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# INDIAN AUDITAND ACCOUNTS DEPARTMENT



# MANUAL OF ACCOUNT CURRENT SECTION

*(FIFTH EDITION)*

*ISSUED BY THE  
ACCOUNTANT GENERAL(A&E), ORISSA*

## **PREFACE TO THE FIFTH EDITION**

The present edition of the Manual of Account Current Section has been compiled from the Fourth Edition of the Manual, 1991 and incorporates corrections and orders issued from time to time. This Manual deals with the procedures to be observed in Account Current Section in preparation and disposal of settlement Accounts, Public Works remittances, Accounts with other Governments and adjustment of Reserve Bank of India Remittances etc. The instructions contained in this Manual are supplementary to or explanatory of the Rules contained in the various codes and Manuals issued by the Comptroller General of Accounts in consultation with the Comptroller and Auditor General of India and by other concerned authorities.

All members of this office in general and the staff attached to Account Current Section in particular are expected to be thoroughly conversant with the interactions contained in this Manual. No deviations from the procedures as laid down in the Manual will be permitted except under the orders of the Accountant General(A&E), Orissa. The Manual should not be quoted or referred to as an authority in any correspondence outside the office.

Account Current Section is responsible for keeping the Manual upto date. All orders of important nature affecting the procedure followed in the Section should suitably be incorporated in the Manual with care and promptitude. Any error or omission should, as soon as noticed, be brought to the notice of the Branch Officer in charge of Account Current Section. Suggestions for improvement of the Manual are welcome.

The preface to the first, second, third and fourth editions are reproduced separately.

Bhubaneswar  
Dated the 11<sup>th</sup> October' 2007

Sd/-  
(SUPERNA DEB)  
ACCOUNTANT GENERAL(A&E)  
ORISSA

### **PREFACE TO THE FOURTH EDITION**

The present Edition of the Manual of Account Current Section has been compiled from the third edition of the Manual(typed) 1983 and incorporates corrections and orders issued from time to time. The changes effected due to departmentalization of accounts as brought over in the Account Code for Accountant General which has been issued in replacement of Account Code Volume-IV have also been indicated in this Manual. This manual deals with the procedures to be observed in Account Current Section in preparation and disposal of settlement Accounts, Public Work Remittances, Accounts with other Governments and adjustment of Reserve Bank of India Remittances etc. The working of the Account Current Section has been shown in shape of a diagram which gives a general idea of the Section. The instructions contained in this Manual are supplemental to or explanatory of the rules contained in the various codes and Manuals issued by the Comptroller General of Accounts in consultation with the Comptroller and Auditor General of India and by other concerned authorities.

2. All members of this office in general and the staff attached to Account Current Section in particular are expected to be thoroughly conversant with the instructions contained in this Manual. No deviations from the procedures as laid down in the Manual will be permitted except under the orders of the Accountant General(A&E), Orissa. The Manual should not be quoted or referred to as an authority in any correspondence outside this office.

3. Account Current Section is responsible for keeping the Manual up-to-date. All orders of important nature affecting the procedure followed in the section should suitably be incorporated in this Manual with care and promptitude. Any error or omission should, as soon as noticed, be brought to the notice of the gazetted officer in-charge of Account Current Section. Suggestions for improvement of the Manual are welcome.

4. The preface to the first, second and third editions are reproduced separately.

Bhubaneswar  
Dt. 29.5.1991

(G.C. Srivastava)  
Accountant General(A&E)

### **PREFACE TO THE THIRD EDITION**

This edition of the Manual of Account Current Section has been compiled from the Second Edition of the Manual printed in 1965 and the corrections and orders issued from time to time. The changes effected due to departmentalization of accounts have also been indicated in this Manual. This Manual now deals with the procedure to be observed in the Account Current Section in the preparation and disposal of settlement Accounts, Public Works Remittances, Accounts with other Government, Adjustment of Reserve Bank of India Remittances etc. The instructions contained in this Manual are supplemental to or explanatory of the rules contained in the various codes and Manuals issued by the Comptroller and Auditor General of India and other authorities.

2. All members of this office in general, and staff attached to Account Current Section in particular are expected to be thoroughly conversant with the instructions contained in this Manual. No deviation from the procedure as laid down in the Manual will be permitted except under the orders of the Accountant General. The Manual should not be quoted or referred to as an authority in any correspondence outside this office.

3. The Account Current Section is responsible for keeping the Manual up-to-date. All orders of important nature affecting the procedure followed in the section should be suitably incorporated in this Manual with care and promptitude. Any error or omission should, as soon as noticed be brought to the notice of the gazetted officer in-charge of Account Current Section. Suggestions for improvement of the Manual are welcome.

4. The preface of the first edition and second edition are reproduced separately.

Bhubaneswar  
Dt. 21.4.1983

(V. Ramanathan)  
Accountant General(A&E)

## **PREFACE TO THE SECOND EDITION**

This Edition of the Manual of Account Current Section has been compiled from the first edition of the Manual printed in 1950 and the corrections and orders issued from time to time. The instructions contained in the Manual are Supplementary to those in the various Codes and Manuals issued by the Comptroller and Auditor General of India and other authorities.

2. All members of this office in general and the staff attached to Account Current Section in particular, are expected to be thoroughly conversant with the instructions contained in this Manual. No deviation from the procedure as laid down in the Manual will be permitted except under the orders of the Accountant General. The Manual should not be quoted or referred to as an authority in any correspondence outside this office.

3. The Account Current Section is responsible for keeping the Manual up-to-date. All orders of important nature affecting the procedure followed in the section should be suitably incorporated in this Manual with care and promptitude. Suggestions for improvement of the Manual are always welcome.

4. The preface of the first, editions is reproduced separately.

Bhubaneswar  
Dt. 05.07.1965

(T. NARASIMHAN)  
Accountant General, Orissa

## **PREFACE TO THE FIRST EDITION**

1. This Manual has been compiled for the first time after the creation of the Orissa State from 1<sup>st</sup> April 1936. It deals with the procedure to be observed in the Account Current Section in the preparation and disposal of exchange accounts, Settlement Accounts, P.W. Remittance Account and the account with the dominion of Pakistan etc. The procedure laid down herein is to be considered as supplementary to the rules in the account code and should be read with them.
2. Every attempt has been made to incorporate herein all useful information connected with the working of the Account Current Section. Every member of the office, particularly the staff of the Account Current Section, should get himself thoroughly acquainted with these subsidiary instructions. Any errors or omissions should as soon as noticed be brought to the notice of the gazetted officer-in-charge of the Account Current Section.
3. The Account Current Section will be responsible for keeping the Manual up-to-date by the issue of correction slips at regular intervals.

Ranchi  
The 13<sup>th</sup> May 1950

(S. NATARAJAN)  
ACCOUNTANT GENERAL, ORISSA

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## **CHAPTER-I**

### **Para No.**

#### **GENERAL**

- 1.01 (i) The Account Current Section deals with transaction arising in Orissa Circle of accounts which are passed on for adjustment to other circles of accounts through settlement accounts and vice-versa including closing of settlement accounts
- (ii) Periodical adjustment of inter-Governmental transactions through the Reserve Bank of India Central Accounts Section, Nagpur.
- (iii) Settlement with Government of Myanmar(Burma) and Pakistan in respect of transaction accounted for in the State Section of accounts and
- (iv) Adjustment of Reserve Bank of India Remittances.
- (v) Public work remittances (State)
- (vi) Maintenance of relevant Broad sheets in respect of the accounts mentioned above
- (vii) Other items of work connected with the above mentioned accounts including residual work after departmentalization of accounts.

#### **SANCTIONED STRENGTH AND CONTROL**

1.02 The sanctioned strength of the Account Current Section is at present:-

One Assistant Accounts Officer/Section Officer

Seven Accountants

One Clerk

The Account Current Section functions under the control of the Group Controlling Section i.e. TM-1 Section. The Work of the section is supervised by an Assistant Accounts Officer/Section Officer and by a

Branch Officer. This will be under the supervisory charge of Sr. Deputy Accountant General/Deputy Accountant General(Accounts)

### **DISTRIBUTION OF WORK'**

- 1.03 The detailed distribution of work amongst the Accountants and the clerk duly approved by the Branch Officer should be noted in the duty list register maintained for the purpose. Any change due to addition of new item of work or for the sake of improving the efficiency of work should be made after obtaining approval of the Branch Officer (Annexure A of the Chapter).

### **STANDARD RATES FOR ITEMS OF WORK**

- 1.04 The standard prescribed by the Comptroller and Auditor General of India for various items of work are detailed in Annexure-B of this Chapter.

### **1.05 DUTIES OF ASST. ACCOUNTS OFFICER/SECTION OFFICER**

Besides the General supervision, the Assistant Accounts Officer/Section Officer is responsible for:-

- i) Passing the Account Current Abstract before their submission to the Branch Officer.
- ii) File order of Inward Accounts.
- iii) Passing the schedules relating to Reserve Bank of India Remittances before their submission to Branch Officer.
- iv) Ensuring prompt action for the return of over due suspense slips with acceptance from the section.
- v) Scrutiny of objection book six monthly registers.
- vi) Correct preparation and punctual despatch of all outward accounts, statements, returns etc., due from the sections and the correct preparation and punctual submission of registers/Broad sheets etc. to the Branch Officer.
- vii) Ensuring preparation and punctual submission to Group Officers/Accountant General of the monthly report on the state of work of the section of the Account Current Section will be

responsible for the systematic maintenance of the registers of corrections to this manual (vide also para 1.10)

### **1.06 DUTIES OF EXMINERS**

One or more of the Accountants may be designated as Examiner(s) for the purpose of exercising internal check to examine the work of a specified number of Accountants assigned to him/them. The examiners are responsible to the Assistant Accounts Officer/Section Officer and are primarily responsible for seeing:-

**i) As regards outward Accounts:-**

- a) That advance list and schedules are prepared on the due dates.
- b) That necessary vouchers in support of debits and schedules for credits are attached or their absence is explained and action taken and that the item for which documents have not been attached to the accounts are entered in the Error Books
- c) That settlement accounts are prepared for all the transactions appearing under the several settlement Account heads in the Detailed Book.
- d) That the figures in the settlement accounts agree with those in the Detailed Book
- e) That the net amounts as worked out in the settlement Accounts agree with those advised to the Reserve Bank of India, Central Accounts Section, Nagpur and
- f) That an intelligent check is exercised over accounts prepared and prompt action is taken for rectification of any apparent errors in classification.

**ii) As regards Inward Account:-**

- a) That the net debits or credits as shown in the settlement Accounts agree with the corresponding amounts shown in



the copies of advices of inter-Governmental Adjustments received from other Accounts Offices.

- b) That the debits and credits in the Inward settlement Accounts are posted in the adjustment registers in separate pages and agreed with the figures that appear in the accounts.
- c) That suspense slips are prepared in duplicate in form A.C-12 for items adjustable under heads opened in departmental abstracts, for each departmental accounts and made over to the VLC branch with supporting vouchers or other documents for adjustment, through a transit register.
- d) That the suspense slips issued are received back in time from the VLC with classification noted therein and the certification of adjustment record therein.
- e) That the schedules of the Reserve Bank of India Remittances are prepared correctly in the prescribed forms and despatched to the Reserve Bank of India, Central Accounts Section, Nagpur, promptly.

(Due to introduction of VLC branch and dissolution of DC Sections w.e.f 1.4.03)

**iii) As regards adjustment with Reserve Bank of India, Central Accounts Section, Nagpur:-**

- a) That monthly advices are sent on the due dates to the Reserve Bank in respect of central transactions at non-bank Treasuries
- b) That advices are proposed monthly for:-
  - i) The residual transaction of the Union Govt.
  - ii) The transactions that appear under the heads “Accounts with Government of Myanmar(Burma)” and “Inter State Suspense Accounts” and despatched to the Reserve Bank of India Central Accounts Section Nagpur on due dates.

- c) That transfer entries are correctly made in respect of the memoranda of clearance received from the Reserve Bank of India on account of advices issued by this office as well as by other Accounts Officer
- d) That the register of adjustment with the Reserve Bank of India (in form AC-3) is maintained correctly and submitted monthly to the Branch Officer for his review and
- e) That the schedule of the Reserve Bank of India Remittances are prepared correctly in the prescribed forms and despatched to the Reserve Bank of India, Central Accounts Section, Nagpur promptly.

**iv) As regards other items:-**

- a) That the objection books are properly maintained, closed in time and objection statements issued to the other Accounts Officer regularly.
- b) That the objection statements received from other Accounts Officers are disposed of within a week of their receipt.
- c) That the various registers viz. Registers of suspense slips, Error Books etc. prescribed are maintained properly and closed and submitted regularly.
- d) That the disposals of letters put up by the accountants are correct, before they are submitted to the Assistant Accounts Officer/Section Officer for his approval.

### **1.07. DUTIES OF ACCOUNTANTS**

The Accountants are also responsible to the Assistant Accounts Officer/Section Officer. They will perform such duties as are assigned to them by the AAO/Section Officer. Their duties will include inter-alia the following.

- i) Prompt despatch in a complete form of all the outward accounts returns etc. on the due dates to other Accounts Officers. With this end in view they should take prompt action to collect documents and information necessary for the preparation of their accounts, returns etc. The returns should also be submitted one day earlier than the due date for scrutiny by the examiner and the Section Officer.
- ii) Speedy adjustment of all the items included in the inward accounts, etc. The receipt of all the Inward Accounts etc. in this office should be carefully watched and special reminders issued in case of delay at frequent intervals, till the accounts are received. Necessary entries should be correctly made in the relevant registers in respect of all the items and the adjusting transfer entries should be noted correctly against the relevant items. Weekly reminders should be issued in cases of delay and special report submitted in cases of items outstanding for more than a month.
- iii) Prompt disposal of all references received in the Section, they should be disposed of within three days of their receipt.
- iv) Proper filing of all disposed of Accounts, returns letters, references etc. They should be filed neatly in the files concerned as soon as they are finally disposed of. Filing should on no account be postponed to later dates.
- v) Ensuring correctness of all the figures and information given in his disposals, accounts returns etc. submitted by him.
- vi) Preparation of suspense slips in A.C-12 and preparation of outward suspense slips registers in AC-13 and watching that the documents

in support of the debits/credits are duly received and enclosed to the suspense slips.

#### **1.08 CALENDER OF RETURNS.**

With a view to ensuring observance of the due dates, a calendar of returns, should be maintained by the Section Officer of each section. It should be the duty of the Section Officer to see that all reports/returns etc due are despatched or are submitted on due dates and that careful watch is kept over the punctual receipt of the returns etc. due from other offices or other sections and that all items of work are completed on the dates prescribed for the purpose. The calendar of returns should be submitted every Monday to the Branch Officer in charge for his review and to the Group Officer on the 5<sup>th</sup> of every month.

(vide Paragraph –109 (vii) Manual of General Procedure)

#### **1.09 LIST OF RETURNS(OUTWARD)**

A list of returns (outward) due from Account Current Section is given in Appendix-A to the Manual

The accounts to be received are watched through the register mentioned in para-7.02 of this Manual.

#### **1.10 REGISTER OF CORRECTIONS TO THE MANUAL**

Orders affecting this Manual when received should be drafted in the form of correction slips and submitted to the Accountant General through the Branch Officer and the Group Officer for approval. After approval, they should first be entered in the register of correction to the Manual. The maintenance of the Register of corrections to this Manual devolves upon Account Current Sections (see para 1.05).

**ANNEXURE-‘A’**  
**(See para-103)**  
**Distribution of work of Account Current Section.**  
**Account Current Sectikon**

1. Settlement Account
2. Accounts with Governments of foreign countries.
3. Reserve Bank of India, Remittances drawing and encashment.
4. Public Works Remittances (State)
5. Dummy Provident Fund Account.
6. Maintenance of relevant Broad Sheets in respect of accounts mentioned above.
7. Closing of settlement Account abstracts (Receipt/Payments).
8. All other items of work connected with the above mentioned accounts.
9. All the residual work after departmentalization of accounts.

**ANNEXURE – ‘B’****(See Para – 104)**

<b>Sl No.</b>	<b>item of work</b>	<b>Standard Rate</b>
1	Settlement Account-Disposal of all inward accounts including issue of suspense slips	3 minutes per item or 3 hours per account whichever is more
2	Preparation of outward accounts and schedules including preparation of advance schedules wherever necessary	4 minutes per item or 4 hours per account whichever is more
3	Cheques-checking with the covering list seeing that the cheques have been correctly accounted for including arithmetical checks etc.	2 minutes per item
4	Remittances linking and agreeing figures including working out of outstanding balances	1.5. Minutes per item.
5	March final and supplementary accounts	1/6th of the time required for items 1-4 above
6	Broad Sheets (other than F.A.O transactions)	65 hours per month per section.
7	Total	Item 1 to 6
8	Correspondence including reconciliation, examination the accounts by the examiners of sectional registers.	100% of the time for item 1-6 above
9	Idle time	5% of the time for item 1 to 7 above
10	Total time required	(Item 1 to 9)
11	Number of Accountants required	1 Accountant
12	Reserve Bank of India Work	
13	Total number of Accountants for settlement Accounts	
14	Reserve Bank of India Remittance transactions drawing and encashment	1143 items per Accountants and encashment.

NOTE: - Each individual transaction, each requisition form of application for issue of Bank Draft in the case of drawing and each paid draft in the case of encashment should be treated as an item.

**CHAPTER -II**  
**OUTWARD SETTLEMENT ACCOUNT**

**2.01 Meaning and scope of Settlement Accounts**

- i) Transactions often take place in one state or circle of Account, which are not adjustable in the accounts relating to that state or circle of Account.
- ii) The Accountant General(A&E), Orissa may pay in the first instance for stores purchased on behalf of other states. The Account Current Section deals with and arranges the monetary settlement of such transactions. These accounts of inter-Governmental Adjustments consisting of Inter-State suspense, Accounts between the Central and State Governments in India and Accounts with Government of Myanmar(Burma) and Pakistan are known as settlement Accounts

2.02 The scope of settlement Account is limited to Inter-Governmental transactions only (**Article 16(4)** of the Account Code Vol-I). Transactions initially taken against the balances of a state which are adjustable against the balances of another state are passed on to the Accountant General(A&E) of the latter state through the settlement accounts and the monetary settlement between the two states in respect of such transactions is effected by the Accountant General(A&E) of the former state through the Central Accounts Section of the Reserve Bank. A separate settlement Account is prepared according to the transactions relating to the Central Government viz. D.G.S.D payments, other state Governments, Government of Myanmar(Burma) and Pakistan accounted for under the following major head of accounts.

- (i) 8786 – Adjusting Account between the Central and State Govts.
- (ii) 8793 – Inter State Suspense Accounts.
- (iii) 8679 –Accounts with Government of other countries, viz. Myanmar(Burma) and Pakistan.

### **Preparation and despatch of outward Settlement Account**

**2.03** Due date – The due date for the despatch of settlement Accounts with other Governments is 7<sup>th</sup> of the month following that in which the accounts are closed.

### **2.04 Detailed procedure for the preparation and despatch of the settlement**

Detailed procedure for the preparation and despatch of the settlements Accounts has been mentioned in Chapter-5 of Account Code for Accountant General. The form in which the outward settlement Accounts are to be prepared has been indicated in Article 5.12 of Account Code for Accountant General. Even in cases where there are no transactions against a particular state during a month, a “NIL” outward settlement account should invariably be despatched to the Accountant General/Accounts Officer concerned vide Article 5.11 of the Account Code for Accountants General. Outward settlement Accounts are compiled from.

- i) Vouchers, Schedules etc. received from.
  - a) Other sections of the office including the Treasury Section
  - b) Other Accountants of the Account Current Section.
- ii) Transfer Entries
- iii) Settlement Accounts Abstracts (For re-debited and re-credited items only).
- iv) Copy of monthly advices of adjustment sent to Bank vide Para 2.13 of this manual.

(Account Code Vol IV was replaced for Accounts Code for the Accountant General)

**2.05** The Treasury-I section is required to make over to the Account Current Section all vouchers and schedules pertaining to settlement account soon after the receipt of Treasury Accounts viz. On 23<sup>rd</sup> of the month in cases of 1<sup>st</sup> list and 8<sup>th</sup> of the following month in the case of second list at the latest. In case of delay in their receipt the matter should be brought to the notice of the Branch Officer.

**2.06** Immediately on receipt of vouchers and schedules pertaining to the Outward Settlement Account, the Accountants concerned, list them separately for each outward account and forward them to the Accounts Officer concerned; those



pertaining to the first list of payments on the 25<sup>th</sup> of the month and those relating to the second list and cash account on the 10<sup>th</sup> of the following month with advance schedules.

**2.07** VLC should make over all vouchers and schedules with the form S.Y 22 to the Account Current Section in support of the debits and credits adjusted under settlement accounts in the departmental accounts immediately after the submission of accounts. These items of debits and credits will then be entered by the Accountants concerned in Account Current Section in their respective outward schedules.

Note-1-: It is the responsibility of the Section Officer of the section concerned for seeing that complete information in regard to settlement account transactions with supporting documents is supplied in time to the Account Current Section. Any delay in observance of these instructions should be brought to the notice of the Branch Officer. See also para 7.03 of this Manual.

Note-2: In respect of Provident Fund transactions pertaining to the settlement account, the particulars should be furnished to the Account Current Section by VLC and other section concerned in subsidiary schedules in form A.C-8 with a certificate that the totals thereof agree with the corresponding figures in respective classified abstracts. The details of these schedules should be brought over to a covering list in Form A.C-9 by the Account Current Section. The details of Form A.C-9 (debits and credits) should be entered as a single entry in the main schedule (vide Art.5.12 and note thereunder of Account Code for Accountant General).

**2.08** All the transactions should be detailed in the schedules accompanying the Settlement Account but in the case of cheques and remittances of Public Works Officers, it should be sufficient to state the amount paid or received at each Treasury on account of each P.W Division. The schedule should be supported by Treasury consolidated receipts and paid cheques, P.W outward items which

represent charges for work done should be supported by certificates in a form prescribed by the Comptroller and Auditor General.

**2.09** The Account Current Section while despatching the settlement account should not only state the items correctly but should also be prepared to give any, information regarding them as required by the other party. If the Accountant General receiving the accounts find any item which he/she can not accept he/she should recredit or redebit it to the originating Accounts Officer after obtaining his consent. In cases, however, where it is clearly established that an item in the settlement account is not adjustable in his accounts and that it has been wrongly passed on to him, the responding Accountant General may recredit or redebit it against the originating Accounts Officer without obtaining the concurrence of the latter.

**2.10 Certificate of payment**

Whenever certificates of payments are sent in lieu of original vouchers in support of the debits in the outward settlement accounts, they should be countersigned by the Branch Officer of the VLC wing in token of verification of the bonafides of the Treasury Officer and the correctness of the classification.

**2.11 Statement of debits-Certificate for adjustment of pensionary charges.**

In respect of lump-sum debits on account of pensionary charges passed on through settlement account under item – 4 of the exceptions mentioned in para-464 of the M.S.O.(T) Vol-I, the statement of debit will hereafter be accompanied with a certificate from the originating Accountant General(A&E) to the effect that “the expenditure during the month on account of payment of pensions on behalf of the Government of.....amounted to Rs..... and that it is certified that these payments pertains to the state of.....and that connected payment vouchers have been retained in this office”. The previous

procedure of sending the audit certificate issued by the Accountant General(Audit) is dispensed with for acceptance of such debits.

(Based on C&AG's confidential general circular No. 4AC-II/87 No.100 A.C.II/121-86 dated 24.2.87).

Accordingly it has been decided locally vide OOB. 1929 dated 22.5.87 that Treasury-I section will be required to send the suspense slips alongwith the vouchers under 8793-Inter State Suspense(pension) to the Account Current Section which will inturn verify the vouchers and issue the certificate described above as contemplated in C&AG's General Confidential circular dated 24.2.87 mentioned above and qualify the claim against the other Accountant General(A&E) as prescribed. The Accounts Current Section will further send the vouchers to Pension-7 section for further action and retention.

**2.12** All transfer entries affecting outward settlement account in this office should be scrutinised by the Accountants dealing with the relevant outward account to see that full details and authorities have been furnished and that the transfer entries are supported by vouchers and schedules. The transfer entries should be initialed by them in token of this scrutiny before they are accepted by the Account Current Section, for incorporation in Accounts. With a view to guarding against any double adjustment in the rectification of a misclassification, the Accountants dealing with outward account should, at the time of scrutiny of any transfer entry in rectification of a misclassification relating to a previous month, make a note of the rectification against the relevant item in the office copy of the outward account relating to the month in which the misclassification occurred.

**2.13 Periodical Adjustment through Reserve Bank**

The transactions relating to other Governments in non-banking Treasuries and sub-treasuries should be consolidated in the register of Adjustments with the Reserve Bank and advice should be sent to the Reserve Bank twice in every month, once on the 7<sup>th</sup> after the receipt of the Treasury Cash Account and again on 25<sup>th</sup> or 26<sup>th</sup> after the close of the monthly accounts. An intimation should be

sent to the Bank giving the No. and date of the last advice issued to the bank for adjustment in the accounts of the previous month (vide Article 5.3 and 5.4 of the Account Code for Accountant General). The figures of the last advice are verified and compared with the monthly accounts of the Book section. If, however, any discrepancy is noticed subsequently it is adjusted in the account of the next month. But this proviso does not apply to the accounts for March.

Note: A statement covering the transaction of the whole month on behalf of other Governments is received from the Treasury Officers by the 5<sup>th</sup> of the following month after close of the account.

2.14 In regard to the transactions relating to the Government of Myanmar(Burma) or other State Governments arising in the treasuries and appearing in departmental and other accounts, only one advice is sent to the Bank monthly after the accounts for the month are closed. The last date for the issue of this advice is 7<sup>th</sup> of the second succeeding month to which the transactions relates. As the accounts of the Government of Burma are closed in September, advice for all Burma transactions up to the end of that month should be sent in time so as to reach the Bank on or before the 15<sup>th</sup> October. The last advice for September should bear a certificate to the effect that no further advice for September will be issued in respect of Accounts of the Burma Government.

**2.15** Each Accountant in charge of preparation of the outward accounts shall maintain an Error Book (Form-I Appendix-B) to record errors and omissions noticed during the preparations of the accounts and to watch their subsequent rectification. This book shall be closed and submitted to the Branch Officer within 3 days of despatch of all accounts.

**2.16** Any error in classification noticed during the preparation of the outward accounts and which could not be rectified immediately will have to be included in the C&D schedule with a note that the item will be written back in the account of the next month. Simultaneously intimation should be sent to the section concerned for

rectifying the error. A note should also be made in the Error Book. Before the accounts for the next month are closed, the Error Book should be reviewed and if the transfer entry had not by then been prepared by the section concerned, the Account Current Section itself should prepare the T.E and get it booked. If the head of account to which the transaction correctly pertains is not known, the amount should be transferred to the Departmental adjusting account. Intimation regarding the rectification should be given to the section responsible for rectifying the error and failure to rectify the error in time be brought to the notice of the Sr. Deputy Accountant General/Deputy Accountant General(Accounts).

### **2.17 Inward objection statements**

Objections on the outward accounts received in this office either through objection statements, monthly analysis or special letter or memorandum from other Accounts Officers should be disposed of by the Accountant concerned immediately. When an item cannot properly be disposed of except by reference to the section which raised the debit or credit, an extract of the objections should at once be sent to the Section Officer concerned who should communicate his remarks to the Accounts Current Section. All such objections should be disposed of within a week of their receipt.

### **2.18 Monetary Settlement of Inter-Governmental transactions originating in the Accounts of March.**

The books of the Bank will be closed for the month of March on the 25<sup>th</sup> April and no inter-Governmental adjustment relating to the accounts of a year, therefore, should be carried out in the Bank's Account for the year after that date vide Article 5.5. of Account Code for Accountants General.

Note: Sections involving inter-Governmental adjustments issued by Government on or before the 31<sup>st</sup> March of a year though received in the Accountant General's office after that date may be accepted, if otherwise in order and adjustment carried

out through the Bank in the usual manner upto 25<sup>th</sup> April next, in the accounts of the preceding financial year.

**2.19** Special steps should therefore be taken as indicated below to collect and settle as far as possible all cash and book transactions involving inter-Governmental and departmental adjustments that originate towards the close of the year

(i)(a) A circular letter should be issued by the 1<sup>st</sup> March to all Treasury Officers requesting them to furnish advance intimations of the total transactions for March under the following heads of account, in time to reach this office in batches, the first by the 3<sup>rd</sup> April and second by the 12<sup>th</sup> April and the third by the 20<sup>th</sup> April at the latest.

(i) Accounts with Government of Myanmar(Burma)

(ii) Inter-State Suspense Account

(iii) Adjusting Account between the Central and State Government- Orissa

(b) The Treasury Officers should be requested to intimate with complete details all correcting entries effecting those heads of accounts for March by the 20<sup>th</sup> April at the latest by telegram, if necessary, and to guard against (1) erroneous classification of Central transactions as state transactions and vice-versa and (2) discrepancies between the figures furnished in the advance intimation and those appearing in the Treasury Accounts, they should also see that total receipts and disbursements under the head "Adjusting Account between Central and State Government" in the State Treasury Account appear per contra in the Central side in the State Treasury Accounts.

c) As regards the transactions appearing in the State Accounts, Public Works, Forest and original book adjustments of this office, the section concerned should be requested to take adequate steps (by addressing the departmental officers, where necessary) to obtain the figures under the heads mentioned above and send an abstract of the same to the Account

Current Section on 12<sup>th</sup> April without fail. These sections should also intimate correction, if any, on 20<sup>th</sup> April.

(ii)(a) With a view to ensuring an even flow of inter-Governmental transactions, for March. Account to the Central Accounts Section of the Reserve Bank of India, it has been decided by the Comptroller and Auditor General of India that the advices should be sent in three batches i.e. on 5<sup>th</sup>, 15<sup>th</sup> and 25<sup>th</sup> April.

(b) The Reserve Bank of India, Central Accounts Section Nagpur will keep the Accounts for March open till 27<sup>th</sup> April, but the advice should be issued on or before 25<sup>th</sup> April. Advice on 25<sup>th</sup> April should be sent by Telegram.

(Based on Comptroller and Auditor General's letter No. 405. AC/66-62 dated 8.4.63 and No. 497 AC/66-62 dated 23./4.65)

**2.20** As the Government of India are desirous that effective steps should be taken to ensure that inter Governmental Adjustments involving operation on the balance of the Central Government pertaining to a year are processed, as far as practicable on or before 31<sup>st</sup> March, the following steps should be taken:-

(i)(a) The transactions to the end of February in respect of which advice is due for issue in March should be finalized before 25<sup>th</sup> March and advice sent to Bank.

(b) The transactions arising in the non-Banking Treasuries and Sub-Treasuries will be monetarily settled on the basis of the weekly advance figures received from the Treasury Officers on the due dates already prescribed (vide Para 2.19).

### **2.21 Transfer Entries**

(i) To avoid rush at the end, all sections are required to send Transfer Entries etc. affecting Inter Governmental adjustments daily in suitable batches to Account Current Section. The Section Officer of the originating section will satisfy himself that the entry has correctly been made and S.Y-22

along with other details etc. have been sent to the Account Current Section alongwith the transfer entry. It is to be specially seen that each entry intimated to Account Current Section is duly noted by that section and it bears certificates of advice having been sent.

- (ii) Before noting the transfer entries in the register maintained for the purpose, Account Current section will see that all relevant documents have been received with the entries. Otherwise Account Current section will get the defects remedied immediately before noting.
- (iii) Before booking the entries, Book and other sections are to see that such entries bear a certificate “Noted for Bank Advice” by Account Current Section and S.Y 22 with details etc have been made over to Account Current Section by the VLC and other accounting sections concerned. Book section will get the defects remedied, if the entry does not bear such certificate. Section concerned will satisfy itself that the entries etc sent to Account Current Section have been received back with the certificate of that section and the entries required to be booked in Book Section and other sections have been made over to the respective section and their acknowledgement taken. It is to be ensured that entries required to be booked in the section have been duly incorporated in the Consolidated Abstract maintained in the section.
- (iv) Entries will be received by Account Current Section up to 2 P.M on the 25<sup>th</sup> of April with a clear certificate that there are no more transactions to be advised and signed by the Branch Officer concerned. Last advice will be issued from the A.C section at 4 PM on that day together with a certificate to be sent to Bank with reference to provision in Account Code for the Accountant General (Article-5.5.).

**2.22 Inter-Governmental adjustments after the closing of the Bank books for the year to which the transactions relate.**



Inter-Governmental Transactions which can not be advised to the Reserve Bank before the Bank's books are closed for the year should not be finally adjusted under the appropriate heads concerned in the accounts for the same year, but should be held over for final adjustment in the accounts of the next year in which the monetary settlement with the bank will actually be made. This procedure should be adopted irrespective of whether the transactions are adjustable in the books of the Accounts Offices in which they originate or they are required to be passed on through the outward Accounts for final adjustment in the books of another accounts office. Such transactions should be held outstanding under the head "adjusting Account between the Central and State Government" or "Inter State Suspense" as the case may be and not under the revenue or service heads under which they were initially classified. (Auditor General's letter No. 579 AC/119-38 dt 5.6.76-1464 AC/119-39 dated 1.10.38 and 880 AC/119-31 dated 9.12.83. Article 5.5. of the Account Code for Accountants General.

**2.23** Sub-paragraph-2 of Article 5.5. of the Account code for Accountant General comes into operation only in cases where a transaction is booked ab-initio under the head "Adjusting Account between Central and State Governments" and it comes to notice, that after the 25<sup>th</sup> April and has necessarily to be left over under the suspense Account till the monetary settlement is effected. It does not permit a service head being affected after 25<sup>th</sup> April one way or the other by debit or credit to the Adjusting Account pending monetary Settlement. (CAG letter No. 1419 AC/179 dated 1.12.62).

**CHAPTER - III**  
**INWARD SETTLEMENT ACCOUNTS**

Para  
No.

**3.01 Disposal of Inward Settlement Accounts**

The detailed procedure for disposal of Inward Settlement Accounts has been fully described in Chapter-5 of the Account Code for Accountant General. The first stage of disposal of an Inward Settlement Account consists of:-

- i) The Preliminary Scrutiny.
- ii) The preparation and issue of suspense slips.
- iii) Writing up of columns (1) to (3) of the Adjustment Register in Form No. AC-11 separately for credits and debits.

**3.02 The functions are detailed in the following paragraphs.**

Immediately on receipt of an Inward Settlement Accounts, the Accountant should check the entries in it with the vouchers and the debit and the credit schedules to see that they have been received and are complete. He should then number the items serially. The transactions should then be posted serially in the respective pages of the Adjustment Registers in Form AC-11 relating to the credit and debits separately. The items of Public Works and Forest receipts and payments which are adjustable in the Divisional Accounts being shown in lump as single entries under the head "P.W Remittances" or "Forest Remittances" as the case may be and agreed with the figures in the Accounts.

- 3.03 (i) After noting the serial number of items and month of account on the vouchers or schedules, Account Current Section should prepare suspense slips in Form AC-12 in respect of such items as are adjustable under the heads opened in other Departmental Abstracts. The serial number of the items in the Adjustment Register should be quoted in the suspense slips. All such suspense slips should be entered in a list of suspense slips in Form AC-13 (Outwards suspense slip Register) which together with suspense slips and the supporting vouchers details etc. should be sent to the VLC for carrying out necessary adjustments. The VLC should at once classify the suspense slips received from the Account Current

Section, post them in the compilation sheet of the month concerned (or return such items as are not adjustable in these abstracts) and subscribe the certificate of adjustment in form AC-13, printed as foot note on the basis of account in compilation sheet only. The Account Current Section should then post Column 4 to 8 of the adjustment Register (Form AC-11). Article 5.13 of the Account Code for Accountants General envisages items held under objection as not adjustable by the state and those which are prima facie adjustable in the books of the state but vouchers or particulars to determine the Major head or Department against which the items are to be adjusted are not available, should be classified under the Head "8658-Suspense Accounts-Civil unclassified suspense" pending clearance by adjustment against the balance of the Government concerned or the Department concerned as the case may be. Items in respect of which the Department or Major Head is clear from the schedules but full particulars or vouchers are not available to determine the Minor and Detailed heads of account should, however, be adjusted under the relevant Departmental adjusting account or other head concerned. The clearance of all classes of such items should be watched through the objection book.

After verification that each item in the adjustment Register has been classified, the total of the column adjusted should be struck, and the difference between the totals of debit and credit Adjustment Registers should be worked out and agreed with the net credit or debit advised in the Inward Settlement Account. The difference should be Adjusted as deduct entry under the head "Central Accounts Office-Reserve Bank Suspense" in the relevant Adjustment Register so that the credit and debit Registers may be squared and the debit or credit previously made under this head may be cleared.

(ii) The VLC Section should invariably return the suspense slips received from the Account Current Section along with a certificate of adjustment in form AC-13 on or before the day following the date of receipt of the suspense slips from the Account Current Section.

(iii) The Account Current Section may prepare and send the suspense slips for classification to the VLC Sections and when the Inward settlement Accounts are received in Account Current Section but not later than the 14<sup>th</sup> of the second following month to which the accounts relates. In other words such settlement account received after that date will not be adjusted in the accounts on hand, but will be kept pending for adjustment in the next months Accounts (Based on OOA 2960 dated 11.2.50)

(Consequent upon dissolution of D.C section, the accounting function has been taken over by the VLC).

**3.04** Suspense slips with supporting details and vouchers for adjustment of items received through ISS accounts from other Accounts Officers are not occasionally being accepted and are returned with the remarks “Details wanting” “full particulars wanting” “classification wanting” etc. In this connection attention is drawn to OOB 769 dated 7.1.59 which provides that the adjusting accounts officers should not reject an item simply because some of the vouchers are wanting or the same are not in order. It should be accepted and adjusted under the proper service head but place under objection. The VLC wing should therefore accept the suspense slips issued by the Account Current section with details/vouchers as available for adjustment but will note their objection, if any on the duplicate copy of the suspense slips for further reference. The account current section will initiate the preliminary correspondence forwarding a copy thereof to the VLC wing, who will make the subsequent correspondence if necessary, to obtain the requisite information, (Based on OOB-769 dated 7.1.59)

**3.05** If the Accountant General receiving the Inward account finds any item which he can not accept, he should re-credit or re-debit it to the originating Accounts Officer after obtaining his consent. In cases, however, where it is clearly established that an item in the settlement accounts is not adjustable in his accounts and that it has been wrongly passed on to him, the responding Accountant General may re-credit or re-debit it against the originating Accounts Officer without

obtaining the concurrence of the latter (Vide para 4 of Article 5.12 of the Account Code for Accountants General).

**3.06 Reversal of debit in respect of Pensionary charges for want of certificate of debit**

Debit in respect of pensionary charges to be borne by a State Government but initially paid in State Treasury in another State Government and passed on to the State Accountant General concerned through the Inter State Settlement Account without accompanying the prescribed certificate with the debit statement thereof as required under para 2.11 should not be reversed by the responding Accountant General. Although the vouchers are not sent in terms of provision of para 464 of MSO(T) Volume-I, such debits are required to be accompanied by a certificate and statement of debit, it will not be correct to reverse such debits unilaterally for want of the said certificate. The appropriate course in such cases would be to take a note of such items in the Error Book and also to include them in the objection statement of the settlement account concerned and pursue the matter with the originating Accountant General for obtaining wanting documents (Based on C&AG's letter No. 2431 AC/122-79 dated 30.11.79) issued when the practice of sending of Audit Certificate in vogue)

**3.07** In respect of Settlement Accounts, the Examiner should see that the entries in the Adjustment Register are in accordance with the adjustments made on the suspense slips, the items rejected are classified under, "8658-Suspense Account-102-Suspense Account-Civil-unclassified suspense", and that these items together with items accepted but awaiting clearance are entered in the objection book. He should also check the abstract prepared at the foot of the entries in the adjustment register for each month, test the correctness of the totals of each major head and minor head and record his dated initials in token of such check. He should then pass all the documents and mark "Disposed of" on the Inward Accounts. No Account should be filed unless it is so marked by the Examiner and attested by the Section Officer.

### **3.08 Settlement Account Abstract.**

After striking the grand total of the Adjustment Register, the amount adjusted should be posted in to the Settlement Account Abstract in Form No. AC-14 for receipts and payments by each adjuster as per instructions contained in Article 5.13 of Account Code for Accountants General. Care must be taken that the Abstract is posted only from the Adjustment Register and not from the schedules accompanying Inward Account or from any other documents. The abstract when completed in all respects should be put up to the Section Officer of the section who, after examination, will submit the same to the Branch Officer for approval. After the abstracts are passed by the Branch Officer, they should be made over to the Book Section on the 20<sup>th</sup> of the month at the latest.

### **3.09 March Transactions**

As no adjustment in respect of Inter Governmental transactions pertaining to a financial year arising in the accounts of other Civil Accounts Officer can be effected after the 25<sup>th</sup> April of the succeeding year by the Central Accounts Section of the Reserve Bank, all Civil Accounts Officers in India, and the Accountant General Myanmar (Burma) should in the first week of March each year be requested by special circular letter to see:-

(i) That all transactions which may originate in their accounts in the later part of a year affecting the balance of the Government of Orissa are advised to the Bank by the 25<sup>th</sup> of April.

### **3.10 Inter-Governmental adjustment in respect of transactions originating in the month of March**

(i) The Government of Orissa have accepted the procedure under which officers of other Governments including the Central Government who make supplies or render services to offices or departments under the Government of Orissa in respect of transactions originating in the month of March may raise debits in anticipation of acceptance by the officer to whom the supply is made or the service is rendered. The debit to be raised

should be supported by vouchers or other papers giving full classification of the charges and indicating clearly the department and officer to whom the supplies were made or services rendered.

- (ii) Similar procedure should be followed in adjusting claims against the Central and other State Governments in respect of supplies made or services rendered to them by officers of the Government of Orissa.
- (iii) This procedure is not meant to cover individual items in respect of which separate agreements have been arrived at.
- (iv) Any readjustment which may be necessary with reference to the invoices as finally accepted will be made in the accounts of the following year.

(Government of Orissa F.D Resolution No. 5972 F dated 21.6.39 Dy T.M Ref. 3-464 and No. 8/00F dated 19.8.39 Dy A.C 945 and G.O.F.D letter No. 1608-10F dated 21.2.39 Dy A.C 947).

### **3.11 Unclassified Suspense**

Broad Sheet in Form No. MSO(T)-129 are maintained in Account Current section to watch the clearance of the amounts outstanding under “Unclassified Suspense” (State)(Article 5.13 of Account Code for Accountant General). The additions and clearance during the month in respect of each settlement Account will be posted in this register and for this purpose each Accountant should maintain an abstract of objections in Form No. MSO(T)-131 in respect of each settlement Account for which he is responsible. This abstract should be posted only from the objection Book and not from the settlement Account abstract or from Adjustment Register (Form A.C-II). These abstracts should then be posted in the Broadsheet. The total of the Broad sheet should then be reconciled with the ledger and the difference rectified. A year-wise analysis of the outstanding should then be prepared and the Broadsheet submitted to the Branch Officer on 10<sup>th</sup> of every month.

### **3.12 Objections on Inward Accounts.**

Every item which is not finally disposed of should be entered in an objection statement in the objection book Form AC-15 and AC-10 respectively with suitable modifications being adopted for the purpose vide Article 5.14 of the Account Code for the Accountant General. The Accountant dealing with the Inward Account should keep objection book and adjustment registers for Settlement Accounts with sufficient number of pages for each account. The adjustments should be marked off in the objection books and in the adjustment registers under the initials of the Examiner and the books closed in the same way as the objection book relating to payments of a district Treasury. Abstract of objections should also be maintained in Form No. MSO(T)-131.

3.13 **Six-Monthly Register**

- (i) Frequent attention should be given to the early settlement of the amounts under objection and barring exceptional cases they should be adjusted within six months from the date on which the objections were raised. Every month, when the objection book is submitted to the Branch Officer his attention should be drawn to the items remaining unsettled for six months or more by entry in a separate six monthly register which should be submitted to the Branch Officer.
- (ii) The Group Officer will specially review all items outstanding for over one year and pass specific orders in respect of individual items for early clearance. This review will be done concurrently with review of the six monthly register. In order to facilitate the review, the Section Officer of the Account Current Section should ensure that full details of action taken in respect of outstanding items are invariably given in the six monthly register.

(C.A.G's circular No. 1546/AC/9E.C-62 dated 17.9.1962)



## CHAPTER – IV

### PUBLIC WORKS REMITTANCE ACCOUNTS

**Para**  
**No.**

(N.B) The instructions in section VIII of chapter07 of the works Audit Manual should also be followed where necessary.)

**4.01** (i) Head-II P.W cheques :- This head is intended for cheques drawn by Officers of P.W.D on Treasuries in the sama account circle. The Treasury schedule and the paid cheques received from the Treasury Officers are enclosed to the P.W. Remittances outward account in support of the debit under Head-II. The clearance of this head is watched in WAC section (of this office).

(ii) Head-II-A-Cheque:- Cheques drawn by P.W Officers of Orissa on Treasuries or Banks under another account circle are received in this office through Inward Accounts from other accounts Officers. The debits in respect of such cheques are shown by Account Current Section under head-II-A, cheque in the P.W Remittances Account and the cheques forwarded to WAC along with the outward account in the case of head-II cheques. The responsibility for clearance of debits under head-II-A cheques devolves upon the WAC section.

Accounting procedure of transactions originating in the accounts of P.W Division and ultimately adjustable under non-public works major heads including public establishment.

**4.02** These items will be classified under “Departmental Adjusting Account” subordinate to the head-8658-Suspense account under section L-Suspense and Miscellaneous (b) Suspense by WAC section of the Branch Office. Consequently, the suspense slips will be issued by that section to the adjusting sections direct.

- (ii) Transactions relating to Debt and Remittances Heads will be booked direct in the abstract maintained, for the purpose without passing them through the Remittances head-III(a) "Items adjustable by Civil".

**4.03** Accounting procedure of transactions originating in the accounts of other civil departments including forest adjustable by the P.W Divisions Head-III(b)-Other Remittances-Credits and debits which originate in the accounts of other civil departments of this state including the Forest Department, which are adjustable, by the P.W.D are collected by the Account Current Section every month and passed on through Head-8782-Cash Remittances-102-P.W Remittances –III-Other Remittances (c) items adjustable by Pub Works

**4.04 Outward account**

The Assistant in charge of the P.W Remittance Account of Account Current section should collect the necessary details, particulars, vouchers etc, in support of the credits and debits under Head-III(b) in time. He should prepare the office copy of the account in form A.C-6 suitably modified and send the same to the Book Section for verification of this figures with the ledger. After verification, the office copy and the fair copy, the accounts should be put up to the AAO/Section Officer who should scrutinize and satisfy himself about the accuracy of the figures. Then the outward account should be made over to the WAC section on the 10<sup>th</sup> of the second following month. The receipt of the Inward Account should be watched and in case of delay WAC section reminded.

## CHAPTER-V

### ACCOUNTS WITH GOVERNMENT OF FOREIGN COUNTRIES.

**Para**  
**No.**

(a) **Accounts with Pakistan:-**

Agreement between Governments of Indian and Pakistan

- 5.01** The Government of India and the Government of Pakistan have agreed that with effect from 1.7.48 payments and receipts in respect of transactions listed in the Annexure-I to this chapter will initially be paid or received by the Government of the country in which the payment or receipt takes place and the accounts settled by means of a Bank Draft. Transactions not listed in the Annexure should not enter Government Accounts.
- 5.02** Settlement of Claims:- Amounts received from the Accounts Officers in Pakistan in settlement of claims preferred by this office or paid to them in settlement of their claims should be credited or debited to a separate detailed head of account under the same minor head and excluded from the schedule of credits or debits in the outward accounts.
- 5.03** The items relating to the Government of Pakistan(centre) must be included in a separate schedule. The total of schedule only needs to be shown in the main schedule eof miscellaneous items. With a view to avoiding possible objection from the Accountant General, Pakistan (Revenues), and consequent delay in settlement of the transactions, the items intended for the Pakistan Government should be scrutinized carefully and supported by adequate details and properly vouchered.
- 5.04 After the accounts for the month are closed, a schedule of credits and debits supported by full details of receipts and vouchers and other particulars of payments should be prepared and sent to the Accounts Officer in Pakistan at whose instance money has been received or payment made. On receipt of similar schedule from the Accounts Officer in Pakistan the schedule with supporting vouchers etc. should be checked by the Accounts Officer in India. The settlement of the net amount payable or received should be on the basis of Inward and Outward schedules exchanged between the two

Accounts Officers, the payment being made by means of Demand Draft. Based on Para-3 of Auditor General Express letter No. 497/A.C-50-48 dated 30.6.48 received with the Auditor Generals No.704- AC/50-48 dated 31.7.48 )Dy. TM- 1928).

Note: While preparing the outward schedule, the debits and credits booked under Account with Government of Pakistan “Government of .....” Should be carefully taken. The responding items booked by the Account Current Section should be excluded.

**5.05** The check of schedules etc. should be completed within a period of one month of their receipt by the Accounts Officer and the demand draft for the net amount (if due to Pakistan) transmitted to the originating Accounts Officer in Pakistan. If for any reasons any item included in the monthly inward schedules cannot be completely checked within the prescribed period of one month or if the incidence of any item is in doubt, the Accounts Officer concerned should nevertheless provisionally account for the schedule as a whole and carry out financial settlement on the basis of the net amount shown therein leaving the items disputed or doubtful ones covered by the provisional settlement to be readjusted subsequently. The readjustment when necessary, should ordinarily be carried out within a period of two months following the month of acceptance of the schedule by including the items in the outward schedules in the usual way. (Based on Para-4 of Auditor General Express letter No. 497 AC/50-48 dated 30.6.48)

Note 1-It has been decided by the Government of India, Ministry of Finance that for settlement of Inter-Dominion transactions and for making direct remittances for meeting the requirements in Pakistan, Accounts Officer may obtain the required drafts from the Branch of the State Bank at their respective centres direct. It is not necessary to approach the Reserve Bank for these drafts except at such centres like Mumbai, Chennai and Kolkata where the Government account is maintained at an office of the Reserve Bank. (Based on G.I, Ministry of Finance letter No. 12560-B/48 dated 21.8.48 received with Auditor General’s letter No. 851/AC/KW-650-48 dated 16.9.48 Dy. TM-6-32-1875).

Note 2- The Remittance charges for the issue of Bank Draft to the Accounts Officer in Pakistan are borne by the Government of Orissa and is debitable to the appropriate Major Head of the Department concerned. (This office letter No. AC-Pak-252 dated 10.5.49 and Reserve Bank of India, Central Office letter No. Acts-993-90-49 dated 22.3.1949).

**5.06** The Inward schedule should be initially checked by the adjuster concerned of the Account Current Section and circulated to VLC of this office for acceptance of the debit or the credit. Debit and credits, if accepted, should be adjusted in the accounts of the months in hand against the department concerned by per contra credit/debit to the head of account with the Government of Pakistan, “Government of.....

In respect of Items for which provisional settlement has been made by this office as enjoined in para 5.05 of this Manual, the Accounts Officer at the other end should be addressed promptly for carrying out the necessary readjustment.

**5.07 Broad sheet of adjustment with Pakistan**

- (i) A Broad sheet in the form given below should be maintained by the Account Current section in order to watch the recovery from or payments to the Accounts Officer in Pakistan by means of demand draft. Separate pages should be allowed for each Accounts Officer in Pakistan as detailed below. The Broad sheet should be posted from the outward and inward advance schedules, the items in the Inward advances schedules being posted in the reverse order viz. Debit or credit and vice versa. The Broad sheet should be submitted to the Branch Officer in charge on the 30<sup>th</sup> of every month after verification of the figures with the Book figures.
- (ii) The names of the Accounts Officers in Pakistan.
  - (1) Accountant General West Pakistan, Lahore.
  - (2) Comptroller, Southern Area-West Pakistan, Karachi.

- (3) Comptroller, Northern Area-West Pakistan, Peshwar.  
 (4) Accountant General Pakistan Revenue, Juaharabad.

**FORM OF BROAD SHEET**

April						May					
Schedules	Opening Balance	Dr.	Cr.	Net Dr/ Cr.	Closing Balance	Opening Balance	Dr.	Cr.	Net Dr/ Cr.	Closing Balance	And so on

Outward  
Inward.....

Total as  
Per Book

Initial of Gazetted Officer

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Para-3 of O.O No. 747 dated 3.11.1948.

#### **5.08 Acceptance of the Accounting procedure by Government of Pakistan**

State Government in Pakistan viz. Sind, North West Frontier province and West Punjab have accepted the accounting procedure mentioned in the foregoing paragraphs, for the adjustment of their own transactions with the state Government in India. (Auditor General letter No. 128-Part/KW-7. Part 48 dated 5.1.1949 Dy. Ac. 3549 and No. 401 Part/KW-7.48 dated 18.2.49 Dy. AC-4335 and No. 629 Part/KW-7-48 dated 23.3.49 Dy. AC-39)

#### **5.09 Acceptance of the Accounting procedure by the Government of Orissa.**

Government of Orissa have also accepted the above mentioned procedure for accounting.

(G.O.F.D letter No. 8169F dated 21.9.1948 Dy. TM-6-32-1948).

#### **5.10 Forwarding Statement of outstanding items.**

A statement in the form prescribed by the Comptroller and Auditor General (Appendix-C) showing the amount for which monetary settlement is outstanding with the Central and State Governments in Pakistan as per books of this office should be forwarded to the Comptroller and Auditor General on the 31<sup>st</sup> August each year for the previous year ending 31<sup>st</sup> March.

(Based on C & A.G's letter No. 901 Comp/72-71 dated 21.9.71 Dy. AC-1 CAG-5).

#### **5.11 Acceptance of debits of Interregnum period**

It has been decided in consultation with the Government of India that for payments made in Pakistan on or after 1<sup>st</sup> August 1955 debits raised against this country may be accepted and the fact intimated to the Pakistan Accounts Officers if it is satisfied that these debits are in order and that the amount is finally debatable to this country. It is imperative that a very cautious approach should be adopted in the matter and only debits which are unquestionable should be accepted. In respect of debits still lying unaccepted for the interregnum and 20<sup>th</sup> September 1949 to 31<sup>st</sup> July 1955 and the periods earlier than 20<sup>th</sup> September 1949 no acceptance should be issued in any such cases.

(Based on CAG's No. 91 Part/34-62 dated 11.5.1963 Dy.AC-1 CAG-PAK-562).

## **(B) Accounts with the Government of Myanmar(Burma)**

(Settlement of Transactions with Government of Myanmar (Burma) Railway Board)

**5.12** The transactions between the Government of Orissa on the one hand and the Government of Myanmar(Burma) or the Myanmar(Burma) Railway Board on the other shall be adjusted through direct Account Current and settled through the Reserve Bank of India, Central Accounts Section, Nagpur.

**5.13** It has been clarified by the CAG in his letter No. 823-AC/SEP/28-7611-KW-XVI dated 18.6.1977 that the procedure prescribed in Article 127 of the Account Code Volume IV regarding the settlement of transactions between the state Governments on the one hand the Government of Myanmar(Burma) on the other, through the direct Account Current (i.e. through the CAS, Reserve Bank of India, Nagpur) would continue even after departmentalization of accounts at the Centre as the same has no bearing on the settlement of such transactions and to this extent, the provisions contained in Para-22 of the scheme of Departmentalization of accounts of the Department of Economic Affairs in the Ministry of Finance would not be applicable.

### **5.14 Classification of Transactions**

Transactions on account of Government of Burma shall be classified in the state section of the Treasury Accounts under the Major Head “:8679-Accounts with Government of other countries-103-Myanmar(Burma)”.

(Note – Transactions pertaining to the Myanmar(Burma) Railway Board should be advised to the Reserve Bank of India, for adjustment against the balance of the Government of Myanmar(Burma) only as the Myanmar (Burma) Railway Board does not have a separate balance with the Reserve Bank of India.



### **5.15 Procedure for Settlement of All Transactions.**

The procedure for the settlement of transactions relating to other state Governments in the India shall apply mutatis-mutandis to the settlement of receipts and payments accounted for in the state section of the accounts under the heads “Accounts with the Government of Myanmar(Burma). The schedules with all the necessary vouchers etc. in respect of Burma transactions except those relating to pensions should be forwarded to the Accountant General, Myanmar(Burma) direct.

### **5.16 Settlement of all transactions before closing of Annual Accounts.**

The Accounts of the Government of Myanmar(Burma) are closed annually on 30<sup>th</sup> September. To incorporate inter Governmental adjustments pertaining to the previous financial year, they will be kept open by the Reserve Bank of India till the 15<sup>th</sup> October. Transactions relating to the Government of Myanmar(Burma) arising in the State Section of the Accounts during September should be collected in time and the original schedule with supporting vouchers etc. forwarded to the Accountant General, Myanmar(Burma). In this connection instructions contained in the Para (2.14) may be referred to.

#### **ANNEXURE - 1**

##### **(Para-5.01)**

1. Payment of interest in India of the securities of Pakistan and vice-versa.
2. Discharge in India of the securities of Pakistan and vice-versa.
3. Payment of pensions in India debitable to Pakistan and vice-versa.
4. Payment of Inter Governmental supplies.
5. Payments in respect of India Pakistan traffic (e.g. Railway traffic postal and Telegraph traffic money orders etc.)
6. Provident Fund transactions (namely, subscriptions advance and recovery of advances) of Government servants, who opted provisionally for one country, but opted finally for the other or those, who after opting finally for one country continue in the service of the other country after 14<sup>th</sup> August 1947.

7. Postal Life Insurance premia of Government servants referred to in item (6) above.
8. Postal Life Insurance Premia of the pensioners who migrated from one country to the other before the 1<sup>st</sup> April 1948 and in respect of whom the liability for the payment of policies devolved on the country of the residence of the insurants.
9. Advances of pay and travelling allowance made during the post partition period by one Government to the optees of the other Government and the credits on accounts of the recoveries of such advances.
10. Transactions relating to payments on account of arrears of pay and allowances for the post partition period by one country on behalf of the other, who had retained the optee of the former country for some time after 14<sup>th</sup> August 1947.
11. Late fees to be paid to the telegraph lots on the telegrams exchanged between India and Pakistan in respect of such of those telegrams booked outside the working hours of the telegraph office concerned.
12. Awards to be paid to part-time observers, when special observations are requisitioned by India from Pakistan observatories or by Pakistan from India observations.

((Items (1) to (5) Auditor General's No. 704 AC. 50-48 dated 31.7.48 items (6) to (8) CAG's letter No. 689/Part/62.52 dated 20.12.52 item (9) CAG's No. 68/Part 62-52 dated 14.2.53 Item (10) CAG's No. 489/Part-16-56 dated 8.12.56 Item (11) and (12) CAG's No. 348/Part 16-56 dated 27.8.60)

## CHAPTE - VI

**Para**

**No.**

**6.01 Reserve Bank of India**

**Adjustment of Reserve Bank of India Remittances.**

All drawings and encashments of Reserve Bank of India Remittances at Treasuries and sub-treasuries in Orissa should be classified in the State section under the Major Head-8782-cash remittances and adjustments between officers tendering accounts to the same Accounts Officer-105-Reserve Bank of India Remittances under the section – M-Remittances.

Note: - The work in connection with the accounting and Audit of transactions pertaining to the Reserve Bank of India Remittances including receipt and consolidation of daily advices etc. is done by the Account Current Section.

**6.02 Accounting Procedure**

The procedure to be followed for accounting the transactions connected with the issue and payment of telegraphic transfers drafts etc. on Reserve Bank account and for advising the receipts and payments to the Bank in special forms and for ultimate clearance of the head “Reserve Bank of India Remittances” by credit or debit to the head “Reserve Bank Deposits” on receipt of intimation of adjustment from the Reserve Bank has been described in Article 5.15 of the Account Code for Accountants General.

**6.03 Audit**

As laid down in Para-468 of M.S.O(T) Vol-I, the Audit of Reserve bank of India Remittances by Audit Office mis confined to seeing that the total of the issues (including exchange) as reported by the Treasuries in the daily schedules of the Treasuries is credited to the Reserve Bank while the total of the payments on account of such remittances reported in the daily schedules of the treasuries is debited to the Bank. Audit is not responsible for seeing whether the conditions

governing the issues and payments, on account of Telegraphic Transfer and Drafts as laid down in the Banks memo or in the relevant Treasury Rules are fulfilled in each case. No audit of the paid draft is done by this office but the entries in the schedule of payments are checked with the paid drafts in order to see that the amounts agree and that there is a voucher for each entry in the schedule. Audit is also to see that the net receipts of payments for the month under the head "Reserve Bank of India Remittances" for all Treasuries under its audit, as worked out in the Detail Book for the month, agree with the corresponding adjustments made against the balances of the Government concerned by the Reserve Bank for that month. The responsibility for the checking of encashment of individual telegraph transfers and drafts against the corresponding drawing made in another Treasury or bank rests solely on Reserve Bank.

**6.04 Receipt of schedule from the Treasury and Action thereon.**

At the close of each day, the Treasury Officer should despatch to this office (i) a drawing schedule (Form R.B.R-7) accompanied by the application forms (Form R.B.R-3,4,5) in respect of the Draft and Telegraphic Transfer issued during the day and (ii) an encashment schedule form (R.B.R-11) supported by the paid draft and paid receipts of Telegraphic Transfers. The drawing Schedule received from the Treasuries should be listed in form R.B.R-12 while encashment schedules should be listed in form R.B.R-13. These lists should be prepared in duplicate<sup>4</sup> by carbon process. One copy of each list should be forwarded to the Central Accounts Section of the Reserve Bank of India at Nagpur accompanied by the Schedules, vouchers and other connected documents on the same day and the other copy of each list retained in this office as record. All advices relating to transactions of a particular month of account should, at the latest, be communicated to the Reserve Bank of India not later than the 7<sup>th</sup> of the succeeding month.

**6.05** Before forwarding the lists mentioned in the above paragraph to the Bank, the total debits and credits as worked out in them should be posted in part-III-A of the Register of Adjustments with the Reserve Bank (Form A.C-3). On receipt of the clearance memorandum from the Reserve Bank, the amount adjusted by the Bank should be credited or debited to the Head-8675. Deposits with Reserve Bank-101 Central Civil (b) Reserve Bank Central Accounts Office by contra debit or credit to the head “8682-Cash Remittances and Adjustments between officers rendering accounts to the same Accounts Officer –105 – Reserve Bank of India Remittances”. At the time of proposing transfer entries, the amount adjusted against the head Reserve Bank of India Remittances should be entered in the appropriate columns of Part-III-A of the Register of adjustments with the Reserve Bank (Form A.C-3).

**6.06** With a view to reconciling the total of several advices received from the Treasuries with the figures that appear in the monthly Treasury Accounts and to facilitate analysis of amounts outstanding, if any, and their prompt and speedy clearance, a Broad sheet in Form-3 should be maintained (Appendix-D). It should be closed monthly and submitted to the Branch Officer on the 2<sup>nd</sup> of the second, succeeding month, indicating there in the special steps taken for clearance of outstanding items. A certificate should also be furnished duly attested by the Section Officer to the following effect.

“Certified that the schedules and vouchers pertaining to the month ..... received from the Treasuries have been duly listed then and there and forward to the Central Accounts Section of Reserve Bank of India at Nagpur with the advice for necessary adjustment against the balances of the Government (ii) that the amounts so advised have been reconciled with the relative figures with Treasury Accounts and (iii) that necessary action has been taken to clear the difference”

**6.07 Adjustment at the close of the year.**

As the transactions on account of the Reserve Bank of India Remittances are to be cleared daily with the Bank, the transactions under the head “Reserve Bank of India Remittances” for each month should be completely adjusted in the accounts of that month and there should ordinarily be no balance under this head at the end of the year. The occurrence of an outstanding balance under this head should therefore be carefully investigated and prompt action taken to adjust the outstanding. Suitable explanation should also be given in the Review of Balances (Part-B of Finance Accounts) of the year regarding the circumstances which occasioned the outstanding at the close of the year and action taken for their adjustment.

**6.08** An indent for forms RBR-12 and 13 required for use during the next calendar year should be forwarded to the Central Accounts Section of the Reserve Bank of India at Nagpur on the 7<sup>th</sup> September, every year in Form T.R-68.

**6.09** Commission payable to the Reserve Bank of India for Management of Orissa Government Treasury Bills.

The central office of the Reserve Bank of India, Mumbai sends to the State Government through this office every half-year a bill for the commission payable to them for the management of the Orissa Government Treasury Bills. The bill is checked by the Book Section and forwarded to Government who pass necessary orders for payment and communicate the same to this office with the Bills of Reserve Bank. The orders are first scrutinized by the Book Section and then transferred to Account Current Section for necessary adjustment and issue of advice to the Bank. The charge on this account is debitable to Major Head "2049-Interest payments - interest on internal debt-management of debt."

## CHAPTER - VII

### MISCELLANEOUS

**Para**

**No.**

**7.01** **March Final Transfer Entries.**

In case of March Final transfer entries, the Account Current Section should be very careful to see that, for every debit and credit proposed, the responding Accounts Officer is duly advised at once and that the vouchers if any, are sent to him in advance of the despatch of the ISS Account, so that no item may be left out of the years accounts.

**7.02** Register for watching the receipt and adjustment of inward/outward accounts.

In order to ensure that all the Inward/Outward settlement accounts are received in this office and promptly adjusted, two Registers styled as Progress Register of Inward Accounts in Form No. 2 Part-I and Progress Register of Outward Account in Form-2- Part-II as indicated in Appendix-B and Appendix-F should be maintained by the Account Current Section either for the whole section or group-wise. These registers should be submitted to the Branch Officer on 15<sup>th</sup> of the second following month.

(Based on Accountant General's orders dated 23.8.1954).

**7.03** Procedure for preparation and despatch of Outward Account

(i) The following procedure should be followed to ensure the timely preparation and despatch of Outward Account:-

(a) All vouchers, schedules etc. in respect of debits/credits raised against other Accounts Officers should invariably be accompanied by a covering memorandum in form S.Y-22 which is intended to show, besides the amounts debited or credited, the No. of vouchers and schedules made over in their support and if there are no such vouchers and schedules to accompany, full details of each item of debit and credits. There must be a separate memorandum for the debit and credits pertaining to each ISS Account. Before this memorandum is signed by the Section Officer concerned he must

satisfy himself that it is correct in every respect and it is accompanied by full explanation of the credits and by documents supporting the debits.

(b) Whenever an item affecting an ISS Account is adjusted by a transfer entry whether the sum is booked by them or by the Book section, a separate memorandum in form S.Y-22 supported by the requisite documents if any or detailed particulars of such an item should be sent to the Account Current Section (OOB-509 dated 28.6.1952).

(c) The AAO/Section Officer should see that the consolidated lists in form S.Y-22 are sent to the Account Current Section with supporting documents separately in respect of each account dealt with by him and in one installment not later than the third day after the submission of classified or consolidated abstracts to Book Section. If no ISS transactions appear in any account, intimation to that effect should be sent to the Account Current Section within the period prescribed above (OOB No. 300 dated 13.12.48).

(ii) The following instructions should be strictly followed to ensure timely despatch of the accounts from the account current section.

(a) As soon as items are adjusted under Inter-state suspense heads, schedules and vouchers in support of thereof should be furnished to the Account Current Section with Form No. S.Y-22.

(b) A statement in the following form for each Accounts Officer should be furnished to the Account Current Section on the very day on which the abstracts and transfer entries are sent to Book Section.

Name the section.....figures under Inter State Suspense Account between .....and .....for the month of.....



As per Abstract

As per T.E

Debit/Credit

Debit/Credit

Certified that necessary details and vouchers in support of debits/credits have been sent to the Account Current Section.

AAO/Section Officer.....Section

(c) Transfer entries affecting the heads should in all cases bear a certificate to the effect that schedules and vouchers, with the statement in form S.Y-22 have been sent to the Account Current Section. Transfer entries without such certificates should not be accepted by Section responsible for their adjustment.

(d) With materials thus received, the Account Current Section should compile the Inter State Suspense Account before the despatch of the Civil Accounts and receipt of Bank advices.

These outward accounts, after due verification by the Book Section, should be despatched by the Account Current Section, on the due date indicated in Para-2.03.

(e) Items without supporting details and vouchers should not be adjusted under the inter-state suspense account without obtaining the orders of the Branch Officer. Before passing orders, the Branch Officer should satisfy himself that the section has taken adequate action for obtaining the details or vouchers as the case may be connected with the proposed adjustment.

**7.04 Arrangement for payment of Loans and Grants by Central Government to State Governments and repayment of loans, payment of interest by State Government to Central Government:-**

The procedure for payment of loans and grants by Central Government to State Governments and repayment of loans and payment of interest by State Government to Central Government after departmentalization of Finance (Department of Expenditure) special cell, New Delhi letter No. 2(45)76-

S.C dated 30.8.76 and letter No. 2(45) 76-Spl. Cell-5993 dated 11.1.77 has been incorporated in Book Manual.

**7.05 Maintenance of Dummy P.F Account.**

In respect of Officers whose pay and allowances are audited in Orissa circle but whose provident Fund Accounts are centralized in another office, Dummy Accounts in the Form given below should be maintained by the Account Current Section. The postings in the accounts should be made before the despatch of the outward account and checked to the extent the provident Fund ledgers are checked. The Dummy Accounts should be submitted to the Branch Officer along with the monthly outward accounts.

Necessary details should also be given in the C and D schedules. (Based on CAG's order No. 1678 Admn-III/50-61-II dated 25.10.61).

Form of Dummy P.F Accounts to be maintained by the paying Accounts Officer year 200.....20.....

- a) Name of the Fund
- b) Name and Designation of the Officer
- c) Account No. (Such as DACR-A.G Punjab.....).
- d) Department to which attached
- e) Rate of subscription

Month of Deduction	Amount Credit/Debit	Name of Treasury Vouchers & Date	Particulars of settlement Account through which credit or debit passed on by the paying Accounts Officer.

(Based on CAG's orders No.1678 Admn-III/50-61-II dated 25.10.61).

Note: Missing credits/Debits for the month of.....have been transcribed to the Register of missing Credit/Debits.

The results of the review carried out by the Accountant should be submitted to the AAO/Section Officer/Branch Officer. This review should be

conducted after the March (final) Accounts are closed and before a copy of Dummy P.F Account is despatched to the Adjusting Accounts Officer. (CAG's letter No. 1793 T.A-II/424-70 dated 30.10.71)

#### **7.06 Action in the originating Accounts/paying Accounts Officer**

- i) A copy of the Dummy P.F Account maintained should be sent to the adjusting accounts office, immediately after the closure of March(final) accounts with a statement of missing credits/debits during the year and the action taken to trace and adjust them.
- ii) An alphabetical index register of Dummy P.F Account should be opened as an independent record of the number of Dummy P.F Accounts opened and closed. This will prevent opening of double accounts for the same subscribers.
- iii) The AAO/Section Officer should review 25% of the Dummy P.F Accounts every month, so that each account will come under his review once in every four months. This will ensure close watch over the action to be taken to trace the missing credit/debit.
- iv) 100% Annual Review of the P.F Accounts should also be carried out by the Accountant with a view to carry forward in a register the list of missing credits/debits in the whole year and pursuing them.

#### **7.07 Procedure for payments for purchases made through the Director General Supplies and Disposals by the State Governments.**

According to procedure in vogue the State Governments had been making purchases, on their account through the Central Agency of the Directorate General of Supplies and Disposals and the payments there for were being arranged by the Chief Pay and Accounts Officer, Department of Supply, New Delhi.

Since there was considerable time lag in the final adjustment of the transaction resulting in large accumulation of debit balances under P.A.O. suspense a new procedure has been evolved by the Government of India. According to the revised procedure, the pay and Accounts Officer of the Chief Pay and Accounts Office. Organization stationed at New Delhi,

Kolkata, Mumbai and Chennai have been authorized to pass the debits arising in their respective books direct to the State Government through the Central Accounts Section of the Reserve Bank of India, Nagpur. Thus under the revised procedure, the P.A.O of the C.P.A.O organization acts a Civil Accountant General.

**Accounting Procedure**

All D.G.S.D claims against the State Government in the Books of the P.A.O supply, Mumbai, Chennai, New Delhi and Kolkata are to be settled through the Reserve Bank of India by operating the head of account 8786- Adjusting Account between the Central And State Government and all erroneous debits passed on by the P.A.Os are to be reversed through Reserve Bank of India.

In order to accommodate any erroneous transactions passed on by the P.A.Os as well as for the facility of advising the Reserve Bank of India by Account Current Section, the following sub-heads should be opened under the head 8786-Adjusting Account between the Central and the State Government.

PAO Supply, New Delhi

- (i) PAO Supply, Mumbai.
- (ii) PAO Supply, Kolkata.
- (iii) PAO Supply, Chennai.

(OOB 1617 dated 10.12.76 and OOB 1642 dated 4/77)

**7.08 Additional Emoluments (Compulsory deposits) ordinance 1974- Procedure for maintenance of Accounts.**

Under the Additional Emoluments (Compulsory deposits) ordinance 1974. 100% additional wages for a period of one year and 50% of additional Dearness allowance for a period of two years and 50% of additional Dearness allowance for a period of two years are required to be deducted from the wage bills of employees of Central and State Government and kept in separate Deposit Accounts.

**7.09 Accounting Procedure.**

- (i) The additional wages and 50% of additional dearness allowance will be deducted from pay bills. The deductions in the bills will be

adjusted by the Treasuries by transfer credit to “additional wages” additional dearness allowances” suspense accounts as in the case of Income Tax and House rent deduction. The Treasuries are to send to this office along with the monthly accounts a schedule in support of the credit appearing in the suspense account. The schedules so received in Treasury-I section will be sent to the Account Current Section. In respect of Forest Division and P.W Divisions, Forest compilation sections and W.M Section will prepare a consolidated schedule and send the same to Account Current Section.

- (ii) On receipt of schedule from all sources the Account Current Section should verify the total deductions and take necessary action to advise the Reserve Bank of India for the transactions on the State side with the Book figure. In case, where there is discrepancy, it should advise the accounts figure to the Reserve Bank of India and reconcile the discrepancy later. On receipt of the clearance memos from the Reserve Bank of India, necessary action should be taken to debit the suspense accounts by per contra credit to the Reserve Bank Deposits.

(OOA-7199 dated 11.9.1974)

### **7.10 Offices stationed at New Delhi Arrangement of payment of Bills and Accounting of receipt and expenditure.**

According to the revised procedure effective from 1.6.81, the practice of arranging payment of establishment of Liaison offices by the PAO, New Delhi has been replaced by a system of direct draws from the Reserve Bank of India, New Delhi by the following authorized officials of the State Government.

- i) Section Officer, Office of the Resident Commissioner, Government of Orissa, New Delhi.
- ii) Assistant Director of Industries, Government of Orissa, New Delhi.
- iii) Tourist Officer, Government of Orissa, New Delhi.

The Above Officers will draw cheques on the Reserve Bank of India, New Delhi for arranging payment on account of pay and allowances, contingent expenditure etc., of the respective establishments. Receipt realized will be credited by them to the Reserve Bank of India. At the end of the month the above mentioned officers will render completed accounts of receipts and payments along with paid vouchers to this office for incorporation in the accounts of the state. The receipt/scrolls along with challans and payments scrolls along with the cheques will be sent to this office separately by the Reserve Bank of India, New Delhi. The transactions of the liaison office made by the three authorized officers stationed at New Delhi will be incorporated in the monthly accounts as in the case of any other transactions of the State Government.

### **7.11 Accounting Procedure.**

- i) The compiled accounts along with vouchers will be received in Treasury-I Section. These accounts will be adjusted under 8658-Suspense Account-Departmental Adjusting account (concerned Major head of accounts) by per contra debit to –8670- Cheques and Bills.

- ii) In case of receipt accounts the concerned revenue heads will be credited by operating Departmental Adjusting Account by per contra deduct –credit to 8658-Suspense.
- iii) On receipt of bank scrolls and cheques from Reserve Bank of India, New Delhi the Account Current Section will debit 8670-Cheques and Bills by per contra credit to 8658-Suspense-CAORB Suspense. The debit under 8670-cheques and bills will be set off by adjustment mentioned in (i) above and differences if any, will be reconciled by Account Current Section.
- iv) In case of receipt scrolls and challans similar adjustments will be made by the Account Current Section by debiting 8658-Suspense, CAORB Suspense “by per contra credit” to the suspense heads mentioned in (ii) above and difference if any, will be reconciled by Account Current Section.

For the purpose of watching clearance and reconciliation suitable broad sheets should be opened by Account Current Section.

- v) On receipt of clearance memos from Reserve Bank of India, Nagpur, the “CAORB-Suspense” head will be cleared by Account Current Section by debit/credit to “8675” Deposits with Reserve Bank in the same manner as is done by in respect of such transactions by incorporating the monthly transfer entries.

(Based on OOB 1830 dated 18.7.81).

#### **7.12 Inter-Governmental transaction-procedure to be followed for settlement of claims.**

In all cases of claims for an amount not exceeding Rs.1000/- in each case no Monetary settlement will be resorted to except in case of claims relating to commercial departments/undertakings of a Government which are required to work for a financial result, for services rendered to or supplies made to or by them.

**7.13** Incidence of changes viz. Leave salary, pension etc. arising out of inter-Governmental deputation of individual Government servants will continue to be regulated by the rules laid down in Appendix-3B to Account Code Vol-I. 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 the cheques/Bank drafts by the recipient Govt. The procedure to be followed for making the monetary settlement 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.

**7.14** **Between the State Government inter-se.**

- (i) The concerned offices of the Government in receipt of supplies or services will be present a bill at the Treasury for the cost of services or supplies, along with the accepted invoice and a requisition for bank draft in favour of the officer concerned in the supplying department and remit the Bank draft so obtained to the latter who will present at to the Treasury for encashment and crediting to the proper head of account.
- (ii) Between the State Government and a Central Government department (including Defence, Railways and P&T) Departments besides Civil):-

**7.15** 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/drafts drawn in favour of the officer concerned of the supplying department in settlement of its claim.

7.16 In the reverse case of supplies/services rendered by a Central Government Department, the cheques/Bank draft received by it from the supplied Government will be presented by it to its Accounts Officer for encashment and credit to proper head of account. In case the departmental Officer is



himself in account with a branch of the bank the cheques/bank draft will be remitted by him to the bank with challan showing particulars of the head of account for credit to Government Account.

- 7.17 These instructions will not apply to payments to the supplies arranged by the Ministry of Supply and Rehabilitation of Government of India for purchases made by the State Governments etc. through the Directorate General supplies and Disposals.

(G.O.F.D Memo No. Bt.IV(R)48/77-58293(35)/F dt 16.11.77 and OAA 7943)