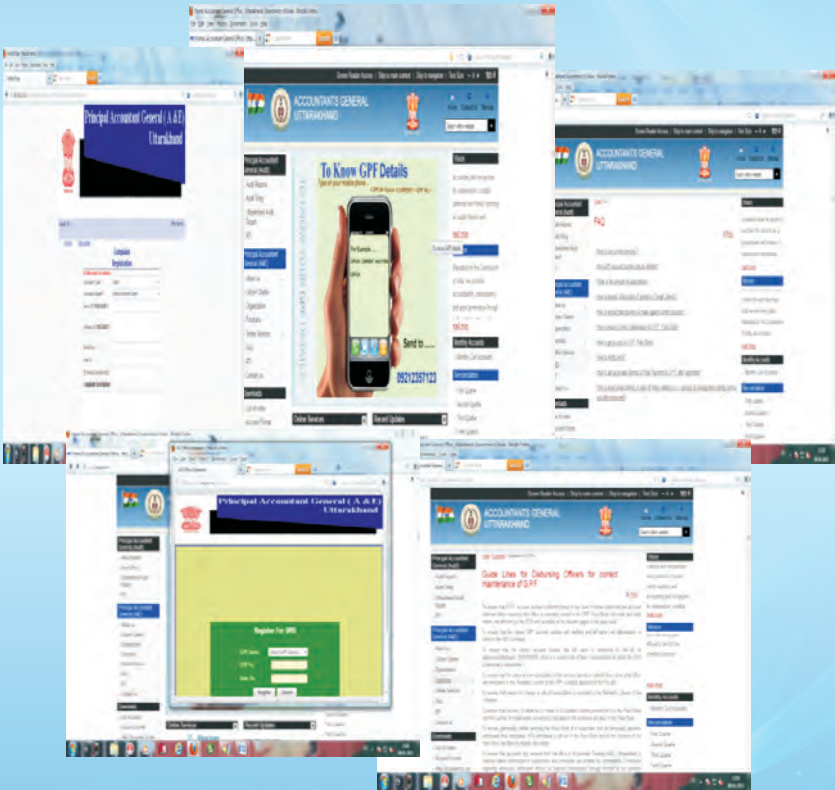




MAINTENANCE OF GPF

The Uttarakhand Experience



**PRINCIPAL ACCOUNTANT GENERAL
(ACCOUNTS AND ENTITLEMENTS)
UTTARAKHAND**



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Preface

The environment in which we function is full of challenges. These challenges range from acute shortages of staff, lack of professionalism and promptitude in discharge of duties and functions and burgeoning demands for information arising from legislations such as Right to Information Act, which places ever increasing responsibilities on already stretched offices. The need to meet these challenges in an age of rapid technological advancements is being continuously felt. The initiatives being taken by this office in its avatar as the guardians of Provident Fund Accounts of the State of Uttarakhand were the outcome of such a felt need and this monograph simply attempts to put on paper our experiences in this direction. We welcome suggestions and comments, as also your shared experiences on this subject.

Mahua Pal

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*Principal Accountant General (A&E)
Uttarakhand*

February 2013

Uttarakhand came into existence on 9th November 2000. Accordingly, Office of the Accountant General, Uttarakhand, Dehradun was established on 09.11.2000. The office initially functioned from Allahabad and functions of Audit and A&E were carried out by one AG. It was shifted to Dehradun w.e.f. 15.05.2002. Subsequently, a separate office of the Accountant General (A&E) Uttarakhand was set up w.e.f. 14.07.2008.

FUNCTIONAL SET UP

Presently, we are maintaining 80713 live GPF accounts of the State Government of Uttarakhand. Deputy Accountant General (Funds) supervises the work of seven fund sections, handling General Provident Fund viz Final Payment (FP) cases, reconciliation cases, RTIs, complaint Cases etc. Further, there is one EDP section, and one Fund Over Sight (FOS) section. The EDP section is responsible for posting of data of each subscriber from schedules received from Treasuries, allotment of GPF numbers to subscribers, clearance of full want and part want schedules and issuance of annual GPF statements. FOS traces unposted debits/credits.

PURPOSE OF PAPER

The purpose of this publication is twofold. Firstly, we wish to showcase and share the **e-initiatives** in vogue in this office. These initiatives are evidence of **how ICTs can be leveraged**, through small, simple programmes, to address entitlement related issues. We hope that this will provide



guidance to other A&E offices, some of whom have already evinced interest in this regard. We also hope that the State Government which has been an active and positive partner in all our endeavours will continue to publicise these e-initiatives because it is only through maximisation of usage that **service delivery and customer satisfaction** get optimised.

Secondly, we also wish to **highlight interesting cases of lapses**, errors and irregularities in maintenance of GPF Pass books by DDOs. While we have been periodically writing to the State Government highlighting individual cases, we hope that such consolidation will focus the spot light and **thereby draw special attention in bringing about systemic improvements**. We equally hope that other A&E offices will also derive some benefit and similarly share their experiences, so that this becomes a mutually beneficial learning endeavour.

I. Leveraging ICTs in discharge of Entitlement Functions and Grievance handling

(1) HOSTING OF OFFICE WEBSITE

The website of Accountant General Uttarakhand was hosted in January 2009 under the website address <http://www.agua.cag.gov.in>. The website apart from providing information on various issues handled by this office, including FAQs on GPF and guidelines to DDOs on GPF maintenance, facilitates access to subscribers to their GPF Accounts and allows them to interact with us via email. It is a powerful tool in providing ready, immediate and 24x7 access to GPF related information and in resolving grievances.

(2) COMPUTERIZED CALCULATION OF GPF FINAL PAYMENT CASES

This software developed by M/S Mentor Infotech Solutions, was implemented in July 2009. It enabled fetching of data pertaining to pre-2003 period which was in dBase / FoxPro (in AG –Allahabad) and merging of the post 2003 period GPF data, which was in Oracle (in AG Uttarakhand).

Benefits:

- **Simplified calculation & check** as it provides relevant information at a glance.
- **Complete details of subscriber** subscription, refund, debits, etc. fetched at one go from the existing database of FoxPro and Oracle.
- Summarized year-wise details (S.O.24) of a subscriber, with **complete profile** of GPF account- month-wise subscription, refunds, withdrawal and progressive figures of deposits and withdrawals available at a glance.
- SO-24 Form extremely **useful in replying to RTI/ Legal cases.**

(3) GPF ONLINE SERVICES

The **following information is available** through GPF Online Service:

- Annual Statement of GPF (2003-04) onwards.
- Missing items detail.
- Debit drawn detail.
- Current status of Posting.

How it works

- Step 1: Go to the website (www.agua.cag.gov.in)
- Step 2: Click on scrolling message **Online GPF** under the Title **Online Services**
- Step 3: Click Ok
- Step 4: Select GPF series
- Step 5: Enter your GPF number
- Step 6: Enter Personnel Identification Number (PIN).
- Step 7: Enter the MD 5 encryption and click Send

Benefits

- **To facilitate the subscribers** 24 x 7 service facility –anywhere/anytime
- Enhance **transparency**
- **User friendly**
- Effective **grievance redressal** system
- **No waiting time** for receipt of Accounts Slip
- **Less dependency on DDO**
- Entire operation was at **no cost to Government**

(4) GPF SHORT MESSAGE SERVICE

It was observed that due to difficult geographical terrain and inhospitable conditions in remote areas in Uttarakhand, many subscribers were unable to avail the benefits of GPF On-line service. Hence it was decided that GPF information to subscribers be provided, through SMS. This would ensure better coverage as almost everyone is a cell phone subscriber. The service was launched on 29.07.2010.

(i) Push SMS

The GPF subscribers must register their mobile numbers along with their names and GPF Account number through the Accountant General Website. The phone numbers so collected are registered in our database against their GPF accounts after verification with our existing subscriber details. Once the details are registered, their mobile numbers are ready to receive the monthly alerts through SMS from our office. When the posting of GPF credits and debits are completed, the details of credits and debits in the accounts are sent through SMS to all the individuals registered mobile numbers.

How to register

Step 1: Go to the website (www.agua.cag.gov.in)

Step 2: Go to Register SMS service menu

Step 3: Select GPF series

Step 4: Enter your GPF number

Step 5: Enter your mobile number.

Step 6: Click Register.

The following information is available:

- Monthly Subscription deposited by subscriber.
- Withdrawal during month, if any
- Opening Balance, Deposit, Withdrawal, interest and closing balance at the end of financial year.

(ii) Pull SMS

The individual subscriber can also send an SMS to this office to get information of Current status, Debit status and Missing credits status on his/her phone anytime, anywhere.

How it works

To know Current Status:

Type GPFUK<space> CURRENT<space>GPF Series and Number (without any space)

Example: GPFUK CURRENT IRRIU41634

To know Debit Status:

Type GPFUK<space> DEBIT<space>GPF Series and Number (without any space)

Example: GPFUK DEBIT IRRIU41634

To know Missing Status:

Type GPFUK<space> MISSING<space>GPF Series and Number (without any space)

Example: GPFUK MISSING IRRIU41634

Send your SMS to 09212357123

(5) ON-LINE GRIEVANCE REDRESSAL SYSTEM

This office also has an online grievance facility which enables the users to register their complaints on the Accountant General's Website. We are committed to sending responses within 2-3 working days.

How it works

Step 1: Go to our website www.agua.cag.gov.in

- Step 2: Click on **Online Grievances Redressal** scrolling message under the Title – **Online Services**
- Step 3: Click on **OK**
- Step 4: Click on **Click Here for Registering Your Complaint and Checking Status**
- Step 5: **Complaint Registration** window will open where first two fields may be filled using **Drop Down** option and remaining fields to be filled **manually** and then Click Send

(6) GPF FINAL PAYMENT STATUS

From October 2011, subscribers can also check their General Provident Fund Final Payment status on the Accountant General's website.

How it works

Step 1 – Go to online Services

Step 2 – Click on GPF status

Step 3- Enter GPF series

Step 4- Enter GPF No

Step 5- Click on submit

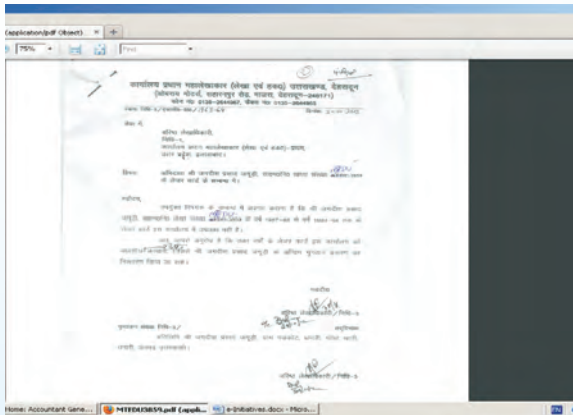
If the GPF case has been settled, subscriber will get dispatch number and date.

The screenshot shows a web browser window with the title 'AG Office Dehradun - Mozilla Firefox'. The page header reads 'Principal Accountant General (A & E) Uttarakhand'. Below the header, a message states: 'Shri/Smt RAGHURAJ SINGH your GPF payment authority for Rs. 341272 dispatched on 06-Nov-2012 vide dispatch No.2088-2068'. The main content area is a green box titled 'Know Your GPF Status' containing the following form fields:

- GPF Series:
- GPF No.:
- Category:

At the bottom of the form are 'Submit' and 'Cancel' buttons. The browser's taskbar at the bottom shows the Start button, several icons, and the system tray with the date 'Tata Photon' and time '11:00 AM'.

If case is under process, letter under correspondence will be reflected on the screen:



(7) GENERATION OF MISSING SCHEDULES

It was observed that a large number of GPF schedules are missing / not supplied at the time of submission of accounts to this office. Due to non-receipt of schedules, missing credits and un-posted items keeps increasing despite correspondence with the concerned Treasury officer for supplying the missing schedules.

To address this problem, in November 2012, it was proposed to access the State Govt data centre from this office through internet. The State Government acknowledging the benefits of such access facilitated the same immediately. We would like to place on record our appreciation of their cooperation.

By providing the related parameters such as voucher month/year, treasury and voucher number, **GPF schedules can now be generated** in pdf format for printing. Before closing the GPF monthly account in this office, a list of missing schedules is being generated with the related parameters at the time of the proving of account. Through internet, database of State Government is being accessed to printout the missing schedules. After taking the printout of the missing schedule, data entry is being done. Thus the **problem of unposted items and missing credits is being resolved** more speedily and easily as compared to the practice of corresponding with the Treasuries etc.

II. Cases of Interest

It has been observed that entries of credits of pay arrears and debits are often not recorded properly with complete details such as voucher no, date and amount, in GPF Pass Books (PB) of subscribers by the DDOs. Sometimes pay arrears are paid in cash and simultaneously the same is also being recorded in the GPF PassBook. Withdrawals taken by the subscriber are often not being recorded. There are some cases where deduction of Income-Tax (TDS) from arrears has not been factored in while recording arrears of pay in PB. We also found deliberate corrections made in PB and existence of two Passbooks in respect of one subscriber.

Some interesting cases are summarised in succeeding paragraphs.

(1) PAYMENT OF ARREARS IN CASH & IN GPF A/C

- (a) In two cases, credit entries in respect of arrears were recorded in PB whereas payment had been made in cash.

Two entries of Rs.29608/- and Rs.29608/- relating to arrears of Sixth Pay Commission of two subscribers had been made in their GPF Pass books by the Drawing and Disbursing Officer (DDO). On enquiry it was clarified by the DDO that arrears had already been paid in cash to both the subscribers. This happened despite certification of year wise entries in PB by the DDO.

- (b) In another case, it was noticed that the department had paid DA arrears (Rs. 5430) in cash (January 2012). At the same time, a credit entry of Rs. 5430 was also made in the PB. Payment in cash was ascertained from salary details of the concerned individual from the Treasury and also confirmed by the Department.

(2) ENTRIES OF PAY ARREARS MADE IN PB WITHOUT GIVING EFFECT OF TDS

In one case it was seen that the entry of Rs 57,944/- being arrears of 40 % in November 2009, 30% arrears of Rs.43,458/- in the month of September 2010 and 30% arrear of Rs.43,458/- in the month of October 2010 had been recorded in GPF Pass book of the subscriber. On having doubt, clarification was called for as to whether the above amount so entered in GPF PB were gross amounts or net amounts after deduction of Income-Tax. It was clarified by the DDO that these amounts were gross amounts including Income Tax deposits (Rs.14620) that had erroneously been entered in GPF PB of the subscriber.

Such cases where TDS is included in the arrears are tantamount to cash benefit to the subscriber if not detected.

(3) EXCESS PAYMENT OF ARREARS IN GPF A/C

Credit entries of arrears of Sixth Pay Commission in respect of two subscribers were shown in excess in GPF schedules (Form 42-B) by the DDO. Whereas there should have been four entries of Rs.37, 688/- each against two subscribers there were six entries of Rs.37, 688/- each. As a result Rs.75, 376 was paid in excess to the two subscribers.

The concerned Drawing and Disbursing Officer, while accepting the facts stated that entries had been made erroneously.

(4) OMISSIONS & LAPSES IN MAINTENANCE OF PASS BOOK

- (a) The subscriber had taken a withdrawal of Rs. 100,000/- in the month of 4/2010 according to records of this office. But the same was not recorded in the PB/Form 425A for FP/ Departmental Calculation-sheets of the subscriber. The department replied (April 2012) that the debit of Rs. 100,000/- was not recorded due to clerical mistake.
- (b) A final payment case of a subscriber was received on 29 Feb 2012. Some entries seemed suspect. On enquiry of salary details from the concerned treasury, it was revealed that pay for the period from August 2008 (Paid in September 2008) to July 2009 had not been drawn, whereas subscriptions relating to this period had been recorded in the PB by the DDO.
- (c) On scrutiny of the final payment case of a retired subscriber, it was noticed that an advance of Rs.35, 000/- in April 2011 was sanctioned to and withdrawn by the subscriber, but the entry of this withdrawal was not recorded in the PB nor was it shown in Form 425-A sent with the Final Payment case. While accepting his mistake, the DDO stated that the entry of Rs. 35,000/- was erroneously missed.
- (d) A DDO passed the Debit amount of a subscriber against his employee code instead of allotted GPF number. The Senior Treasury Officer too did not object to this while passing the debit amount. It is pertinent to mention that credits of the subscriber are being received against his correct GPF number. Such lapses lead to risk of omission of debit from the Pass Book.
- (e) Uttaranchal General Provident Fund Rules 2006 inter alia provides that GPF of Group C and above will be maintained by the Accountant General Uttarakhand and the Account Officer will authorise the final

payment of fund at the time of superannuation/death/VRS of the employees.

In violation of the above, in Haridwar District, GPF accounts of Registrar Kanungo (Group C) and Tehsildar (Group B) had not been transferred to AG office. Some of the officers had retired and their cases of GPF had been finalised by the departmental authorities. The maintenance of these GPF accounts and finalization of FP cases at local level in contravention of GPF rules dilutes the system of checks and controls and runs the risk of overpayment especially where the subscriber is himself the DDO.

(5) SUBSCRIPTION AFTER DEATH OF SUBSCRIBERS

- (a) During the examination of a case of Final Payment of GPF of subscriber who expired on 24.10.2009, it was noticed from the PB that subscription was paid for the month of November 2009 i.e. after his death. On inquiry from DDO, we were informed (February 2012) that salary had also been paid though it was stated that the same had been recovered in March 2010. The GPF subscription of November 2009 was excluded by us while calculating the amount of GPF due to him.
- (b) A subscriber passed away on 03.11.2008. The examination of PB revealed that the salary and corresponding subscriptions of the deceased subscriber was up to February 2009. On enquiry, the DDO intimated that entries were made in the PB inadvertently.

(6) OVER PAYMENTS DUE TO EXCLUSION OF DEBIT ENTRIES

- (a) In one case, an over payment of Rs.78,358/- was made to the subscriber while authorizing 90 percent payment despite the fact that after having done the reconciliation (Nov.2010) this office had clearly pointed out that entries pertaining to the period of deputation from April 1991 to April 1993 must be considered. But the same were not taken into account while sanctioning the 90% payment at the level of DDO.
- (b) A debit entry of Rs. 80,000 though clearly indicated in the PB was not subtracted in the closing balance of PB for the year 2002-03 by the DDO. As a result of this at the time of paying 90% of balance, excess was paid to the subscriber and thus Rs. 1,42,354 (Nov.2012) became recoverable.
- (c) A case of final payment was received (July 12) after sanctioning of 90% payment of GPF. On scrutiny of the case it was found that Rs.3,75,000/- had not been recorded in PB of subscriber. On enquiry, it

was stated by the DDO that entry could not be recorded due to non availability of voucher no. The recovery letter has been issued for Rs. 4,41,142/- in October 2012.

- (d) In another case 90% payment of GPF of Rs. 1,31,857/- was released (June 2009) without considering following withdrawals:

Year	Amount	Vr. No. and Month
1998-99	Rs. 1500/-	54 of 9/98
2005-06	Rs. 1,00,000/-	23 of 12/2005

These withdrawals had not been recorded in GPF Pass Book, Form 425A, Calculation Sheets of the subscriber by the department. DDO replied that entries could not be recorded inadvertently in PB. This has resulted in minus balance of Rs. 2,125,65/-

- (e) In two cases of final payment received in Oct & Nov 12, after sanctioning of 90% payment of GPF, it was found that Rs. 2,00,000 & Rs. 2,25,000 respectively had not been recorded in PB/form 425 A/calculation sheet of subscriber. This resulted in minus balances of Rs. 1,08,965 & Rs. 2,42,726 respectively.

(7) MAINTENANCE OF TWO PASS BOOKS

The original Pass Book of GPF is to be maintained by the DDO in line with GPF rules. In one case of final payment of a deceased (July 2002) subscriber, two original GPF Pass Books were found to have been sent by the department one PB to O/o AG (A&E) I-UP Allahabad another PB to this office.

On examination of the case, it was found that the case was processed (June 2008) by the O/o AG (A&E) I-UP Allahabad for Rs. 2,85,007/- and payment was made by the Treasury. All relevant documents along with original Passbook was kept by O/o AG (A&E) I-UP Allahabad after issuance of GPF final payment order.

It was surprising to see that another so called Original PB in respect of the same deceased subscriber was received on 16.11.2010 for processing of the GPF case in this office. The case was referred to O/o AG (A&E) I-UP Allahabad who confirmed that the payment had already been made.

(8) TAMPERING OF ENTRIES IN PASSBOOK

The final payment case of a subscriber was received with the sanction letter dated 14-05-2009 of Rs. 197497/- towards 90% payment of GPF of subscriber in the month of July 2009. The case did not come for reconciliation and came to this office only for processing for residual balance of GPF. Initially it was noticed that opening balance was not taken correctly in PB and there were over writings & cuttings on the amount of withdrawals. Enquiry was made from the Treasury officer about the withdrawals of Rs. 2,50,000/-. The Treasury officer intimated the particulars of withdrawals and the same were cross checked with DDO. Following discrepancies were noticed during the examination of the case:

- (i) The GPF Passbook was prepared from 1978-79 with opening balance of Rs.11, 930/- whereas the opening balance was Rs. 1930/- as per records of this office. Thus an excess amount of Rs. 10,000/- was recorded in the PB.
- (ii) The debit entry of Rs.25000/- (March 1990) was not recorded in the GPF PB of the subscriber but recorded in our Ledger card.
- (iii) A debit entry of Rs. 2, 50,000/- in the month of November, 2000 was tampered to indicate Rs. 50,000/- in PB. This was cross checked with the Departmental Cash book and 11-C Register which confirmed the withdrawal of Rs. 2, 50,000 by the subscriber.
- (iv) The recovery letter was issued for Rs.7,31,643 in November 2009 and the matter was brought to the notice of Secretary (Finance).
- (v) It was intimated (June 2010) by DDO that subscriber had gone to High Court against recovery.
- (vi) The HOD registered an FIR (August 2010) against the subscriber for tampering of records.

CONCLUSION

The errors listed above are probably commonly found in most A&E offices maintaining GPF Accounts of the State Govt. What we have attempted is to collate and consolidate a variety of these commonly occurring lapses, across the spectrum, to serve as a quick and ready reckoner of risk areas, akin to blips on the radar which need to be watched closely, continuously and carefully. We hope that both the State Govt. of Uttarakhand and our A&E offices derive benefit by way of meaningful insights into the problem areas and checks that have to be exercised to prevent and/or detect such lapses.

