properly analysed and suitable action was taken for Settlement of differences.

Quarterly
Book Section
Account Current
Section

(j)Register of valuables in A.C. Section.

To see that Bank drafts received from outside accounting circles in reimbursement of claims were

Quarterly
Account Current
Section

promptly deposited in the Bank for credit to Government account, and the Bank drafts obtained in reimbursement of inward claims were promptly dispatched.

(k)Detail book/Consolidated Abstracts.

To check whether these had been generated properly/timely.

3rd and 4th quarters to checked fully. Departmental Compilation Section.

(l) Transfer Entry Module

See that all the adjustment necessitated due to misclassification or otherwise in previous month (s) had been incorporated and the mode of adjustments adopted was correct.

(n)Adverse Balances

Annual
All D.C Sections to be selectively covered in a year
Departmental Compilation Section &Book Section.

To see that cases of adverse balances noticed on annual closing of accounts were promptly brought to the notice of concerned groups for investigation and initiating rectificatory action.

Annual
To be checked at the time of annual closing of account alongwith the other checks already prescribed Book Section.

Interest payments

1912. Please see paragraphs 19.1 to 19.4 of CAG's MSO (A&E) Volume I.

1913. The rates of income-tax deductions on interests on Government securities should be communicated each year by the State Government directly to the treasuries. As soon as the Finance Bill is published a copy of the circular to be issued to the Treasury Officer is forwarded to the Stat Government by the Central Board of Direct Taxes. Copies thereof are forwarded by the State Government to all the Treasury Officers.

Irredeemable interest bearing obligations of the Tamil Nadu Government

1916. Under the Decentralization Scheme the Tamil Nadu Government took over the liability on account of interest on the following special loans which are not covered by any from of scrip and are fixed---

- (1) For bonds for Rs. 1,33,000/- at 8per cent interest issued between the years 1796 and 1807 for moneys deposited with the Tamilnadu Government for the maintenance of choultries at Tiruchirappall, Tiruvottiyur and other places in the State. The annual interest is Rs. 10,640/-
- (2) Two binds for Rs. 10,500/- at 6 per cent interest issued in 1795 and 1817 for the maintenance of choultries at Tiruchirappalli. The annual interest is Rs. 630/-

- (3) A perpetual agreement between Kolla Singanna Chetti and the Tamil Nadu Government in 1817 that, in respect of a sum of Rs. 41,769.96 paid by the former the Government would pay interest at 6 per cent per annum for the maintenance of choultries at Madras, Kancheepauram, Chittoor and Benaras. The annual interest is Rs. 2,500/- (The annual payments in respect of these three items are made to the legal representatives and assigns of the original depositors).
- (4) A perpetual agreement between the trustees of the Native Infirmary (now Rayapuram Hospital) Madras and the Tamil Nadu Government that in respect of a sum of Rs. 66,878 representing the endowment of the institutions paid over to the Government, interest at 4 percent would be paid to the trustees. The annual interest is Rs. 2,675/-

NOTE: The amount is payable by adjustment and the D.C. Section should propose the adjustment required in two half yearly installments of Rs 1,337.50 each crediting "Civil Deposits-State Trust Interest Fund, etc." by debit to 2049 Interest –State-Interest on Special Loans etc. Simultaneously an authorization is issued by LA2 Section for accommodating this credit in the Banking account of the Administrator of the Fund.

The Accountant General is the final authority in respect of these loans, the payment of interest on which, either by cash or by adjustment, as the case may be should be recorded in a Register of Periodical Adjustment. All the items in this Register should be reviewed and attested by the Assistant Accounts Officer/Section Officer.

See also Para 617 of DC Manual.

Telegrams, postal and advertising charges incurred by the Reserve Bank on behalf of State Government

1917.(2) The charges are debitable to "2049 Interest Payments A-Interest on Internal Debt-Management of debt-Expenditure in connection with the issue of New loans".

NOTE: Charges, if any, other than the actual price of securities, incurred by the Bank in the investment of the balances of specific Government Funds, or Government managed Fund are chargeable to the Funds concerned and do not fall under any of the categories mentioned in sub-paragraph I above.

1918. Necessary accounting adjustment will be made by DC VI section to incorporate this debit in the accounts under the head "2049" on receipt of clearance memo. From the Reserve Band of India, CAO, Nagpur intimating the adjustment of the transaction against the Cash balance of the State.

Adjustment of net proceeds of certain taxes collected by Centre and payable to States

1919. Pilgrim Tax: The Comptroller and Auditor General of India has decided that the 'net proceeds of Terminal Taxes (including pilgrim tax) payable to the State Government by the Railway Administration should be certified in him in terms of Article 279 (1) of the constitution, before payment is made. This decision will also apply to cases of enhancement or reduction of the existing terminal taxes by the Government of India.

The Railway Administration will arrange for the verification by the respective Chief Auditors of the total tax collections, the commissions to be retained and the net proceeds payable to the State concerned. The

Chief Auditors will forward the audited figures to the office of the Comptroller and Auditor General of India for certification of the total net proceeds.

The net proceeds assigned to this state will be credited to the funds of the municipality or the local body in whose jurisdiction the festival etc takes place. It will, however, be apportioned as decided by the State Government among the municipalities or local bodies, if two or more of them make special sanitary arrangements in connection with the festival etc.

[Coy of U. O. from C.A.G. to the min. of Railways (date and No. not furnished) (2) Min. of railways Ir. No. F(X) –II-55(TX)-19-2 dt. 24.8.56 (3) M. G.H.E.A., G.O.Ms NO. 98 dt. 22.1.57 (4) A.G's order dt. 3.7.57, D.A. XII-B. Case No. D.5.1/57-58 and (5) M.G.'s Ir. No. 51260-L.4/57-1 dt. 7.6.57, from Dept. of H.E.L.A.].

Acquisition of Land for Union purpose

1920. (i) Acquisition of land for union purposes are regulated by the provisions of the “Requisitioning and Acquisition of Immovable property Act 1952”. According to item 42 in List III of the Seventh Schedule to the constitution of India and Land Acquisition Act, 1894, all matter connected with such acquisition of land come within the exclusive legislative and executive jurisdiction of the Central government, even though the land acquired is located in the territorial jurisdiction of the State Government. In such cases, where the State Government functions as the Constitutional Agent of the Central Government in the administration of a Central subject, the expenditure incurred by the State Government on behalf of the Central Government should be recorded as Central expenditure. In those cases the State Government is required to operate direct on the funds specifically placed at their disposal by the Union Government. Any windfall in the shape of unclaimed or undisbursed compensation for land acquisition should eventually accrue to the Central Government.

(ii) The extra expenditure incurred by the State Government in respect of the special staff employed for land acquisition work be provided for in the State Budget under the proper head of account, to be set off by a deduct entry for the subsequent recovery from the Central Government to the extent decided upon mutually between the two governments. The recoveries by the State Government are to be treated as deduction from expenditure under Article 74(a) of the Account Code, Volume I, if effected within the accrue of the year in which the expenditure is incurred; otherwise they are to be treated as Revenue under Article 74(c) *ibid*.

(iii) As stated in sub-paragraph (i) above any windfall in the shape of undisbursed or unclaimed compensation for land acquired on behalf of the Defence Department should accrue to the Central Government. The following accounting procedure has been prescribed in this regard for the sake of uniformity.

As the undisbursed amounts under the Head “Revenue Deposits/Civil Court Deposits” may be claimed at any time by the awardees and the eventual disbursement of the amounts has to be made by the Civil authorities through the Treasuries, the amounts should remain on the “Civil Books (Central)”.

As regards lapsed deposits, since the original debits were passed on to the Defence Department, and as for purposes of inter-Departmental adjustment the Defence Department is treated as a separate Government such deposits should not be credited to Civil as Revenue, but passed on to Defence Department for final credit. As and when payments are authorised necessary adjustments against the balance of the Defence Department will be made. For such repayments by the Civil Departments, no authority from the defence Department is necessary.

(The Accounting procedure in sub-paragraph (iii) will apply mutatis to Railways and P&T departments also).

- (1) (C.A.G's Ir. No. 1379-AC/193/57 dt. 22.11.57
- (2) C.A.G's Endt. No. 169-AC/193-57 dt. 8.2.58
- (3) C.A.G's Ir. No. 681- AC/193-57 dt. 20.5.58
- (4) C.A.G's Ir. No. 507-AC/224-60 dt. 18.5.62 and
- (5) C.A.G's ir No. 963-AC/224-60 dt. 23.8.62-TM. Case 15-146/5762).

1921. In the case of payment in satisfaction of the award of a Collector under section 11-12 of the land Acquisition act, 1894, it has been decided that the award of the Collector is not an award of any Court not can it be considered as the award of an arbitral tribunal. The Collector while making an award under Section 11 of the Act, acts merely as an officer of the Government making enquiries in order to determine what money the Government would offer, to the persons whose land is acquired. In the circumstances, the provisions of Article 112 (3) (f) of the Constitution of India are not attracted to treat the expenditure as charged. The expenditure should therefore be treated as a "Voted" item and provided for in the Budget accordingly.

[G.I. Min. of Finance (DEA) O.M. No. F. I (4) B/66 dated 19.4.66 communicated in comptroller and Auditor General's Ir. No. 979-Tech. Admn. II/42-66 dt. 3.5.66 File TM case 15-146/63-67]

1922. The Central Bureau of Investigation may seize cash in the course of investigation of their cases. To keep the identity of monies thus seized, they should not be deposited in the treasury but should be kept in sealed containers in the Treasury in terms of Rules 72 and 73 of Central Treasury Rules, till the cases are finally.

[Government of India, Ministry of Home Affairs, Ir. No 220/8/67-AVD II dt. 18.5.68 Filed in DC(M) case 7-35/68-69]

1923. Secret Service Expenditure.

Para 19.23

Sub: Procedure to be followed for secret service expenditure on restructuring.

Headquarters in their circular No. 4-TAI/1985= No. 240 Ta I/93-94 dt. 21.2.1985 have issued the instructions regarding procedure to be followed for watching the receipt and custody of certificates required to be furnished by the concerned controlling officers towards secret service expenditure incurred by the departments. A copy of this instruction was circulated to all section vide TM I/V/15-95/85-86/416 dated 17.12.85 (copy enclosed for ready reference). It is presumed that the compilation sections are maintaining the certificates in respect of secret service expenditure furnished by the controlling officers, in separate files.

Headquarters have again recently stressed the importance of watching the receipt of such certificates through a register maintained for the purpose to be produced to central audit as and when required.

In view of this the following procedure is to be followed immediate effect. (i.e. from 1/97 accounts onwards).

- (1) The compilation sections are required to maintain a separate register for each sub account wherein voucher no, proceedings no. etc. relating to secret service expenditure have to be noted district wise giving full classification. (format given below).
- (2) In respect of such sexpenditure, it should be seen whether a certificate of disbursement of the amount drawn in an “advance bill”, if any, as well as in a contingent bill also enclosed.
- (3) In respect of such expenditure the compilation sections should also watch the receipt of a consolidated certificate of such payments from the controlling authority, annually by December.
- (4) These certificates should be filed separately.
- (5) The register and certificates filed should be produced to central audit monthly or whenever required.
- (6) The register should be closed monthly on 20th of second succeeding month relating to the accounts of a month (eg., January accounts should be closed on 20th of March) bringing out the certificates due from the competent authorities and the action taken by the sections for obtaining them.
- (7) Even in cases of ‘NIL’ secret service expenditure the register should be maintained and ‘NIL’ closing made.
- (8) These registers will be reviewed by DCM every month in the last week. (i.e., January accounts closing done in March will be reviewed in the last week of March).
- (9) This item may be noted in the Calender of Return in the “Monthly Section”.
- (10) The Register has to be sent to DCM by 28th of every month for review.

Format

SI. No.	Head of a/c (full description upto detailed head)	Budget provision (for detailed head)	Month	District
(1) Vr. no	(2) Amount	(3) Sanction order govt. order/proceedings	(4) Remarks reg. receipt of certificates from controlling officers	(5) (9)
(6)	(7)	(8)	(9)	

Authority:

CAG secret letter No. DEF-99.53-RIR/96 dated Dec. 5, 1996 (Filed in AAD/AI/AA96-97).

Officer order issued vide DCM/IV/15-27/96-97/119 dated 5.3.97.

NOTE—where the body of a Government Order or proceedings specifically refers to the Governor, the words, “By order of the Governor” need not be added at the end of the copy of the order. (M.G. Public services Department O.M. No. 631/56-1, dt. 12.3.56-C.A II- 12-4).

Concurrence of Finance for the relaxation of rules

2002. The Tamil Nadu Government have held that, even though orders relating to relaxation of age, qualification rules, exemption from training regularization of temporary appointment, extension of periods of probation and counting of service for service for increment, seniority etc., and exemption from passing prescribed test. Etc., in individual cases, do not involve the Government in any direct financial commitment such relaxations have ultimately a bearing on the finances of the State, as the Government servant concerned would not have got the benefits but for the relaxation of Rules in his favor. They have accordingly directed that the Finance Department should invariably be consulted on proposals relating to relaxations referred to above.

[M.G., Fin., U.O. Note No. 58439/C.S.R.7, dt. 30.1.56-H.A. Case 5-5/55-56].

Communication of Sanctions

2003. The following procedure has been laid down by the Government of Tamil Nadu for communication of financial sanctions. The term “financial sanction” will include orders delegating financial powers to heads of departments and subordinate officers under them, sanctions to Compassionate Gratuities and re-employment of retired officers:--

- (a) In cases where the concurrence of the Finance Department has been obtained at any stage (Proposal, draft, etc.) the order would say that “it issues with the concurrence of the Finance Department, vide their U.O. No. dated”. The copy intended copy intended for the Accountant General will be communicated direct to him.
- (b) If the concurrence of the Finance Department is not necessary, the orders would mention this, such orders would also be sent direct to the Accountant General.
- (c) In all other case communications to the Accountant General will be through the Finance Department. Sanctions will be communicated to the Accountant General over the signature of a Gazetted Officer.

(M.G. Fin. U.O. No. 83/231-A. Exp. A/58-1c dt. 25.8.58, and G.O. Ms. No. 934 Fin. Dt. 28.9.59-T.M. Case 15-77/58-60).

“In the case of Government order which runs to more than one page, the pages containing the important portions viz., the amount sanctioned together with the terms and conditions attached thereto, will also be signed by a Gazetted Officer.

[G.O. Ms. No. 874, Fin., dt. 6.7.64-Book Case DB/8/-31/62-64].

2004. Financial sanctions and advance copies of notifications in respect of appointments, promotions, transfers etc., as well as orders relating to amendments to codes and financial rules, and issue of instructions regarding rates of etc., should invariably be typed on paper embossed with state emblem and duly signed in ink by an officer not below the rank of an under Secretary authorized for the purpose.

[M.G. Finance U.O. Note No. 1780/Exp/A/58-1 dt. 4.3.58- T.M Case 15-77/56-58. Vide also note I below Article 45 of Tamil Nadu Financial Code Volume I and G.O. Ms. No. 426 Fin (T&A) Department dt. 23.3.79 filed in DCM Case No. 15-40/78-79].

CHAPTER 21

PAY AND ALLOWANCES

Arrears Claims

2101. The period mentioned in Article 52 of T.N.F.C. Volume I for preferring arrear claims should be reckoned from the date of sanction to a claim in cases where orders are issued with retrospective effect. Orders with retrospective effect should be understood as orders which in the circumstances of the case could not have

been passed earlier or which were deliberately held over pending consideration. In the case of claims of Travelling Allowance, however, it has been clarified by the Government of Tamil Nadu that such claims should be deemed to have fallen due on the date succeeding the date of completion of the journey in respect of which the claims are made. In respect of incremental arrears, however, the period should be counted from the date on which the increment certificate is signed by the competent authority.

[Govt. Memo. No. 139795-A Salaries 74-3 dated 10/75]

[T.M. No. 10-17/39-40/1496, dt. 30.3.40 and Govt. Memo. No. 32825-61-2, Finance (Exp.A) dt. 9.10.61 T.M Case 8-3/55-62].

2102. As the preaudit by Accountant General is dispensed with for passing arrear claims vide Article 55 of the T.N.F.C. Volume I the responsibility for sanctioning such payments rests primarily with the Administrative Department concerned. The Finance Department would also, have to satisfy themselves about the accuracy, etc., before agreeing to ad hoc payment in such cases. It should also be invariably certified by the Administrative Department that the accuracy and admissibility of the claim has been checked with reference to the corroborative records and that it has not been paid earlier.

(MGFD, Memo. NO. 12650/EA/60-2, dt. 8.8.60-T.M. Case 12-1-/59-61).

[G.O. Ms. No. 349 Finance (Salaries) Department dated 21.5.81].

Powers have been delegated to the heads of Departments to sanction payment of arrears of pay and allowances where the claim is more than six years old without preaudit by Accountant General

[G.O.Ms. No. 515 dated 26.7.88 Finance (Pay Cell) Department]

Charges on account of medical treatment of Government servants (State)

2103. There is already a scheme for reimbursement of medicines purchased by the employees based on the certificate furnished by the Medical Officer. Now Government have introduced a scheme of grant of Medical allowance of Rs. 15/- p.m. with effect from 1.8.88 for those Government employees who wish to opt out of the Medical reimbursement scheme.

[G.O. Ms. No. 515 dated 26.7.88 Finance (Pay Cell) Department]

With effect from 1.4.94 Government has enhanced the medical allowance from Rs. 15/- per p.m. to Rs. 15/- p.m.

[Letter No. 45265/Sal/94-1 dated 27.5.94 Finance (Salaries) Department]

Medical allowance has been enhanced to pensioners/Family Pensioners with effect from 1.4.94 from Rs. 15/- to Rs. 30/- p.m.

[Letter No. 104770/ Pension/94-1 dated 17.2.95]

Reimbursement of Medical expenses to Government employees-ceiling limit- Revised procedure introduced- Amendment to Tamil Nadu Medical attendance Rules.

The reimbursement claim shall be restricted to one month's basic pay and the Dearness allowance component on pay per year as on 1.1.95. The ceiling will be this amount and will not be changed thereafter. The claims within this annual limit may be allowed based on the essentiality certificate obtained from the Authorized Medical Attendant. Those who entered Government service after the date of issue of the Government order cited shall be allowed only Medical Allowance.

(Letter No. 82611/AD2/93-18, health dated 21.4.1995- G.O. Ms. No. 261, Health and Family Welfare Department, dated 21.4.1995)

House Rent Allowance to the re-employed military pensioner

2104. In the case of re-employed military pensioners. Whose pay on re-employment in a civil post is fixed taking into account the military pension and gratuity with reference to Ruling 2 and 3 under Article 526 of the Civil Service Regulations, the allowances will be calculated on the pay admissible but for the reduction with reference to those Rulings.

(M. G., Memo. No. 84460-Allowances/59-2, Finance dt. 8.9.59-C.A III case 24/59-60)

Rural Service Incentive allowance

2105. To encourage employees serving in rural areas Government of Tamilnadu have sanctioned a special allowance called "Rural Service Incentive Allowance" at the rate of Rs. 10/- per mensem. "Rural Service Incentive Allowance" has been enhanced from Rs. 10/- pm to Rs. 20/-pm with effect from 1.10.84.

[Letter No. 54036-A/All-II/80-1 dated 2.5.80 of Government of Tamilnadu Finances (Allowances I) Department.]

"Rural Service Incentive Allowance" can be paid to all government servants, employees in local bodies, teaching and non-teaching staff aided institutions who are working in rural areas in the leave salary paid in lieu of surrender of Earned Leave. That is to say that "Rural Incentive Allowance" can be paid for surrender leave salary also.

[G.O. Ms. NO. 487 dated 15.7.81 Finance (Allowance II) Department]

"Rural Service Incentive Allowance" can be paid to the staff working in the rural areas where project allowance is sanctioned by the Government. It is admissible to the staff in addition to hill allowance and winter allowance.

The method of regulation of the "Rural Service Incentive Allowance" shall be the same as applicable to HRA.

[Letter No. 42680/All-II/84-22 Finance (All-II) Department dated 3.9.86]

Driving allowance to Driving License Holders

2106. Government of Tamilnadu have ordered that Group 'D' Government servants who are qualified in driving vehicles may be nominated peon-cum-drivers with a driving allowance of Rs. 10/- p.m. at the rate of one for every 3 vehicles or part thereof subject to a minimum of one for each officer to which vehicles have been allotted. They will work as peons and act as only stand by drivers to relieve the regular drivers when the latter are overworked, fatigued or on leave.

[G.O. Ms. NO. 9 P & AR (Per. F) Department, dt. 2.1.80 filed in TM case 10-104/79-80]

Date of effect of increase in D.A.

D.A. on Provisional Pension

2107. Dearness Allowance can be granted on the Provisional Pension as provided in Rule 60 or 69 of the Tamilnadu pension Rules 1978, to the Government servants who retire attaining the age of superannuation or otherwise and against whom any departmental proceedings are continued under sub-rule (2) of Rule 9 of Tamilnadu Pension Rules.

[G.O Ms. No. 575 dated 7.7.94 Finance (Pension) Department]

Increase in D. A. shall be allowed to Government servants who are on leave on the crucial date of increase with effect from 1.7.80.

[G.O. Ms No. 925 Finance (All-I) department dated 29.9.80 & Letter No. 1560440/All. I/80-1 dated 31.12.80) Finance (All. I) Department]

The increase in D.A. may be allowed to Government servants under suspension from the crucial date itself.

[Govt. Memo. No. 110971/All. I/75-11 (Finance) dated 2.9.76 filed in GAD I/GI unit]

House Rent Allowance and City Compensatory Allowance

2108. Consequent on the upgradation of any independent sub taluk into a full fledged taluk, the Government servants employed in the upgraded Taluk headquarters will become automatically eligible for the drawal of House Rent Allowance at the usual rates with effect from the date of such upgradation of each sub taluk into a main taluk.

[Authority –G.O. Ms. No. 599 Finance (All. I) Department dt. 2.5.79 filed in T.M Case 10-1/78-79]

2109. With effect from 1.4.86 in respect of places around Madras city, Madurai and Coimbatore, if the radius of 32 kms or 16 kms as the case may be falls within a part of Panchayat Union area, case may be; and

Places around the Grade II towns at a distance not exceeding 8 kms from the town limits shall be taken for giving HRA as admissible at Grade II places and if the radius of 8 kms falls within a part of a Panchayat Union, the entire Panchayat Union shall be taken for the purpose of giving HRA as admissible to Grade II Places.

[G.O. Ms No. dated 22.8.86 Finance (pay Cell) Department]

These order shall apply to the staff including teachers working under local bodies and also to the teachers in aided educational institutions.

With effect from 1.4.94, employees working in Grade II places lying within the Panchayat Union area within 32kms/16kms/8kms Grade I (a), Grade I (b) and Grade II towns be allowed the same rates of HRA as for the corresponding Grade I (a), I (b) and Grade II towns.

[G.O. Ms. No. 371 Finance (Allowances) Department dated 2.5.94]

CHAPTER 22

TRAVELLING ALLOWANCE AND OTHER ALLOWANCES

C.C. Bills for Travelling Allowance

2201. Whenever the submission of a countersigned detailed bill for travelling allowance is delayed for more than three months after the date on which the charge was drawn from the Treasury, the Treasury Officer concerned should be instructed to recover the amount from the pay or other bill next presented by the officer responsible for the submission of the detailed bill. The Head of the Officer or the controlling officer should also be addressed with a view to secure speedy recovery.

(G.O. No. 468-Edn., dt. 29-7-1883-T.M. Case 23-105/27-28)

Conveyance Allowance

2202. A Conveyance allowance may be granted by the Stat Government to a Government servant, who has to tour regularly within a specified area, for the maintenance of a specified conveyance and is in lieu of all travelling allowances ordinarily admissible for journeys in the specified area.

A Government servant in receipt of a conveyance allowance, who is required to tour on duty outside the specified area, may draw either conveyance allowance for the days on which such tour is made, or, in lieu thereof travelling allowance under the ordinary rules in respect of the entire tour beyond the specified area whichever is higher.

The term “entire tour” means the journeys performed on the days on which a Government servant proceeds outside, or returns to, the specified area and the tour outside that area. A halt for a portion of a day made in the specified area while proceeding outside, or returning to it, may subject to the provisions of rules 62 and 63 of the Tamilnadu Travelling Allowance Rules, be counted as part of the tour for purposes of this rule.

Note:---Proportionate conveyance allowance need not be deducted for days on which a Government servant on tour proceeds outside or returns to the specified area and draws only railway fare for the journeys involved. In cases where even a portion of a day is counted for drawal of daily allowance in addition to railway fare conveyance allowance will not be admissible for the day.

[Rule 10 (1) &(2) of the Tamilnadu manual of Special Pay and Allowances, 1994 Edition]

Travelling allowance of members of medical Appeal boards in cases of invalidation

2203. The travelling allowance of medical officers summoned from the mofussil by the Director of Medical Services and Family Welfare to serve on Medical Appeal Board constituted for the purpose of re-examination of an Officer proposed to be invalidated from service, will be borne by the Government.

[G.O. No. P.H., dt. 26-3-45 G.A. 18-6/44-45)

2204. A daily allowance may be drawn for continuous halts upto 60 days at any one place.

If the absence from headquarters exceeds 60 days at any one place, the Government servant is deemed to have been transferred to that place and transfer travelling allowance shall only be admissible.

The drawal of halting allowance for periods in excess of 30 days requires the prior sanction of Government.

However a list of Government servants and establishments who have been exempted from the operation of this rule are detailed in Annexure IV of the Tamilnadu Travelling Allowance Rules.

[Rule 44(a), (b), (C) & 2 of the Tamilnadu Travelling allowance rules, 1993 Edition]

2205. A Government servant on retirement shall be paid travelling allowance as on transfer to any place within India where he/she proposes to settle down as per the entry in the pension application.

[G.O Ms. No. 796 Finance (All. I) dt. 8.6.79 filed in T.M case No. 1-3/79-80]

2206. (i) Supplementary charges excluding reservation charges for travel in super fast express trains like Brindavan Express may be allowed to Government Servant travelling in these trains in addition to the normal train fare.

(Govt. Memo. No. 85006A/All I/76-1 dt. 5.7.76 filed in TM Case 1-3-75-76)

(ii) The cost of reservation and sleeper accommodation will also be allowed to the Govt. servants in addition to normal train fare. This will not be counted against incidental expenses.

[G.O. Ms. No. 1051 Fin (PC) Dept. dt. 5.7.78]

When a Government servant proceeding on tour reserved the railway accommodation and cancelled it subsequently in the exigencies of public service, he is entitled to claim refund of cancellation and reservation charges.

(Ruling under Rule 29 of Tamilnadu Travelling Allowance Rules 1993 Edition).

2207. In case where both husband and wife are employed under State Government and Central government or under State Government and Local body and where one of them is transferred the transfer travelling allowance of the other may be treated as for a member of his/her family subject to the condition that he/she actually travels to the place of transfer of the spouse within six months of his/her transfer.

In case where the spouse of the Government servant is in private employment and when the Government servant is transferred, the transfer travelling allowance of the other may be treated as for member of his/her family subject to the condition that he/she actually travels to the place of transfer of the Government servant within six months of his/her transfer.

(Note 4 & 5 under Rule 69 of the Tamilnadu Travelling Allowance Rules 1993 Edition)

2208. For the payment of hill allowance the pay ceiling of Rs. 1,000/- has been removed.

[G.O. Ms.No. 880 Finance (All II) Department dt.17.9.75 filed in T.M. Case 1.3/75-76]

The rate of Hill allowance to employees working at places declared as hill station shall be 20 per cent of the basic pay subject to maximum of Rs. 200/- p.m.

[Rule 8(a) of the Tamilnadu Manual of Special Pay and Allowances, 1994 Edition]

2209. All categories of staff working in the Revenue Offices (including Board of Revenue) (LR) in the state who are supplied with uniforms at Government cost, may be paid a washing allowance of Rs. 5/- (Rupees five only) per month.

[G.O Ms. No. 797 (Rev) dt. 1.4.80 filed in T.M. Case 1-3/80-81]

2210. Employees with basic pay of Rs. 4500/- or more (including officers of all India Services serving in the State) are eligible to travel (by rail) by air conditioned first class for the journey on tour only and not for the journey on transfer.

(Annexure I of the Tamilandu Travelling Allowances Rules 1993 Edition)

Out of pocket expenses for officers and staff of Tamilandu Public Service Commission

2211. The rates at which out of pocket expenses for the staff of Tamilandu Public Service Commission who are drafted for supervision work in connection with the Commission's examination within Madras city whether they work on working days or on holidays are given in Item No. 34 (xi) in Annexure V of Tamilandu Financial Code Volume II.

2212. The controlling Officers should insist on the production of the following certificate in the Travelling Allowance bill of a Government servant as contemplated in Rule 32 of Tamilnadu Travelling Allowance Rules-

“that for the railway journeys included in the bill, I travelled byclass for which traveling allowance is claimed”

Whenever a Government Servant engages a taxi on official tour he should prefer the claim for taxi charges in the following proforma along with the T.A. bill—

- (1) Register No. of the Taxi.
- (2) Actual distance travelled.
- (3) Certificate to the effect that the trip was undertaken for official purpose only.
- (4) The rate at which taxi charge is claimed in the bill is in accordance with the current rates prevailing in the area in which the journey was undertaken.
- (5) Reason for undertaking the journey in a taxi.

[G.O. Ms. No. 933 Fin (All-I) dt. 1-10-80 filed in TM/1-3/-80-81]

CHAPTER 23

GRANTS-IN-AID

Rules regarding Grants-in-aid

2301. Articles 210 A to 210E, 306, 309, 310 of Tamil Nadu Financial Code Volume I and SR 23,24 and 25 to TR 16 of Tamil Nadu Financial Code Volume I contain a set of General rules relating to sanction pertaining to grants-in-aid.

Special rules and conditions governing grants-in-aid prescribed by competent authorities have been embodied in the grant-in-aid or other codes of the departments concerned.

2302. All sanction pertaining to grants-in-aid/loans should be so worded that there is a specific direction for the payment of a specified sum, whenever necessary, instead of merely conveying an approval. The account officers concerned will arrange payments only against the specific to this effect contained in the sanction order.

[G.I.M.F. (Dept. of Exp.) O.M. No. F.II (28) E. II (A) /59, dt. 7.8.59 and M.G. Finance Memo, No. 905 29-EA/59-1 dt. 26.2.60-T.M. Case 15-118/53-60/ Volume III].

2303. The Government of Tamil Nadu have instructed the heads of Departments and the Departments of Secretariat to take into account the value of materials and equipment received under the Aid programmes and made over to the recipient institutions as grants-in-aid for the purpose of the monetary limits prescribed for undertaking test check of the account.

(M.G. Finance, Memo No. 99542 TA/61-1 dated 21.9.61 T.M Case 15-118/53-62 Volume VII).

2304. Countersignature of bills for drawal grants

(1) The Government of India have laid down that the following instructions should be strictly observed in connection with the section and payment of grant-in-aid to public bodies, institutions or statutory bodies:--

- (a) Once a grant-in-aid has been sanctioned, it is the responsibility of the grantee to prepare and submit the bill in TNFC Form 37 to the countersigning authority for signature and the Treasury officer for payment. In no case, therefore, should the officer of the sanctioning authority do this work on behalf of the grantee. There is however, no objection to the grantee being guided in the preparation of the bill, such guidance taking the form of supply of blank TNFC Form 37 and indication of the particulars to be filled in.
- (b) Before a bill is accepted it should be particularly seen that the conditions, if any, attached to the grant have been accepted by the grantee without any reservation.
- (c) A register of grants containing the following columns should be maintained:-

- (i) Serial Number
- (ii) Number and date of sanction order
- (iii) Purpose of grant
- (iv) Conditions, if any, attached to the grant
- (v) Amount sanctioned
- (vi) Date of receipt of the bill from the grantee and its amount
- (vii) Whether the condition attached to the grant have been accepted by the grantee without reservation.
- (viii) Dated initials of the sanctioning/countersigning authority

- (ix) Date by which statement of account, etc required to be the grantee
- (x) Date by which utilization certificate is required to be furnished to the Accountant General
- (xi) Date by which statement of accounts are actually received (reasons for the delay, if any, should be clearly indicated)
- (xii) Actual date of submission of utilization certificate to the Account General (reason for the delay, if any, should be clearly indicated)
- (xiii) Unspent balance, if any
- (xiv) Remarks

The above register should be maintained by the sanctioning authority if the bill is to be countersigned by the same authority. If however, the powers of countersignature of grants bill have been vested with an authority other than sanctioning authority under rule 406 C.T.R Volume I, the register should be maintained by the countersigning authority and not by the sanctioning authority.

- (1) Columns (i) to (iv) of the register should be filled in simultaneously with the issue of the order sanctioning each grant if the register is being maintained by the sanctioning authority. In these cases in which the register is to be maintained by the countersigning authority, these columns should be filled in by the countersigning authority on receipt of his copy of sanction from the sanctioning authority. These columns should be attested by the Assistant Accounts Officer/Section officer in the case of the Ministries of the Government of India and any gazette officer nominated for the purpose of the countersigning authorities in the case of other officer. The serial number should be recorded on the body of the sanction letter at the time the item is entered in the register as under:--

“Noted at Serial No.in the Register of Grants”

Such a record will guard against the possibility of double payment. Columns (vi) and (vii) should be filled in and attested by the Assistant Accounts officer/Section officer or other gazette officers concerned as soon as the bill has been received from the grantee. The bill should then be submitted to the countersigning authority with the register for countersigning the bill and for giving his dated initials in column (viii) of the register. It should also be the duty of the countersigning authority to verify that the conditions, if any, attached to the grantee have been duly accepted by the grantee without any reservation and that no other bill for the same purpose has already been countersigned before. Any bill received from a grantee should not be countersigned unless it has been noted in the Register of Grants the relevant sanction. This would also facilitate watching the payments in installments, if any, in the case of lump-sum sanctions.

[G.I.M.F., O.M.No. 11(38) E.II (A) 60, dt. 14.6.60, recd. With CAG's Endt. No. 1202 Adm. II/315-59, dt. 13.7.60 T.M Case 15-118/53-60 Volume III]

The above orders of the Government of India have been adopted by the Tamilnadu Government also.

(M.G. Finance Memo. No. 163952 EA/60-4, dt. 17.10.60 T.M. Case 15-118/53-60 Volume II)

2305. Cases in which a deviation from the general procedure laid down is necessary will be few and far between and will be disposed of on merits.

(M.G. Finance Ir. No. 125977-EA/59-1, dt. 26.2.1960)

2306. Measures to control the utilisation of the grants from the Government of Tamilnadu

The government of Tamilnadu have laid down that the following instructions should be observed by institutions receiving grants-in-aid to enable the State Government to exercise ac

quired financial over the proper utilization of grants-in-given by the government institutions and other:--

(a) All institutions receiving grants-in-aid from government should maintain a separate register called "Register of assets acquired wholly or substantially out of Government grants" showing the particulars of all assets like buildings, roads, furniture, books, slates, etc that are acquired wholly or substantially from Government grant together with the actual value of the asset and they should produce the register for verification at the time of audit.

(ii) The institutions should sort out from the existing assets all those assets that were wholly or substantially acquired out of Government grants and enter them in the new register.

(iii) Any asset acquired wholly or substantially and entered in this register, should not, without the sanction of Government be disposed of or encumbered or utilized for purposes other than those for which the grants were originally sanctioned.

[M.G. Finance G.O. Ms. No. 1494, dt. 30.12.60 TM Case 15-118/53-60 Volume III]

NOTE: The term "Assets" wherever it occurs in the above paragraph shall mean (i) immovable property and (ii) movable property of a capital nature where the value exceeds Rs. 1000/-

2307. Assets created out of grants-in-aid

When permanent or semi-permanent assets are created or acquired wholly or mainly out of Government grants, the following procedure should be followed:--

- (a) An undertaking should be obtained by the sanctioning authorities from the grantee institutions that they (the institutions) agree to be governed by the conditions of the grants which result in the creation of acquisition of permanent or semi-permanent assets.
- (b) The grantee institutions should maintain a register in the prescribed form showing the permanent and semi-permanent assets acquired wholly or mainly out of Government grant. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the respective sanctioning authorities annually.
- (c) The sanctioning authorities should also maintain block accounts in the prescribed form showing permanent and semi-permanent assets acquired wholly or mainly out of Government grants. This record should be of a permanent nature and should be posted from the annual returns furnished by the grantee institutions under (b) above.
- (d) The register of assets and the block accounts maintained by the grantee institutions and sanctioning authorities respectively should be available for/open to scrutiny by audit.

2308. Attachment of grants payable to local bodies

The State Government have decided that the terms “any person” occurring in S.R. 22 to T.R. 16 T.N.T.C. Volume I can be taken to apply to a local body also. The procedure prescribed in S.R. 33 to T.R. 16 has, therefore to be applied in the cases where the grants payable to the local bodies are attached by a Court of Law.

(Govt. Memo No. 52800-Exp-A- Finance/ 52-3, dt. 4.9.52)

CHAPTER 24

RULINGS UNDER F.Rs AND T.N.L.Rs.

2401. With effect from 29.8.88 if a Government servant, while holding a post in a substantive or officiating capacity is appointed temporarily to another post carrying identical time-scale of pay, his temporary service in that post shall, if he is reappointed to his substantive or officiating post, count for increment in the time-scale of that substantive or officiating post and that the period of temporary service, counting for increment in the substantive or officiating post, shall, however, be restricted to the period during which he would have held the substantive or officiating post but for his temporary appointment.

[G.O. Ms. No. 467, Personnel and Administrative Reforms (Per-J) dated 29th August 1988]

2402. Approved probationers in the category of Assistants promoted from Junior Assistants and approved probationers, who were directly recruited to the category of Assistants in the office of the commissioner for Revenue Administration or in the Office of the Commissioner of Land Administration or in the office of the Special Commissioner and commissioner of Land Reforms in the office of the Director of Land reforms or in the officer of the Director of Urban Land Ceiling and Urban Land Tax or in the Office of the Commissioner of Agricultural Income Tax or in the office of the Director of Rehabilitation or in the office of the Commissioner of Prohibition and Excise or in the office of the Director of Backward Classes Welfare or in the office of the Director of Adi Dravidar and Tribal Welfare or in the office of the Director of Settlements, Madras and in the office of the commissioner of Civil Supplies have been permitted to undergo Survey and Settlement Training and to serve as Revenue Inspectors.

Similar permission has been granted to the acting Junior Assistants in the officer of the collector of madras provided they have completed their probation satisfactorily and are not likely to be discharged from service for want of vacancies. The periods spent on Survey and Settlement Training and as Revenue Inspectors will be deemed to be periods of duty under Rule 9(6) (b) (i).

The Junior Assistants and Assistants will continue to be borne on the establishment of the concerned office and substitutes may be appointed in their places in that establishment. The Junior Assistants/Assistants may, during the period of their training, continue to draw the rates of pay applicable to the posts in the parent departments from which they have been deputed. The firks Revenue Inspectors in the cadre of Assistants, who are under reversion as Junior Assistants, while undergoing the training, be allowed to continue to work as Revenue Inspectors and paid either the Pay applicable to them in the post of Junior Assistant or the minimum pay of the time scale of pay in the post of Assistant whichever is higher, during the period he would have been reverted as Junior Assistant in the department in which he has been working.

One acting vacancy in the grade of Assistant should be kept unfilled in the district concerned for every person deputed to the district from the office concerned.

The amendment hereby made shall be deemed to have come into force on the 1 st September 1983. [G.O. Ms. No. 639, Personnel and administrative Reforms (Personnel. J), dated 9th December 1988]

2403. The following ruling shall be added after Ruling 8 of FR 22B

The Government servants promoted/ appointed to higher posts from Selection Grade or Special Grade of the lower posts carrying identical scale of pay as the ordinary grade of higher posts or from Special temporary posts on their regular promotion to such posts on identical time scale of pay and opting fixation to draw pay at the stage in the ordinary grade of the higher post after adding one notional increment to the pay drawn in the Selection Grade/Special Grade scale of the lower Post/Special Temporary post, as the case may be shall exercise further option for fixation of pay initially at the same stage in the higher post on the date of promotion/appointment to the higher post and then refixation of pay after adding one notional increment to the pay drawn on the date of accrual of next increment in the Selection Grade/Special Grade of the lower

post/Special Temporary post. The next increment in the higher post shall be allowed on completion of one year of qualifying service with effect from the date of refixation of pay.

The above option shall be exercised within one month from the date of promotion/appointment and if no option is exercised within the period, pay shall be fixed as in ruling (8) of FR 22B on the date of promotion/appointment.

This ruling shall take notional effect from 1st October 1984 with monetary benefit from 1st April 1986.

[G.O Ms. NO. 351, Personnel and Administrative Reforms (Personnel-J) dated 19th June 1989]

2404. The period of compulsory wait for order of posting will be treated as one of duty in the station at which the Government servant was on compulsory wait for purpose of compensatory allowances.

[G.O. Ms. No. 235 dt 14.3.77 of Finance (FR I) Department filed in T.M. Case 1-2-FR.9]

2405. Where a Government servant is appointed or promoted to higher post in his regular line while he is holding an intermediary post outside his regular line and on which he is holding a lien or service rights, he shall be allowed initial fixation of pay under FR 22 (a) or (b) according as the higher post carries duties and responsibilities higher than those attached to the intermediary post outside the regular line. For this purpose his pay in the post outside the regular line shall be taken only where he has a lien or service rights in that post. Where the Government servant does not have lien or service rights in the intermediary post outside the regular line, his initial pay fixation shall be governed by FR 22B. The orders take effect from 2.5.75.

[G.O. Ms. No. 211 Finance (FR I) Department dated 27.2.76 T.M. Case No. 1-2/FR 22 B]

2406. If a Government servant already in service in a post is appointed to another post through the Ramilnadu Public Service Commission by direct recruitment or when the mode of his appointment to the new post is by direct recruitment the Government servant concerned should be allowed to draw the minimum of the time scale of pay or as provided in the service rules relating to such appointments and fixation of pay under FR 22 or 22 B in not admissible. This comes into force on 12.8.76.

[G.O. Ms. No. 889 Fin)FR I) Department dt. 12.8.76 and Govt. Ir. No. 156096/FR I/75-1 dated 8.1.76 filed in TM case 1-2/FR 22B/79-80]

2407. When a Government servant is compulsorily retired under sub rule (d) of Rule 56 while on leave, he shall be permitted to draw compensatory allowances dues like House Rent allowance, City Compensatory allowance etc. admissible to him notwithstanding the fact that he is retired compulsorily before he rejoins duty after the expiry of the leave period.

[G.O Ms. No. 978 P& AR (PRI) Department dt. 26.8.78 filed in T.M. Case No. 1-2/FR 56]

FR 49-Regulation of additional charge allowance

2408. (i) Additional pay shall be allowed only in cases where a Government servant holds full additional charge of one or more posts for a period of more than 39 days. In computing the period of additional charge holidays and Casual leave will not be excluded.

(ii) No additional pay shall be granted for holding additional charge of current duties of one or more posts.

(iii) Additional pay holding full additional charge shall be granted at the rate of one fifth of the pay drawn in the regular post or half of the minimum pay of the additional post, whichever is less for the period of five months. The amendment hereby made shall be deemed to have come into force on the 9th February 1987.

[G.O. Ms.No. 1099 personnel and Administrative Reforms (FR III) dated 15th December 1987]

(iv) Additional pay shall not be paid in respect of the period in excess of five months. After completion of the fifth month of the additional charge i.e at the commencement of the sixth month, the sanction for the temporary post shall automatically lapse and if it is permanent post, it shall automatically be kept in abeyance. Proposal for the revival of such posts should be submitted to Government with detailed Justification therefore as for the creation of a new post.

(v) The period of additional charge may be extended beyond five months by the Government at its discretion on appropriate terms, if the circumstances so warrant.

[G.O. Ms. No. 349, Personnel and Administrative Reforms (F.R.I.) dated 24th March 1980)—With effect from 11th March 1977]

Classification of persons holding the posts:

Persons holding posts under the Tamilnadu State and Subordinate Services shall be classified into four groups as follows:--

Group A—Persons on the scales of pay the minimum of which is Rs. 3,000/- and above.

Group B—Persons on the Scales of pay minimum of which is Rs. 1,640/- and above, but less than Rs. 3,000/- in the ordinary grades.

Group C—persons on the scales of pay the minimum of which is Rs. 775/- and above, but less than Rs. 1,640/- in the ordinary grade.

Group D—persons on the scales of pay the minimum of which is below Rs. 775/-

Explanation—For the purpose of this rule, persons holding posts in the Selection grade or Special grade shall be deemed to be under the respective groups in which such posts, in the ordinary grades, are classified.

The amendment hereby made shall be deemed to have come into force on the 1st June 1988.

[G.O. Ms. No. 474, Personnel and Administrative Reforms FR. III Department dated 26th June 1986—with effect from 21st March 1986]

Procedure for payment of Leave Salary in the case of deputation of Government servants on foreign service in India

2410. (1) An extract of leave account shall be supplied to the foreign employer by the Audit Officer, in the case of Government servants the maximum of whose time scale of pay exceeds Rs. 1,000/- and by the Heads of offices in the case of Government servants the maximum of whose time scale of pay is Rs. 1,000/- and below. The foreign employer will determine the leave admissible to the "Government servants concerned, and sanction the leave under intimation to the Audit officer/Heads of officer as the case may be.

(2) The leave salary shall be initially paid by the foreign employer to the Officer concerned. Thereafter, the leave salary excluding the compensatory allowances shall be reimbursed to the foreign employer by the Accountant General Pay and Accounts Officer, in the case of those the maximum of whose time scale of pay is above Rs. 1,000/- and by the heads of the offices in the case of those the maximum of whose time scale of pay is Rs. 1,000/- and below. For this purpose, the foreign employer shall send the claim once every half year, duly supported by the details of the officials on foreign service, nature and period of leave sanctioned, rate of leave salary and amount of leave salary paid and the rate pay drawn prior to going on leave. The half yearly reimbursement shall be in respect of the period from 1st April to 30th September and 1st October to 31st March.

NOTE: With effect from 1.4.78 the reimbursement of leave salary to the foreign employer will be made by the Accountant general/Pay and Accounts Officers in respect of those Government servants drawing pay in scales the minimum of which is Rs. 1,000/- and above.

- (2) The Audit officer/head of Officer should verify the claims preferred by the foreign employer and arrange to reimburse the amount through Bank Draft within one month from the date of receipt of the claim.
- (3) Whenever leave is sanctioned by the foreign employer and intimation is received, the Audit Officer/head of office shall make necessary entries in the service records/Service Book. At the end of the foreign service the foreign employer shall return the extract of leaver account maintained by him to the Audit Officer Head of officer and it shall be duly verified with the Service Register/Service Book.
- (4) The provisions of these orders should be intimated to the foreign employer at time of transfer of a Government servant on foreign service.
- (5) Leave salary contributions payable by the foreign employer should not be adjusted against the initial payment of leave salary.

This comes into effects from 8.7.77.

[G.O. Ms. No. 835 P& A.R (FR II) Department dt. 8.7.77 filled in TM case 1-9A/77-78]

Leave salary contribution in respect of Government servants deputed on foreign service to the Corporation/Boards Undertakings owned or controlled by the State Government is not recoverable. The leave salary of such Government servants for any period of leave taken while on his foreign service shall be entirely met by the foreign employer and for any period o leave taken on his re-joining the parent department shall be met by the Government. But on and from the 28th September 1977 if such Government servant deputed on foreign service avails himself of leave for a period of more than one month during the first year of his foreign service, the leave salary for a period of one month shall be met by the foreign employer and for the remaining period shall be met by the Government and if he avail himself of leave for a period of more than two month

during the second year of his foreign service the leave salary for a period of two month shall by the foreign employer and for the remaining period shall be met by the Government and so on.

[Explanation 3 below FR 115 (d) of the Fundamental Rules of the Tamilnadu Government]

(i) If a Government servant is suspended while on foreign service for any lapses committed by him or for any criminal misconduct not connected with his office during the course of his employment in the Government service prior to appointment to foreign service and subsequently, if the period of suspension is regularized as duty or leave period according to the merits of the case, the pay or leave salary shall be paid by the Government themselves.

(ii) If a Government servant is suspended while on foreign service for any lapses committed by him during the course of his employment in the foreign service and subsequently if the period of suspension is regularized as duty or leave according to the merits of the case the pay or leave salary shall be paid by the foreign employer.

(iii) If a Government servant is suspended while on foreign service for any criminal misconduct not connected with the officer work during the course of his employment in the foreign service and subsequently if the period of suspension is regularized as duty or leave according to the merits of the case, the pay or leave salary shall be paid by the foreign employer until the expiry of the period of deputation and by the Government beyond the period of deputation.

The amendment hereby made shall be deemed to have come into force on the 4th October 1983.

[G.O. Ms. No. 261, Personnel and Administrative Reforms (FR. Spl.) dated the 30th May 1990]

In the case of a Government servant on Foreign service, leave should not be sanctioned until the Accounts Officer who is responsible for the recovery of the leave and pension contribution has certified the amount of leave and the leave salary admissible.

Transfer to Foreign Service:

If a Group C and D Government servant is transferred to foreign service, the head of the officer or department should send his service book to the Audit Officer who will return it after noting therein, under his signature, the orders sanctioning the transfer and other necessary particulars in connection with the transfer. On the Government servant's proceeding on leave from foreign service or on his re-transfer to service under Government his service books should again be sent to the Audit Officer for recording all necessary particulars connected with the leave or re-transfer to service under Government including the fact of recovery of leave and pension contributions.

[Rules under FR 74 (iv) (8) of the Tamilnadu Government]

If an officiating Government servant in a post who has no substantive appointment, is discharged from service for want of vacancy, he shall on appointment to the same post, draw the pay last drawn prior to his discharge from service. The periods prior to the discharge from service shall count for purpose of future increment in the scale of pay of the post.

[Note I below clause (a) under Rule 26 of Fundamental Rules of Tamilnadu Government]

[G.O. Ms. NO. 1072, Personnel and Administrative Reforms (F.R. III) Department dated 31st October 1986, with effect from 7th April 1986].

In the case of revocation of suspension of a Government servant, the period from the date of serving the posting order to the date of joining of the Government servant in duty shall be treated as Joining time for which the Government servant is eligible and that any excess period over and above the Joining Time admissible availed of by the Government servant shall be treated as leave to which he is eligible.

[G.O Ms No. 182, Personnel & Administrative Reforms (FR III) Department dated 22.2.85 with effect from 10.8.84]

2411. The following procedure shall be followed in all cases of deputation of Government servant to State owned or controlled corporations/Boards/Undertakings in the matter of payment of leave salary.

(i) It shall be no longer necessary on the part of the foreign employer to obtain leave eligibility reports from the Audit officer/heads of Officer before sanctioning leave to the deputationists. An extract of the leave account of the Government servants shall be furnished to the foreign employer at the time of transfer of the Government servant to foreign service. The foreign employer shall determine the leave eligibility from this extract and sanction the leave under intimation to the Audit Officer/Head of Officer as the case may be.

(ii) Whenever the leave is sanctioned by the foreign employer and an intimation is received, the Audit Officer/Heads of officers as the case may be, shall make necessary entries in the Service Records/Service Books. The foreign employer shall send to the Audit Officer heads of offices an half-yearly statement of all leave sanctioned and leave salary paid to the Government servants and at the end of foreign service they shall return the extract of leave account maintained by them to the Audit Officer Heads of Offices duly completing it up to the date of relief from the foreign service.

This takes effect from 7.4.78.

[G.O. Ms. No. 401, P& AR (FR II) Department dt. 7.4.78 filed in GAD. GI file 18-24/78-79]

As the leave salary is now completely borne by the Foreign employer the question of payment of leave salary by the foreign employer in the first instance and get it reimbursed later from the Government does not arise. In the case of claims relating to the period prior to 8.5.1974 that should be settled with reference to the rules existing then. Even in cases where the leave commences prior to 8.5.1974 and extends beyond 8.5.1974 the old procedure may be followed.

[77916/FR II/74-14 dated 28.9.77 (Personnel & Administrative Reforms) Department]

The leave salary for the leave availed of by the Government servant during foreign service will be borne by the foreign employer irrespective of where the leave was earned.

[G.O. Ms. No. 1043 Finance (FR I) dated 31.10.75]

(AG I/TM-I/I-2B FR 114—116 Deputation of State Government employees)

The Heads of the Departments/office maintaining the Service books/ Leave accounts of the Government servants on foreign service while giving the leave eligibility shall instruct the foreign employee to intimate the quantum of leave sanctioned to the individual with the copy of the orders so as to enable the parent department to make entries in the service registers. The Heads of Departments/Offices maintaining the Service Registers/Leave account shall make entries in the Service Books/Leave accounts of the leave sanctioned to the deputaionists accordingly.

(104085/FR II/75-1 dated 18.10.75)

When a Government servant on reversion from Foreign service proceeds on leave for long periods before Joining the parent department, the Foreign employer shall pay the leave salary to him for the entire period upto which hi is competent to sanction earned leave and subsequently get it reimbursed to the extent to be borne by the Government.

(56125/FR II/93-1 dated 25.8.93).

2412. However the General terms and conditions prescribed in G.O. Ms. No. 111 P& A.R (FR II) Department dated 2.5.94 in respect of deputation of Government servants to State owned Corporations/Boards/Undertaking and to cooperative institutions Autonomous bodies, Universities etc. are reproduced below:

GOVERNMENT OF TAMILNADU

ABSTRACT

DEPUTATION ---Deputation of Government Servants to State Owned Corporations/Boards/Undertakings and to Co-operative Institutions, Autonomous Bodies, Universities, etc.—General terms and conditions—Prescribed.

----- PERSONNEL AND ADMINISTRATIVE REFORMS (FR. II) DEPARTMENT

G.O. Ms. No. 111

Dated : 2.5.1994

Srimuga, Chithirai 19

Thiruvalluver Aandu 2025.

READ:

[G.O. Ms. No. 461, Personnel and Administrative Reforms Department dated 16.4.80]

ORDER

In the Government Order read above, the Government have issued orders standardizing the terms and conditions governing the deputation of Government servants on Foreign Service term under FRs. 110 to 114 to various Institutions.

1. As per FR/ 110 (b), the Government sanction the deputation of A & B Group Officers on Foreign Service under FRs. 110 to 114 and Head of Departments sanction the deputation of C & D Group

Officers. The terms and conditions of deputation are indicated in each and every order deputing the Government Servants on Foreign Service terms.

2. It has been brought to notice that incorporating the terms and conditions in each and every deputation order would involve unnecessary scriptory work and it would be avoidable if general terms and conditions are prescribed and be the individual deputation ordered to be governed by such general terms.
3. The Government have examined the matter carefully and have decided to accept the above view. They accordingly now issue "Standardized terms and conditions" governing the deputation of State Government employees to Tamilnadu State Government Undertakings and to institutions other than state Government Undertakings such as Universities, cooperative Institutions etc. as indicated below:--
 1. PAY/H.R.A/C.C.A: While on Foreign service, the officers shall draw the pay and allowances admissible to him in his post in the Government and the usual allowance, viz. Dearness Allowance, House Rent Allowance and City Compensatory Allowance at the rates admissible under the orders in force from time to time.
 2. CONVEYANCE ALLOWANCE: The Foreign Employer may sanction conveyance allowance with reference to the needs of the job, at the rates applicable to a similar class of employee under the Foreign Employer.
 3. PROJECT ALLOWANCE: If a Government servant deputed to Foreign Employer works in a project area and a project allowance is paid to the other similar employees in that area, such project allowance may be paid to the deputationist also.
 4. CASHALLOWANCE: A deputationist shall be permitted to receive cash allowance in lieu of residential officer Assistant, if there is a residential office Assistant attached to the post under the Foreign Employer and the Foreign Employer has a scheme of cash allowance in lieu of residential Offices Assistant.
 5. LEAVE SALARY AND PENSION CONTRIBUTION:
 - (i)In respect of deputation to Tamilnadu state Government Undertakings:--

Leave salary contribution shall not be recovered from the foreign employer and leave salary for any period of leave taken including leave surrendered and encashment of leave in the event of retirement or death, under the foreign employer shall be borne by the foreign employer. The foreign employer shall also pay the leave salary charges in respect of any disability incurred in and through foreign service even though such disability manifests itself after the termination of the foreign service. The entire expenditure in respect of any compensatory allowance for periods of leave in or at the end of foreign service shall be borne by the foreign employer. No additional pension contribution shall, however be recovered in respect of the period of the disability leave. Pension Contributions shall be recovered at the rate of 10% of the maximum of the scale of pay. Penal interest would be levied if payments are delayed.

(ii)In respect deputation to institutions other than tamilnadu State Government Undertakings such as Co-operative Institutions, Universities, other Autonomous Bodies etc.:--necessary contribution towards leave salary and pension shall be recovered from the foreign employer and their remittance shall be made by crossed cheque or demand draft to the lending authority. The foreign employer shall also pay the leave salary charges in respect of any disability incurred in and through Foreign Service even though such disability manifests itself after the termination of the foreign service. The entire expenditure in respect of any compensatory allowance

for periods of leave in or at the end of foreign service shall be borne by the foreign employer. No additional pension contribution shall however, be recovered in respect of the period of disability leave. The grant of leave and payment of leave salary shall be regulated per G.O Ms. No. 838, Personnel and Administrative Reforms, dated 9.7.1977. Penal interest would be levied if payments are delayed.

6. **MEDICAL CONCESSION:** The deputationist shall be allowed to enjoy the medical concessions prevalent under the foreign employer. If the medical concessions prevalent under the foreign employer are less attractive than the concessions under the government he shall have option to avail of the medical concessions of Government.
7. **CLAIM FOR ARREARS:** The claims of the officer for arrears of pay and allowances for the period spent in foreign service shall be paid by the foreign employer, whether the claims are made during, or, on the expiry of foreign service.
8. **JOINING TIME/TRANSFER TRAVELLING ALLOWANCE:** The deputationist shall be eligible for joining time admissible under F.R. 105 and 106 while joining the post under foreign service and on reversion therefrom.

He shall be eligible for travelling allowance as on transfer at the rate admissible to the employees of the foreign employer for his journey to join the post and on reversion from foreign service and for travelling allowance as on tour at the rates admissible to the employees of the foreign employer for journeys performed by him in connection with the work of the foreign employer or at the rates applicable to him under Government whichever may be more advantageous to him.

9. **PERIOD OF DEPUTATION:** The period of deputation will unless otherwise specifically stated, be three years. The deputationist may however, be recalled by the lending authority at any time at its discretion subject to these conditions, the deputation will commence on the date on which the deputationist hands over charge of his post under the State Government or under the previous Foreign as the case may be and end on the date he assumed charge of a post under the State Government.
10. **APPLICABILITY OF TAMILNADU CIVIL SERVICES (CLASSIFICATION CONTROL AND APPEAL) RULES AND GOVERNMENT SERVANT CONDUCT RULES.**

The deputationist will be deemed to be a member of the State and Subordinate Service to which he would have belonged but for the deputation, for purposes of the Tamilnadu Civil Services (Classification, Control and Appeal) Rules and the Government Servants Conduct Rules notwithstanding that his services are placed at the disposal of the foreign employer. Besides, he shall also be governed by the special rules of conduct or secrecy if any of the Foreign Employer. If the officer had, before his deputation to the foreign employer, committed any act or omission, which renders him, liable to any penalty specified in the said rules, the State Government or the appropriate disciplinary authority, as the case may be under whom he was serving at the time of commission of such act or omission, shall alone be competent to institute disciplinary proceedings against him and to impose on him penalty specified in the said rules, as they think fit and the foreign employer under whom he is in service at the time of institutions or such proceedings shall be bound to render all the reasonable facilities to the Government disciplinary authority for conducting such proceedings.

11. **COST OF HIGHER STUDIES:** If the officer is deputed for any training/course, the cost shall be borne by the foreign employer, irrespective of the fact whether he will return to the same post or not.
12. **ACCOUNTANT GENERAL TO WATCH RECOVERY:** The Account General Tamilnadu is requested to watch the recovery of pension and other contributions due from the foreign employer.
13. **STRICT ADHERENCE OF TERMS AND CONDITIONS:** The foreign employer shall strictly adhere to the terms and conditions in this order and not allow any higher scale of pay or concede any concession of pecuniary value other than those specified in these terms and conditions without concurrence of the lending department.
14. **LEAVE TRAVEL CONCESSION:** A deputationist shall be allowed to avail himself of the Leave Travel concession available to him in Government Service (or as available in foreign Service, whichever is more advantageous).
15. **RECALL:** The foreign employer shall revert a deputationist at any time before the expiry of the sanctioned period of deputation to Government Service, if so required by the Government or the Lending authority.
16. **DEATH IN HARNESS- TRANSPORTATION EXPENSES:** The foreign employer should bear the cost of transportation of dead body of a Government Servant who dies in harness while on deputation, to his place of residence or place of cremation or to his native place as desired by the members of the family of the deceased, by arranging departmental vehicle or hired vehicle in case of death within the State or by air in case of death outside the State so as to perform the cremation, the religious rites, etc. without any loss of time.
17. **BONUS:** The deputationists while on deputation, shall be allowed to draw bonus if any admissible under the payment of Bonus Act, 1965 as declared by the Foreign Employer.
18. **REIMBURSEMENT OF LEAVE SALARY DURING COMULSORY WAIT:** In the case of officers who were relieved from foreign service but were on compulsory wait, the salary for the period of compulsory wait shall be paid by the foreign employer initially and the amount got reimbursed from the Government Department to which the officer is subsequently posted. If any officer is posted again on foreign service to any other foreign body after compulsory wait, then the Government Department from which he was first deputed to foreign service, shall reimburse the salary paid for compulsory wait to the foreign employer.
19. **LEAVE ACCOUNT:** An extract of leave account shall be supplied to the Foreign employer by the Head of Office from which the Officer has been deputed to foreign service. The foreign employer will determine the leave admissible to the Government Servant and sanction it under intimation to the Head of Office.
20. **CHARGES OF ELECTRICITY WATER, COOKING GAS:** The foreign employer should not bear the charges towards electricity water and cooking gas in the residence of the deputationist and this should be the liability of the officer deputed.
21. **FESTIVAL ADVANCE:** Festival advance shall be paid to a person in foreign service as admissible to the Government Servant or as admissible in the foreign service, whichever is more advantageous to him. The outstanding advance, if any shall on reversion to parent department be recovered and paid to the foreign employer in the balance number of instalments in the parent department.
4. All lending authorities are requested to specify that the general terms and conditions of deputation shall be as per these orders, while sanctioning the deputation of any officer under their control

without narrating or repeating the conditions. Only additional or special conditions, if any, need be specifically mentioned in the deputation orders. Even if no terms are mentioned all deputations to Tamilnadu State government Undertakings/Corporations/Boards, as well as Universities/Cooperative Institutions/Autonomous Bodies etc. shall be deemed to be governed by these general terms and conditions.

5. Further the authority issuing deputation orders should maintain relevant foreign Service card and it should be sent to the Audit Officer along with the deputation orders for indicating the rate of Leave Salary contribution and Pension contribution. The instructions laid down in G.O Ms. NO. 12, Personal and Administrative Reforms (FR.II) Department, dated 8.1.91 should be followed scrupulously in maintaining the Foreign Service Card.

(BY ORDER OF THE GOVERNOR)

M.AHMED
SECRETARY TO GOVERNMENT

TRUE COPY

CHAPTER 25

RULINGS UNDER SERVICES MANUAL

2501. (1) The pay of a Government servant appointed to a post under Rule 110 (a) (i) of the General Rules of the Tamil Nadu State and Subordinate Services should be regulated under Rule 10 (b) of the said rules notwithstanding anything contained in the fundamental Rules. Under Rule 10 (b) he will be eligible to draw his substantive pay or the minimum of the scale of pay applicable to the post whichever is higher. In order to protect such a Government servant from loss of emoluments, if any, consequent on his temporary appointment to a higher post, he will be made eligible to draw the increment he would have drawn in the lower post but for his temporary appointment to the higher post by relaxing the provision of General rules 10 (b) in his favour. The grant of increment to such Government servants should be governed by Ruling 6 under F.R. 26 (bb). This decision may be applied to similar cases.

[M.G., F.D. Ir. No. 118342/FR/59-2 dt. 11.2.60 and M.G., Public (Services-A) Department, Ir. No. 2027/60-2 dt. 11.6.60 DA XX Case 1-2-1/54-61]

(2) Cases wherein the officiating pay of Government servants in lower posts will be more than the pay admissible to them in higher posts to which they are appointed temporarily will be few and far between. Individual cases of such nature are examined as and when they are brought to the notice of the Government.

2502. The promotion contemplated in General Rule 36 (a) is only promotion within one and the same service and other appointments from one service to another service are to be termed as “recruitment by transfer” which can be effected only in the case of approved probationers in any one service with reference to the definition of the expression in item (15) of Rule 2 of the Tamilnadu State and Subordinate Service Rules. With reference to the statement that “Promotions between his different services may be permitted even though probation in the former service is not completed”, it is clarified that a probationer in a category cannot be promoted to higher category in the same service nor can he be appointed by recruitment by transfer to another service but can be appointed to another service by direct recruitment provided the conditions specified in Rule 2 (14) of the Tamilnadu State and Subordinate services Rules are satisfied.

[M.G., Public (Services-A) Department Ir. No. 5187/59-1 dt. 27.60, F.A.D. Cases No. 18-15/59-60]

2503. The word “appointed to the service” in General Rule 36 (a) implies only first appointment to the service and it would be sufficient if one completes the probation satisfactorily in the lowest category in a particular service for promotion to higher categories included in that service.

[M.G., Public (Services-A) Dept., Ir. No. 1276/60-2 dt. 11-5.60, F.A.D. 1855/59-60]

2504. Under Rule 23(a) of the General Rules for the State and Subordinate services, a Government servant is eligible to draw the incremental arrears, from the date of regularization only under the orders of the Government. However, no special orders of the Government are required for giving monetary benefit from the date of issue of the original orders of regularization, when the date of regularization is changed in the revised orders of the competent authority issued later.

[Govt. letter No. 5475/64-2 Public (service-C) Department dated 28-10-64 (Filed in T.M File 12-3/64-65)]

Provided further that with effect from 13.10.84 if the scales of pay of posts in the feeders categories are different, the person holding post carrying higher scale of pay in the feeder category shall be considered first and that, if no qualified and suitable person holding post in that feeder category are available the persons holding post carrying the next higher scale of pay in descending order in other feeder categories shall be considered.

[G.O. Ms. NO. 400 Personnel & Administrative Reforms (Personnel P) Department, dated 17.4.85]

Where a probationer is to acquire the special qualifications or to pass the special tests during the period of probation, the first increment in case the period of probation is one year and the second increment in case the period of probation is two years, shall be sanctioned to him only after declaration of satisfactory completion of probation after he acquired such qualification or passed such tests and arrears of increment shall be allowed from the date of completion of probation. In cases where the passing of tests for declaration of

satisfactory completion of probation is necessary, the probationer shall be eligible for sanction of increment irrespective of declaration of satisfactory completion of probation. The appointing authority shall include a provision to the above effect while issuing orders in all such cases. The amendment hereby made shall come into force on 13.3.85.

G.O.Ms.No. 246 Personnel & Administrative Reforms (Personnel P) Department dated the 13th March 1985]

A probationer shall be eligible for sanction of increments in normal dates irrespective of declaration of satisfactory completion of probation, subject to the provision in Rule 28 so far as it relates to extension of probation on grounds of unsuitability. In cases where the probation is to acquire any special qualification or to pass any prescribed test within the period of probation or within the extended period of probating referred to in Rule 28, the first increment in cases where the period of probation is one year and the second increment in cases where the period of probation is one year and the second increment in cases where the period of probation is two years shall be sanctioned only after acquiring the qualification or passing the test. The amendment hereby made shall come into force on the 6th July 1987.

[G.O. Ms. NO. 618 Personnel & Administrative Reforms (Personnel P) Department, dated 6.7.87]

2505. As per the second proviso to rule 32 (a) of the Special rules for the Madras Ministerial Service an Assistant promoted from the category of Junior Assistant who has rendered satisfactory service for a total period of not less than three years in the Lower Division shall not be required to undergo the probation prescribed under sub rule 32(a). In the District Revenue Establishment a Junior Assistant promoted as Assistant does not undergo any probation since no promotion is made unless the clerk puts in a total service of 4 years i.e. two years as Junior Assistant and another two years Revenue Inspector. But the services of the Junior Assistant who have been, temporarily promoted to the Assistants cadre may be regularized in the letter case with retrospective effect. The drawal of arrears of pay in such cases for the period prior to the date of issue of the orders or regularization should be sanctioned by Government.

[Government Revenue Department letter No. 16371 G2/65-3 dated 6.5.65 filed in DAVA case Mdu. 22/65-66]

2506. Under Rule 49A (1) of the General Rules for the State for the State and Subordinate services after a person has entered service if it is found that his date of birth entered in his service Register is different from that entered in the SSLC Book, which may be due to some clerical error or otherwise wrong entries, application for correction of such clerical error or otherwise wrong entries, shall be made to the appointing authority. Such corrections in the Service Register can be made straightaway by the appointing authority. If the date of birth in the Service Register was entered on the basis of the Secondary School Leaving Certificate, correction of clerical error or wrong entries shall be made only with reference to the Secondary School Leaving Certificate, and if the Date of birth in the Service Register was entered on the basis of the Military Discharge Certificate correction of clerical error or wrong entries shall be made only with reference to the Military Discharge Certificate. Where the Secondary school Leaving Certificate and the Military Discharge Certificate contain different dates of birth, the date of birth entered in the Secondary School Certificate shall be accepted. But the date of birth entered in the Military Discharge Certificate shall be accepted in the absence of the Secondary School Leaving Certificate.

[G.O. Ms. No. 855 Personnel & Administrative Reforms (Personnel P) Department, dated 28.8.86]

49 (A) (2) With effect from 12.8.87 where the date of birth of a person. Whose qualification is less than the minimum general educational qualification, is entered in the Service Register on the basis of the medical certificate or the transfer certificate obtained from the school in which he studied or an affidavit sworn before a Magistrate and if there is any error in the entry so made by the appointing authority on application, made necessary correction only with reference to the original record on the basis of which an entry relating to date of birth is made in the Service Register.

[G.O. Ms. No. 770 Personnel & Administrative Reforms (Personnel P) Department dated 12.8.87]

2507. Rules 31 to 33 the General Rules for the Tamilnadu State and Subordinate Services relate to confirmation (i.e.) full membership. An approved probationer shall be appointed to be a full member of the service in the class or category for which he was selected at the earliest possible opportunity in any substantive vacancy which may exist or arise, in the permanent cadre of such class or category and if such vacancy existed from a date prior to the issue of the order of appointment, he may be so appointed with retrospective effect from the date or as the case may be from any subsequent date from which he was continuously on duty as a member of the service in such class or category provided that where more than one approved probationer is available for such appointment as full member, the senior most approved probationer shall be appointed. Confirmation is done in every category of service in which one acts as a regular member. The confirmation is related to availability of substantive vacancy in the post in which confirmation is to be made. In rule 6 of the General Rules for the Tamilnadu State and subordinate Services, it has been stipulated that direct recruitment should be made only against substantive vacancies. But in practice approved candidates are allotted by Tamilnadu Public Service Commission not only against substantive vacancies but also against temporary vacancies which exist for over 6 months. According to the definition in Part 1 of the Tamilnadu State and Subordinate Services Rules, "Full Member" of a service means a member of that service who has been appointed substantively to a permanent post borne on the cadre thereof. With reference to General Rule 8, probationers and approved probationers who were recruited direct against substantive vacancy in such permanent cadre shall not be discharged for want of vacancies. Other probationers and approved probationers shall be discharged for want of vacancies in the order of Juniority.

2. The Government after careful consideration have decided to delink confirmation from the availability of permanent vacancies and to make confirmation of Government servants at entry grade as in the Government of India and to follow the following methods of confirmation. They accordingly issue the following orders:--

- (i) Confirmation should be made only once in the service of an official which will be in the entry grade.
- (ii) Confirmation is delinked from the availability of permanent vacancy in the grade. In other words, an officer who has successfully completed the period of his probation may be considered for confirmation.
- (iii) As at present, the appointee should satisfactorily complete the probation.
- (iii) A specific order of confirmation should be issued, when the case is cleared from all angles.
- (iv) On Promotion: Since there shall be no confirmation on promotion before an official is declared to have completed the period of his probation satisfactorily (wherever such probation is prescribed), a rigorous screening of his performance should be made and there should be no

hesitation to revert a person to the post or grade from which he was promoted if the work of the officer during probation was found to be not satisfactory.

- (v) Lien: the concept of lien that entitles a Government servant to hold substantively permanent post shall undergo a change. Lien shall now represent only the right or title of a Government servant to hold a regular post whether permanent or temporary, either immediately or on the termination of the period of absence. The benefits of having a lien in a grade shall thus be enjoyed by all officers who are confirmed in the grade of entry or who have been promoted to higher post declared as having completed the probation where it is prescribed or those who have been promoted on regular basis to a higher post where no probation is prescribed under the Rules, as the case may be. The above right/title shall, however be subject to the condition that the Junior most person in the grade shall be liable to be reverted to the lower grade if at any time the number of persons so entitled is more than the posts available in the grade. (For example, if a person who is confirmed or whose probation in a higher post has been declared as having been completed or one who is holding a higher post for which there is no probation on a regular basis, reverts from deputation of foreign service and if there is no vacancy in that grade to accommodate him the junior most person in the grade applicable to the post shall be reverted. If however this officer himself is the junior most, he shall be reverted to the next lower grade from which he was earlier promoted.)
- (vi) Pension: Since all the persons who complete probation in the first appointment shall be declared as permanent the present distinction between permanent and temporary employees for purpose of Pension and other Pensionary benefits shall cease to exist.
- (vii) Seniority: Since there is confirmation in the entry grade, seniority shall continue to be determined on the basis of confirmation in that grade.

3. The revised procedure relating to confirmation outlined above shall not apply to the cases of appointments made on adhoc basis, i.e. it is only the appointments made on regular basis which shall come within the purview of these instructions. Persons appointed against the posts in purely temporary organizations are outside the purview of the revised procedure outlined in the above instructions.

4. The Departments of Secretariat may be requested to take necessary action to amend all the relevant rules separately.

[G.O. Ms. No. 176 Personnel & Administrative Reforms (Personnel S) Department dated 5.7.94]

2508. Counting of temporary service for increments and drawal of increments on a fixed date

All service including temporary service i.e. service not regularized and service under emergency provisions shall count for increment without any restrictions, except where passing of an examination has been prescribed as a condition for drawal of increment or where an increment is denied as a measure of specific punishment.

(ii) The increments of all Government servants shall be so advanced as to fall due on the commencement of the quarter, i.e. advanced to 1st January for all those drawing increments between 2nd January and 31st March or 1st April, 1st July or 1st October as the case may be.

This takes effect from 1st January 1974.

[G.O. No. 1460 Dt. 19.11.73 Fin (FRI) Department filed in T.M Case No. 1-2/FR 26]

2509. The important points contained in the orders of Government G.O Ms. No. 41 Fin (FRI) Department dated 11.1.77 and G.O. Ms.No. 231, Personnel and Administrative Reforms (FR III) Department dated 16.3.83 are as follows:

(b) In the case of a Government servant availing a period of Extraordinary Leave (Without Medical Certificate) on reverting to a lower post or punished with stoppage of increments without cumulative effect his increment will be regulated as follow. After advancing the date of increment to first of the quarter the period which will not count for increment should be added to the first of the quarter provided before sanction of the increment it should be ensured that all the periods not counting for increment occurred prior to the date of sanction of increment is given affect to. The punishment of stoppage of increment without cumulative effect does not postpone the future increments.

(ii) Probationers can also be sanctioned increments before completion of probation. However for sanction of increment that accrued prior to the first January 1974, the rules as they stood prior to the 1st of January 1974 shall apply.

- (iii) The increments for temporary service can be sanctioned by competent authority. No special sanction of any superior authority is necessary.
- (iv) The increment shall be sanctioned to a Government servant on the first of the quarter itself even though he has put in less than a year's service on the 1st of the quarter.
- (v) Government servants in temporary service including those recruited through Employment Exchange will be eligible to count their temporary service in a post towards increment only if they satisfy all the rules prescribed for holding that post in a regular capacity. In other cases the temporary service will count from the date on which they become full qualified to hold that post.

Provided that Government servants in temporary service appointed on or after the 10th November 1982 shall pass the tests and acquire the qualification prescribed for regular Government servant to become eligible for increment.

- (vi) The increment of a Government servant which falls due in a quarter may be sanctioned on the first day of that quarter even though he retires from service prior to the actual date of accrual of increments.
- (vii) With effect from 28.6.82 the period of training undergone by Government servants appointed by direct recruitment to a post prior to their actual independent charge of such post during which they draw pay at the minimum of the time scale of pay applicable to such post shall count for increment in the time scale of pay applicable to such post.

[G.O. Ms. No. 370 Personnel & Administrative Reforms (Personnel I) Department dated 26.6.98]

- (viii) Government servant in temporary service appointed on or after the 11th November 1982 shall pass the tests and acquire the qualification prescribed regular Government servants to become eligible for increment. The amendment hereby made shall be deemed to have come into force on the 11th of November 1982.

[G.O. Ms. No. 396 Personnel & Administrative Reforms (Personnel) Department dated 7.7.1989]

CHAPTER 26
RULING UNDER T.N.F.C.
Arrear Claims

2601. No claims against the Government not preferred for one year by Head of office, for 1-3 years by Administrative Department and above 3 years by Heads of Departments of their becoming due can be presented without an order from the officer next above the Head of office, provided that this rule shall not apply to the following categories of such claims:--

- (a) Claims on account of pension and cash allowances, the payment of which is regulated by the Subsidiary Rule 86, 88, 89 and 90 under Treasury Rule 16 of the Tamil Nadu Treasury Code, Volume I, or by the rules in Board's Standing Order No. 67, as the case may be :
- (b) Claims on account of pay and allowance other than travelling allowance and reimbursement of medical expenses of such non-gazetted Government servants whose names are not required to be shown in the pay bills in accordance with Subsidiary Rule 9(I) to (iv) under Treasury Rule 16 of the Tamil Nadu Treasury Code. Volume I;

- (c) Claims on account of interest on Government Securities; and
- (d) Any other class of payment which are governed by special rules or orders of Government.

A claim of a Government servant including a part-time Government servant for arrears of pay or allowance or for an increment which there remained in abeyance for over six months will be subject to the discount mentioned in Article 54. Arrear claims made by local bodies are governed by Article 312. A claim will be held to have become due either on the date on sanction to the claim or on the date of its accrual whichever is later.

NOTE 1—No claim for travelling allowance will be entertained if it is made after three months from the date on which the claim has fallen due. Countersigning officers should refuse to countersign bills presented after this period. In the case of journeys on transfer made by self, family and personal effects on different dates, the claim for travelling allowance admissible for each journey undertaken separately should be deemed to fall due on the completion of each such journey. However, in respect of journey performed by minister members of the Legislature and non-official members serving on Government committees as well as by others who are not Government servants, in connection with Government business, the time-limit shall be one year from the date of completion of the journey.

NOTE 2—Instructions in Note (1) will apply only to a presentation of claims by the Government servant concerned to the Drawing officer. The claim should be deemed to have fallen due for payment by the Treasury on the date of countersignature by the controlling officer. When bills are authorized to be drawn without countersignature the date of drawal of the bill will be the due date.

NOTE 3—Belated claims on account of pay and allowances other than traveling allowance of non-gazetted Government servant, whose names are not required to be shown in the pay bills, should not be made unless the claims have been examined and sanctioned by the competent authority on the same lines as for claims requiring investigation by audit.

In the case of a touring officer, who is required to perform a prescribed minimum touring every month and who presents a consolidated bill for the whole month, the period of three months in respect of all the journeys performed in that month shall be reckoned from the date of completion of last journey in the month. This applies also to officers undertaking several tours in a month based on approval tour programme even though no minimum touring is prescribed for them.

NOTE 4—Claims for reimbursement of medical expenses incurred by the Government servants, should be made to Government as soon as possible after completion of medical treatment and in any case not later than the time-limits indicated below:--

Government Servants	Time-Limits
Members of all India Service	Six months from the date of purchase of the medicines irrespective of the period of treatment as shown in the Cash Memoranda.
Members of State Subordinate Service	Three months from the date of completion of treatment as shown in the essentiality certificate of the Authorised Medical Attendant or Medical Officer concerned.

If the treatment lasts for more than month, the claims may be preferred once a month. Claims for the reimbursement of the medical expenses incurred by the Government servants preferred after the above time limit (viz. 3 months from the date of purchase of medicine) shall be subject to a discount of

15%adn claims preferred after a year from the date of purchase of medicines shall be rejected considering it as lapsed claims.

NOTE 5- (i) The period of one year should be counted from the date on which the increment certificate is signed by the competent authority.

(ii)In the case of an increment which can be drawn only after the declaration of completion of probation, the period of one year is be reckoned from the date of declaration of completion of probation.

Claims which are preferred beyond the above time limits will be dealt with as arrear claims under the General Rules in Articles 52 and 54.

(Article 52 of the Tamil Nadu Financial Code Volume I]

In the case of a touring officer who is required to perform a prescribed minimum touring every month and who presents a consolidated bill for the whole month, the period of three months in respect of all the journey performed in that month shall be reckoned from the dated of completion of last journey in the month. This applies also to officers undertaking several tours in a month based on approved tour programme even though no minimum touring is prescribed for them.

The Head of Departments should forthwith reject every petty arrear claims by a Government servant which does not affect his pension and also any arrear claim by a Government servant which has remained in abeyance for over a year when the Government servant concerned officers no satisfactory explanation for the delay in making his claim.

A claim of a Government servant including a part-time Government servant for arrears of pay or allowance or for an increment which has remained in abeyance for over six months will be subject to a discount of 15 percent except in a case where the controlling authority has satisfied himself that the delay was not due to the negligence or carelessness of the claimant, or ignorance of rule on his part. In all bills for arrear claims over six months old where no discount has been deducted a certificate that the delay has been adjusted as not due to the claimants negligence or carelessness should be furnished by the controlling authority concerned. An arrear claim resulting from an order issued with retrospective effect does not arise until the order is issued and should not therefore be treated as a claim allowed to remain in abeyance during the period prior to the date of the order. The time-limits in such cases, for the purpose of this article or Article 55 should be calculated from the date of sanction and not from the date from which the sanction takes effect.

NOTE (i)—The Treasury Officer should promptly return to the audit officer for revalidation such of the bills preferred by Government servants claiming arrears of pay and allowances which were not paid within three months from the date on which they were pre-audited and passed for payment.

NOTE (ii)—Specific sanction of Government is necessary for payment of arrear claims in cases where such payments are specifically prohibited by the Special and General Rules for the Madras State and Subordinate Services or any other special rules framed in this behalf, e.g., regularization of services with retrospective effect-vide Rules 23 (a) and 30 of the Madras State and Subordinate Service Rules.

NOTE (iii)—Please see Note No. 4 below Article 52 as regards the reckoning of time-limits in case of sanctions to increments.

NOTE (iv)—A claim for reimbursement of medical expenses and reimbursement of cost of spectacles are liable to a discount of 15 per cent if it has remained in abeyance for over the time-limit prescribed in Note 4below Article 52

(Article 54 of the Tamil Nadu Financial Code, Volume I)

Payment of a claim which is barred by limitation of time under any provisions of law relating to such limitation should ordinarily be refused. No payment should be made on account of any such claim without the special sanction of the Head of Department and no such claim should be referred to the Accountant General for pre-audit unless the Head of Department has already specially sanctioned the payment of the claim subject to its being found to be correct on pre-audit by the Accountant General. The Accountant General will refuse to investigate any such claim. The Heads of offices can sanction arrears upto one year. A claim now preferred within three years shall be sanctioned by the officer next above the Head of office concerned. Arrear claim which have been kept in abeyance for more than three years can be sanctioned by the Head of Departments concerned. In both the above cases, the pre-audit by the Accountant General shall be dispensed with.

The period of limitation for arrear claims against the Government for the following kinds is normally three years from the date on which the amount claimed first become due for payment:--

- (1) Pay and allowance including lacve salary.
- (2) Pwnsions.
- (3) Travelling allowances.
- (4) Paymenths made in contingent bills for supplies made or services rendered to the government.

If, however the delay in making a claim in the first instance under any of the items (1), (2) and (3) above is due to mistake, the period of limitation is three years from the date on which the mistake was discovered when a claim under item (4) is made with referenced to a contract in writing registered, the period of limitation is six years from the date on which the amount first became due for payment.

(Article 55 of the Tamil Nadu Financial code Volume I)

2602. Pay etc. due to a deceased Government servant

The Government of Tamil Nadu have prescribed the following procedure in regard to the payment of arrears of pay and allowances due to deceased government servants.

On receipt of the claim for the payment of arrears of pay and allowances on behalf of a deceased Government Servant from his heirs/heirs, the Head of the Office in which the Government servant was last employed should draw the amount in the appropriate bill from from the Treasury. The claim should be supported by all the relevant certificates witch the Head of Office is required to furnish in the normal circumstances. However, in respect of the certificates which solely depend on the personal knowledge of the Government servant but which obviously cannot be furnished by the Head of the Office, the Head of Office should record, if he is satisfied about the correctness of the claim, a certificate to the effect that the claim is not susceptible of verification but is considered reasonable. Further, as the claim would be the last one in respect of the deceased government servant, the requisite payment in the case of a Government servant whose pay is drawn on Gazetted Government servant's bill form, shall be made only after the head of the Office has satisfied himself by reference to the Accountant General, the Departmental authorities concerned if any, and his own records that there are no demands outstanding against him. In the case of other Government servants, payment may be made without reference to the Accountant General on the responsibility of the Head and Office concerned. The amount so withdrawn should be disbursed to the claimant determined with due regard to eh provisions of subsidiary Rule 34 under T.R 16 of the Tamil Nadu Treasury Code, Volume I and Articles

80(a) & 80 (b) and the notes thereunder of Tamil Nadu Financial Code Volume I after obtaining from him/them a formal receipt, stamped wherever necessary.

[G.O. Ms. NO. 118 Finance (Exp.A) dt. 11.2.65 filed in G.A General Case 18-38/64-65]

2603. Lumpsum payment of 3 months salary to compulsorily retired persons

As per Article 72(e) of T.N.F.C Volume I the payment towards three months salary in lieu of three months notice period to the Government Servant who are compulsorily retired from service under F.R. 56(d) shall be made in one lumpsum immediately on the strength of the retirement order.

(Govt. Memo. No. 132187-A/salaries/76-6 dt. 2.12.77)

2604. Advance of Tour advance on Tour and Adjustments

The Gazetted Officers who are competent to sanction tour advance to themselves should invariably endorse a copy of the sanction order to the controlling authority.

(Govt. Memo. No. 119694/Codes I/73-3 dt. 19.7.74)

2605. Refunds of revenues

Government have delegated to the various departmental authorities powers to sanction Refund of Revenue. These are specified in Appendix 2 of Tamil nadu Financial Code Volume 2. The exercise of these powers is subject to the departmental rules contained in the respective departmental manuals and codes.

Detailed procedure is given in Articles 32—35 of Tamil Nadu Financial Code Volume I.

2606. New Office

When new offices are formed no authorization from this office for drawal of bills is necessary. It is sufficient if the Government issue an express order to the concerned Treasury Officer to make payment to the staff of newly formed officers in the Government orders concerned.

(Govt. Memo. 161535/Codes/II/73-3 dt. 3.4.74 and Note below Instruction I under Treasury Rule 17 of Tamil Nadu Treasury Code Volume I)

2607. Permanent advance

For drawal of permanent advance by the State Government Department offices no authorization from this office is necessary. Rules relating to fixing and sanction of permanent advance to Government servants are detailed in Articles 94—98 of TAmilnadu Financial Code Volume I.

CHAPTER 27

RULING UNDER T.N.T.C

Payment of leave salary, etc., to lepers

2701. Government direct that the following instructions should be observed in the matter of all payments to Government servants and others suffering from leprosy:--

The payee should appear before the disbursing officer who or one of whose subordinates should fill up the bill in his presence. Payment should then be made and the fact recorded in the registers which should be initialed by the disbursing officer. An endorsement should be made on the bill by the disbursing officer to the effect that amount has been paid by him.

(G.O. No. 498, Finance dt. 13.8.35-T.X. Case Agri P.A 1-2/35-36)

2702. Expenditure debitable to more than one head

When a charge is debitable to more than one major head of account, the drawer shall ordinarily present a separate bill for the amount debitable to each major head but a single bill shall be prepared for pay and allowances of a Government servant or an establishment debitable to two or more major heads when the whole charge is met from the revenues of the State. In respect of payments by Government to private parties outside the State by means of bank drafts, the commission due to the bank for the purchase of the draft shall also be included in the bills prepared by the drawing officers. Correct commission due to the bank in respect of the proposed remittance shall be ascertained before hand from the bank and classified separately under 'contingencies' of the drawing officers concerned.

(SR (2) (e) under TR 16 of Tamil Nadu Treasury Code Volume I)

2703. The undermentioned advances to a Gazetted Government servant may be drawn from the Treasury on the authority of the sanction or a duly certified copy thereof appended to the bill, without any previous authority from the Accountant General

- i Advances on tour.
- ii Advances on transfer.
- iii Other Loans and advances on personal account (e.g) House building advance, advance for purchase of conveyance etc.

(Govt. Memo. NO. 45945A/Codes. II/74-II Finance dt. 2.1.75 filed DCM case No. 12-12/4-77 Volume I)

CHAPTER 28

RULES REGARDING PERMANENT ABSORPTION OF STATE GOVERNMENT SERVANTS DEPUTED TO PUBLIC SECTOR ENTERPRISES

2801. Government have prescribed the following standardized conditions for permanent absorption of State Government servants deputed to state public sector enterprises:

- (1) The State Public Sector Enterprises should build up their own cadre staff and minimize the number of deputationists. Deputation of staff of Government shall be made for posts for which the expertise is required and when it may not be possible for Corporations to develop their own cadres.

To ensure that the number of deputation posts in the state public sector enterprises are kept at the minimum the type of such posts are to be got approved both by the board of Directors of Corporations and by the Government once in three years. Posts encadred once should not be decadred later to suit individuals. The administrative departments of the Secretariat concerned shall do periodical critical examinations of the deputation posts.

- (2) Option should be exercised by the employees on deputation under the Public Sector Undertakings within the Maximum period of deputation and that no Government servant should be allowed to continue in the corporation on deputation beyond the maximum period of deputation prescribed. They should be made either to revert or exercise option to remain permanently in the service of the corporations and get absorbed within the maximum period of deputation. The maximum period of deputation mentioned above is 3 years normally and 4 years in special circumstances.

In this process, the question of reversion or absorption will arise immediately in the case of deputationists, who have already completed the maximum period of deputation. In their cases, the reversion should be phased out so that the work in the Corporations will not be dislocated, but the process should not be prolonged.

- (3) Before absorbing a State Government servant on deputation the foreign employer shall consult the parent department and obtain its concurrence for the permanent absorption with reference to the ruling under FR 14A.
- (4) While on absorption the Government dues recoverable in a lumpsum shall be recovered from the terminal benefits of the Government servant. In regard to outstanding recoveries of advances like House Building Advance, Motor Car Advance etc., the liability shall be passed on to the corporation which shall ensure recoveries of the balance loan and pay off the Government the balance outstanding at the time of take over.
- (5) The Government servants against whom any disciplinary proceedings are pending need not be permitted to get absorbed under the corporations until disciplinary proceedings against them are finalized.
- (6) While the entire department or a sizeable chunk of the department is converted into a corporation, the personnel cannot be treated as on deputation for long. If they revert, administrative problems will arise since they cannot be repatriated for want of posts under Government. So, if they want reversion, naturally they have to be retrenched. Therefore, government servants in such cases should be absorbed in the Corporations concerned.

[Vide G.O. Ms. NO. 741 dated 24.6.78 P& A.R (FR II) Department filed in TM Case No. 10-33/76-77]

NOTE: Orders of Government referred to in Sub Para (7) above have been issued in G.O. Ms. NO. 284 Finance dated 31.3.80 Vide Para 2802.

2802. The Government employees who opt for service in the State owned Corporations/Statutory Boards under the Corporation/Board:

- (ii) Immediate cash payment and gratuity.

(iii) Pension in respect of industrial and non-industrial workers who get themselves absorbed in State owned Corporations/Boards will be calculated at the time of transfer; it is payable by the State Government only on retirement of the employee from the public sector corporation as the payment of pension has to be suspended during his employment in the Corporation. The employee will also be

eligible, on retirement from Corporation/Board to commute upto one third of the value of pension like Government employees who retire from Government service. The pension and commuted value of pension, if any will be paid by the Government direct to the absorbed employee after his retirement from the Corporation/Board. The Head of the Department under whom the employee was working prior to his absorption will be responsible for the payment of pension. The pension may be notionally calculated and noted at the time of finalizing the option and entered in the service register, indicating that it is payable after retirement from service of the Corporation/Board.

(b) COMPENSATION IN CASE OF RETRENCHMENT—(i) In the case of industrial workers—Such of those workers who do not opt for service in the public sector undertaking will be reverted to their parent department they will be paid retrenchment compensation according to labour laws.

(ii) In the case of non-industrial workers—Such of those employees who do not opt to serve in the Corporation will be reverted to their parent department. If there is no post in their parent department to accommodate them, they will be given compensation pension as provided for in the Tamil Nadu Pension Rules.

(c) FAMILY PENSION—Since the optee for permanent absorption in the public sector undertaking will cease to be a Government servant, the Government's liability for family pension will cease.

(d) EARNED LEAVE—The employee will be paid by Government Cash equivalent of 50 percent of the quantum of earned leave at his credit as on the date of absorption. The balance of credit will be transferred to the accounts of the individual under the undertaking with full leave liability thereof being paid to the undertaking by Government to meet the leave salary payable to the employees absorbed in the undertaking.

(e) Other kinds of leave—On absorption of the employee in the Corporation/Board, the Government's liability towards leave on medical certificate and leave on private affairs will cease.

(f) Any further liberalization of pension rules decided upon by Government for Government employees after the permanent absorption of a Government servant in a public enterprise, would not be extended to them.

(g) In cases where an officer at the time of absorption has less than 10 years' service in Government and is not entitled to pension, the question of proportionate pension will not arise, as he will be eligible only to proportionate service gratuity in lieu of pension and Death-cum-Retirement Gratuity based on the length of service.

3. The crucial date for calculating the terminal benefits in respect of all the State Public Sector Corporations except the Transport Corporation will be the date from which the employee is continuously working in the Corporation or the date of incorporation of the Corporation, whichever is later. In respect of Transport Corporations, the crucial date will be 1 st May 1975 or the date from which the employee is continuously working in the Corporation, whichever is later.

4. Cases where full settlement has been made under the earlier orders will not be reopened. These orders will cover all persons including persons who opted for service under Tamil Nadu small industries Corporation.

5. Fresh options will be obtained from Government servants working in various corporation/Boards on the basis of this Government order. The Corporations/Boards are requested to decide absorption of Government servants on the basis of the terminal benefits indicated in this Government Order.

As at present the employees cannot claim absorption in a Corporation/Board as a matter of right, the Corporations/Boards have the right to accept or reject the options. The proposal to absorb persons in Corporation/Boards may be placed before the concerned Boards of management indicating details of persons who have opted for service in the Corporation/Boards. Persons whom the Corporation/Board has decided to absorb and persons whom the Corporation/ Boards, has decided to absorb and reverted to their parent department are requested to finalise the absorption on the basis of the decision of the Board of Directors and get the prior concurrence of Head of the Department or (where the appointing authority is Government) the Government.

6.Once a Government employee opts for absorption in a Corporation/Board and his option is accepted by the concerned Corporation/Board and agreed to by Head of the Department/government the authority competent to sanction pension will arrange to settle the terminal benefits of the absorbed employee. In respect of employees of erstwhile Transport Department the settlement will be made by the Special officer for Residuary work. The gratuity and pension will be settled in the usual manner in which these claims are settled to retired Government employees and debited to the relevant head, subject however to the condition that the employee opting for Corporation's/Board's service under this Government Order will get the pension/commuted value of pension only after the employee retires from service of the service of the Corporation/Board.

2803. In the case of absorption with retrospective date and terms the Government has passed the following orders.

(i) No change need be made in eh crucial date and terms of terminal benefits ordered in G.O.Ms. No. 284 Finance dated 31.3.80.

(ii) In the case of absorption of an employee with retrospective effect, the Corporation may bring him under Employees Provident Fund Scheme (as against the GPF to which he would have been contributing during his period of deputation) and pay the employer's matching contribution with interest retrospectively from the date of absorption. If a pension scheme is available in a Public sector undertaking, the Government employees who are absorbed may avail themselves of such a pension scheme, but they should not be giver gratuity, immediately on absorption for the period of service in Government.

(iii)The amounts paid by way of pension contribution and leave salary by the public sector undertakings/Boards in respect of the absorbed Government servants during the period of deputation should be refunded to the concerned Public Sector undertakings/Boards.

[G.O. Ms. No. 14 (Finance (BPE) Department dated 5.1.83]

A Government servant on foreign service may not elect to withhold contributions and to forfeit the right to count as duty in Government service the time spent in foreign employment. The Pension Contribution paid on his behalf maintains his claim to pension, in accordance with the rules of the service of which he is a member. With effect from 31.3.80 in respect of all cases where the absorption is made as per the terms and conditions prescribed by Government by issuing separate specific orders whereby the persons who are on deputation are allowed to absorbed with retrospective effect in the Public Sector undertakings or Boards the refund of leave salary and pension contributions to the foreign employer for the period construed as deputation

earlier shall be given effect to. The amount paid by way of pension contribution by the Public Sector undertakings/Boards in respect of the absorbed Government servant during the period from the date of absorption to the date of issue of orders of absorption shall be refunded to the concerned Public Sector undertakings/board.

[G.O. Ms. No. 980, Personnel & Administrative Reforms Department dated 19.10.83 G.O. Ms. No. 312 dated 30.8.91 and G.O. Ms No. 327 Personnel & Administrative Reforms (FR Special) Department dated 16.9.91]

The amendment hereby made in respect of Permanent absorption of Government servants in the State Public Sector Undertakings except Transport Corporations shall be deemed to have come into force on the date from which the employee is continuously working in that corporation or on the date of incorporation of the Corporation whichever is later. In respect of Transport corporations, the amendment hereby made shall be deemed to have come into force on 1st May 1975 or the date from which the employee is continuously working in that Corporation whichever is later.

[G.O. Ms. No. 326 Personnel & Administrative Reforms (FR Special) Department dated 6.9.91]

With effect from 19.1.87 in cases where the pension contributions are remitted in excess of the demand by the foreign employer, the Heads of department concerned should draw a bill for the excess amount and pay it to the foreign employer.

[G.O. Ms. NO. 1100 Personnel & Administrative Reforms (FR III) Department dated 15.2.87]

Settlement of terminal benefits to employees of a Public sector Undertaking/Board absorbed from another Public Sector Undertakings/Board.

2804. There are cases of employees of one Public Sector Undertaking/Board going on deputation to another Public Sector Undertakings/Board and getting absorbed there. For settlement of terminal benefits in such cases no general orders have been issued so far.

In this context the question of evolving general guidelines for different kinds of absorption arose. There are four types of cases of permanent absorption:

- i. A statutory Board employee getting absorbed in another statutory Board where pension scheme is in existence.
- ii. A State Public Sector Undertaking employee getting absorbed in another State Public Sector Undertaking where pension scheme is not in existence.
- iii. A State Public Sector Undertaking employee getting absorbed in a Statutory Board where a Pension Scheme is in existence.
- iv. A Statutory Board employee getting absorbed in State Public Sector Undertaking where a pension scheme is not in existence. Also there are a number of cases coming to the Government for approval for counting of past services rendered by a Government servant accept the recommendations of the Committee and issue the following orders:

The above matter was placed before the Secretaries Committee on Public Enterprises. The Committee had made various recommendations in this regard. The Government accept the recommendations of the committee and issue the following orders:

- i. Absorption of a State Government/Statutory Board employee in another Statutory Board where a pension scheme is in existence.

Where a Government/Statutory Board employee borne on pensionable establishment, is allowed to be absorbed in another statutory Board, the service rendered by him under the former shall be allowed to be counted towards pension under the new Statutory Board. The Government/Statutory board (i.e. the parent organization) may discharge its pension liability by paying in lumpsum as a one time payment, the prorated pension/service gratuity/Death cum Retirement Gratuity for the service upto the date of permanent absorption in the Statutory Board. Capitalized value of the pensionary benefits like the prorated pension, service gratuity/Death cum retirement gratuity may be transferred to the Statutory Board at the time the individual absorptionist retires from the said Statutory Board.

- ii. A State Public Sector Undertaking/Board employee getting absorbed in another state Public Sector Undertaking where a Pension Scheme is not in existence.

A statutory Board employee borne on a pensionable establishment on absorption in a State Public Sector Undertaking may be made eligible for the terminal benefits as ordered in G.O. Ms. No. 284, Finance (CFC) Department dated 30.3.80 and as amended from time to time. In the case of absorption of a State Public Sector Undertaking with contributory Provident Fund Benefit and gratuity as per Labour Laws, the amount of subscriptions and the management contribution together with interest thereon in contributory Provident Fund Account and gratuity amount may be transferred to his new Contributory Provident Fund account and Gratuity Fund with the consent of the other State Public Sector Undertaking.

- iii. A State Public Sector Undertaking employee getting absorbed in a Statutory Board where a pension scheme is in existence.

An employee of a State Public Sector Undertaking on permanent absorption under a Statutory Board may either opt to receive Contributory Provident Fund benefits which have accrued to him from the State Public Sector Undertaking and start his service afresh in the Statutory Board or choose to count the service rendered in the State Public Sector Undertaking as qualifying service and pension in Statutory Board by foregoing the employer's share of Contributory Provident Fund contributions, with interest thereon, which may be paid by the State Public Sector Undertaking to the concerned Statutory Board which absorbs the individual. The option may be exercised within one year from the date of absorption. If no option is exercised within the stipulated period, the stipulated period the employee shall be deemed to have opted to receive Contributory Provident Fund benefits. This option once exercised shall be final.

- iv. The crucial date of absorption in the State Public Sector Undertaking/Boards and other terminal benefits may be decided as per G.O. Ms. No. 284, Finance (CFC) Department dated 31.3.80.
- v. The cases of those employees of the State Public Sector Undertakings/Boards who were absorbed in another State Public Sector Undertaking/Board and have already been sanctioned or have received terminal benefits for the past service need not be reopened.
- vi. These arrangements may be made applicable only where the transfer of the employee from one State Public Sector Undertaking/Board to another State Public Sector Undertaking/Board is with the consent of the organization under which he was serving earlier.

The Chief Executive Officers of all State Public Sector Undertaking/Boards are requested to bring this to the notice of the Board for adoption.

Secretaries to Government are requested to review the progress of absorption of persons in Government Companies/Board as and the settlement of their terminal benefits periodically and see that speedy action is taken at all levels.

[G.O. Ms. No. 675 Finance (Bureau of Public Enterprises) Department dated 22nd September 1993].