



**ANNUAL REVIEW ON THE WORKING OF
TREASURIES 2023-24
OFFICE OF THE SR.DY.ACCOUNTANT GENERAL
(A&E),
SIKKIM, GANGTOK**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

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Preface

The Annual Review on the Working of Treasuries prepared by the office of the Sr. Dy. Accountant General (A&E) Sikkim is a report on the working of the Director of Treasury/ Pay & Accounts Office (HQ), four District Chief Pay & Accounts Offices, Director of GPF, GIS & Pension Office and Pay & Accounts Office of Sikkim Legislative Assembly for the year 2023-2024 Treasuries/CPAOs constitute an important financial organ of the State Government and act as a bridge between the Drawing and Disbursing Officers (DDO) and the Finance Department. A review of working of treasuries in Sikkim is conducted every year as the treasuries are part of the State Government through which transactions of the Government are carried out. The aim of this review is to bring to the notice of the State Government the performance of the above-mentioned offices in maintenance and rendering the initial accounts of the Government as per Codes, Manuals and Administrative Procedure prescribed by the State Government from time to time. This report is based primarily on the findings as noticed during the compilation of accounts and the findings of the inspection conducted by the Office of the Sr. Dy. Accountant General (A&E), Sikkim.

This review also suggests recommendations for modification of system of accounts wherever applicable to increase the efficiency and accuracy of accounts of the Government of Sikkim.

Constructive suggestions, if any, to increase the utility of the review are always welcome.



Dy. Accountant General

Place: Gangtok
Dated:4 June 2025

Part -I

1. Introduction

The Treasuries/CPAO functions under the administrative control of the Director of Treasuries, Sikkim. There are eight accounts rendering units headed by the following officers who render initial accounts relating to civil, public works and forest divisions to the office of the Sr. Dy. Accountant General (A&E) Sikkim, Gangtok.

1. Secretary, Pay and Accounts Office, State Legislative Assembly
2. Director of Treasury/ PAO, Headquarters, Sikkim, Gangtok.
3. Addl. Director, Chief Pay and Accounts Office, District Gangtok.
4. Addl. Director, Chief Pay and Accounts Office, Mangan District.
5. Addl. Director, Chief Pay and Accounts Office, Gyalshing District.
6. Addl. Director, Chief Pay and Accounts Office, Namchi District.
7. Addl. Director, Chief Pay and Accounts Office, Soreng District.
8. Addl. Director, Chief Pay and Accounts Office, Pakyong District.

1.2 Organizational Setup.

There are six districts each with a Chief Pay & Accounts Offices (CPAO) viz., Gangtok, Gyalshing, Namchi, Mangan, Soreng, Pakyong, PAO/Sikkim Legislative Assembly and one Pay & Accounts office, Head Quarter, under the control of the Director of Treasury. Each of the CPAOs acts as non-Banking Treasury. The CPAOs authorize payment of the State, maintain the accounts of the Government and submit those to the Office of the Sr. Dy. Accountant General (A&E) with reference to the instruments received from the State Bank of Sikkim. Unlike in other States, Reserve Bank of India does not have operations in this State in Government business till date as no agreement exists between RBI and the Government of Sikkim in terms of Section 21A of the RBI Act, 1934. The State Bank of Sikkim acts as the Government Banker and collects the receipts of the Government (Government own revenue) revenues through its branches around the State. All the inter Government transactions with the State of Sikkim are settled by means of Cheques/Bank draft as per provision of Para 8.20 of Civil Accounts Manual. The Directorate of Pension, GPF & GIS have been given responsibility for maintenance of GIS, GPF, Pensions and CPF/NPS of the State Government employees including the GPF of Judges of High Court. The Directorate of Pension also makes payment of Central Pension (Civil & Defence) and pension relating to other State Governments' Pensioners who are residing in Sikkim and opted to draw their pension from the treasuries of Sikkim. The functions of GPF and Pension are regulated by the GPF and Pension Rules framed by the Finance Department, Government of Sikkim.

The Office of the Sr. Dy. Accountant General (A&E) Sikkim prepares the Monthly Civil Accounts and Annual Finance and Appropriation Accounts of the Government of Sikkim, after compiling the instruments viz. Vouchers, Challans/Bank Receipts and compiled accounts relating to works/forest divisions as received from the different CPAOs. Function on entitlement was not entrusted to this Office unlike the offices of Accountants General in other States.

Sanction Strength & Man-in-position of Treasury Staff.

Sl. No	Name of Office	Sanctioned Strength	Man-in-position
1	PAO/SLA	20	15
2	CPAO/Hqr	--	54
3	CPAO/Gangtok	49	35
4	CPAO/Gyalshing	34	17
5	CPAO/Mangan	21	14
6	CPAO/Namchi	51	26
7	CPAO/ Soreng	22	23
8	CPAO/ Pakyong	20	16
9	Directorate of Pension GIS, GPF and CPF, Gangtok	82	80

Part-II

2. Deficiencies noticed during the compilation and verification of accounts

2.1 Delay in rendering monthly accounts

Timely completion and submission of Monthly Civil Accounts to State Government by the Office of the Senior Deputy Accountant General (A& E) depends on the rendition of initial accounts by the Chief Pay and Accounts Offices. As per the extant arrangement, the Monthly Accounts from all the CPAOs shall reach this by the 10th of the following month to which the accounts relate and in respect of March accounts shall be submitted by 15th April. During 2022-23 delays were noticed in rendering initial accounts by CPAOs as detailed below: -

Month of Accounts	Delays in days							
	CPAO Hqtr	CPAO Gangtok	CPAO Gyalsing	CPAO Mangan	CPAO Namchi	CPAO/Soreng	CPAO Pakyong	PAO SLA.
Apr-2023	0	0	0	0	12	0	0	0
May-2023	0	0	0	0	5	0	0	12
Jun-2023	0	0	0	0	7	0	0	4
Jul-2023	1	0	1	0	11	0	0	8
Aug-2023	1	1	0	0	0	0	2	3
Sep-2023	0	0	0	0	0	0	0	0
Oct- 2023	0	0	0	0	0	0	0	0
Nov- 2023	0	0	0	0	0	0	0	0
Dec- 2023	1	1	0	0	0	0	0	0
Jan- 2024	0	2	0	0	0	0	0	1
Feb- 2024	1	0	0	0	4	0	0	1
Mar-2024	1	3	7	0	7	0	2	0

It was advised that all CPAOs may render the initial accounts in time to enable this Office to compile the monthly civil accounts in time.

2.2 Unadjusted Abstract Contingency Bills

Para 19 of Government of Sikkim, OM No. 01/Fin/Acct/2013-14, dated 10.04.13 states that the Finance Revenue & Expenditure Department/ Treasury, Pay and Accounts Office (Treasury/P.A.O.) shall not entertain any proposal for drawl of advances received from the Department concerned unless the status of unadjusted advances is recorded. The Financial Regulation adopted by the State Government; Abstract Contingent (AC) Bills need to be adjusted by submitting Detailed Contingent (DC) Bills within three months. According to Para 7.6 of Government of Sikkim's Instruction under Chapter XV of Sikkim Financial Rules (SFR), 1979 (Third Edition), the Advance Register shall be reviewed by the Head of Department/Office at frequent intervals to ensure that the advance do not remain outstanding for more than the period stipulated for settlement.

Para 7.19 under Rule 227 of chapter XV Sikkim Financial Rules, 1979 (3rd Edition), states that Pay & Accounts office shall not entertain any proposal for drawl of advance received from the Department concerned unless the status of unadjusted advances are recorded.

AC bills submitted to this Office through CPAOs have remained unadjusted in the accounts for long periods for want of DC bills. As on 31.03.2023, AC Bills amounting to ₹56.63crore

drawn between 200-05 and 2023-24 remained outstanding. The CPAO-wise break up of these outstanding AC Bills are given below:

Treasury/PAO	Amount in ₹	Items	Period of AC Bills between
CPAO Hqr.	53,79,25,172	1512	2019-20 to 2023-24
CPAO GANGTOK	23,68,415	87	2005-06 to 2023-24
CPAO GYALSING	79,48,657	93	2023-24
CPAO MANGAN	8,88,665	35	2006-07 TO 2023.24
CPAO NAMCHI	1,29,40,976	160	2004-05 TO 2023-24
CPAO PAKYONG	8,26,540	18	2023-24
CPAO SORENG	34,92,185	17	2023-24
TOTAL	56,63,90,610	1922	

Details of unadjusted AC Bills are given in ***Annexure-I***.

Non submission of detailed accounts causes non-transparency in expenditure reporting system as money which was drawn from Government exchequer does not get properly accounted for as the purpose for which it was drawn cannot be vouched by Accounting and Auditing Authorities. Non-settlement of advances also carries with it the risk of fraud and misappropriation of public funds. The Controlling Officers may ensure that to get the DC bills against the advances expeditiously.

Also, Government of Sikkim's instructions No 7.4 (6) & (7) under Sikkim Financial Rules (SFR) 1979 indicates that the advance to be drawn shall be prepared in A.C. Bill Form-1 (Blue colour) and the Detailed Contingent (DC) Bill in Form II shall be in yellow colour.

During the process of compiling of accounts in this Office the coloured AC & DC bills help in differentiating them from other bills and thus can be included in an outstanding AC Bill or in adjusting AC bills. However, it is observed that the AC and DC bills are being received from CPAO/Soreng in white coloured format which is not as per the instructions issued by Government of Sikkim.

2.3 Utilisation Certificates (UCs) for Grants-in-Aid not received

In terms of Rules 115 & 116(1) of the Sikkim Financial Rules, unless it is otherwise ordered by Government, every grant made for a specific object is subject to be spent upon the same object within one year, if no time limit has been fixed by the sanctioning authority. Utilisation Certificates (UCs) in respect of conditional Grants-in-Aid and / or as required by the sanction, the sanctioning authority shall be primarily responsible for certifying to the Accountant General, where necessary, the fulfillment of the conditions attaching to the grant. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

At the end of Mar 2025, ₹ 182.06 crore pertaining to 1580 were UCs outstanding The position of outstanding UCs as on 31 March 2025 is given below:

Particulars	No of UCs	Amount
<i>CPAO - Headquarters</i>		
Ecclesiastical	261	58,53,15,599
Social Justice and Welfare	554	23,96,47,767
Culture	20	21,73,99,000
Health and Family Welfare	46	16,03,09,000
Rural Development	60	9,93,56,600

Particulars	No of UCs	Amount
Science and Technology	29	8,71,00,000
Education	89	6,85,99,403
Home	12	5,50,29,250
Tourism and Civil Aviation	18	5,46,61,425
Sports and Youth Affairs	75	4,34,79,247
Co-operation	52	3,48,99,000
Information Technology	46	2,68,73,434
Commerce and Industries	13	2,54,00,000
Motor Vehicles	3	2,00,00,000
Police	3	1,97,00,000
Power	9	1,75,00,000
Skill Development	1	1,15,00,000
Horticulture	6	1,06,41,922
Women and Child Development	15	86,57,000
Information and Public Relation	71	78,75,584
Forest and Environment	8	66,57,870
Agriculture	16	44,01,435
Panchayat Raj Institutions	9	43,00,000
Animal Husbandry and Veterinary Services	29	36,89,000
Law	4	35,00,000
Finance	2	17,51,375
Parliamentary Affairs	119	16,95,266
Labour	9	4,43,915
Food and Civil Supplies	1	2,00,000
TOTAL	1580	1,82,05,83,092

2.4: Misclassification.

(i) Misclassification of Revenue Expenditure as Capital Expenditure

While reviewing the vouchers public works of Gangtok East booked under Major Head 4216, it was noticed that expenditure incurred on Sikkim Garib Awas Yojana by the department of Rural Development Department was classified as capital expenditure. In the month of March 2024 amounting to ₹45 crore vide voucher No.155 352640-41 dated 31 March 2024 was paid and classified as capital expenditure. The total value of the work was ₹ 62.02 core and mobilization advance of ₹ 17.02 crore was paid earlier. The balance of ₹ 45 core has been paid after deduction of SD, and TDS on IT, GST.

The scheme is for constructing houses for economically weaker section and low-income group families who have land. The ownership of the constructed house vests with the beneficiary and hence cannot be treated as capital expenditure. It requested to please elucidate the reasons for classifying this expenditure as capital expenditure.

(ii) Wrong depiction of Minor Head in Bank Receipt

On scrutiny and compilation of Bank Receipt drawn by the State Bank of Sikkim, Mangan District it was noticed that multiple Bank Receipts Credited under 8011-00-102 (copy enclosed) which as per the List of Major Head and Minor Head does not pertain to the State of Sikkim. The amount credited against this classification should have been 8011-00-107-01 Insurance Fund or 02- Saving Fund.

The PAO/Mangan was instructed to follow necessary guidelines for depicting correct classification in the Bank Receipts may be issued to concerned State Bank of Sikkim to avoid wrong booking in the O/o the Sr. Dy. Accountant General, Sikkim.

(iii) Mis-posting under Major Head 8782 instead of 8443

Para 214 of chapter XIII – Deposits of Sikkim Public Code 2009 states that Deposit transaction of Public Works Department is of two kinds.

- 1) Public Works Deposits which pass through regular accounts of the Circle and
- 2) Interest bearing securities which do not pass the accounts of the Circle.

Deposits of the first kind comprise transactions of the following classes which are passed through the head “Public Works Deposits”.

- Cash deposits of subordinates as security.
- Cash deposits of contractors held as security.
- Deposits for work done.
- Miscellaneous deposits.

List of Major Head and Minor Heads (MH) of Account of Unios and States mentions the specific Major Head 8443 Civil Deposits, 108 Public Works Deposits.

Test Check of works accounts and records submitted by the CPAO, Mangan revealed the following irregularities:

- (i) Department – Rural Development Department: During the submission of Monthly Accounts pertains to the month of October 2023, it has been noticed that the amount for remitted towards deposit of work (8443-108) has been shown as 8782-102 (Receipt side) in Form 80. Where same amount ₹20,67,254/- was remitted into bank 8782-102 (Expenditure Side). Further, it was noted that the remitted amount did not match with the Bank Receipt, where ₹16,48,948/- only was remitted and a short amount ₹4,18,306/- could not be booked.
- (ii) The remitted amount was much higher than the amount shown in Form 80 under 8782-102, which is ₹16,48,948/- instead of ₹2,69,374 during the month of August 2023. The Bank Receipts are received under MH 8782, in the same month it has been exhibited in Form 80 the said amount is acknowledged and nullified.
- (iii) The outcome of mis-booking resulted in an adverse balance in the book of accounts while preparing the Annual Accounts of Sikkim.
- (iv) Similarly works records pertaining to CPAO/Hqr., for the month of November 2023, Urban Development Department revealed that cash amounting to ₹ 84,00,000/- (eighty-four) lakh only was deposited into Government Account under MH 8443-108. The amount should have been booked under 8782 (Remittance to Bank) expenditure side in Form 80 in the same month itself, the said amount should have been booked under 8443-108 Receipt side in form 80 so that the said booking is nullified.

(v) The following irregularities were noticed while preparing the monthly works account of November 2023.

- The Bank Receipts (BRs) should have been deposited under MH 8782 & not 8443.
- Urban Development Department (works) comes under the jurisdiction of Gangtok Treasury hence the depositor should have been advised to deposit the amount under 8782 in State Bank of Sikkim which are within the jurisdiction of Gangtok Treasury.
- Thus, the amount of ₹84,00,000/- has not been accounted for in any of work's account.
- It is suggested that the mis-booking may be reconciled, and necessary action may be taken to rectify the issue.

(vi) In the Demands for Grants for the Year 2023-24, token provision of ₹1000/- was provided under the Major Head 2045-00-96-00-44-06 (Medical Treatment). As per the practice, expenditure by nature pertaining to 'Medical Treatment' was booked under Detail Head '01 Salaries'.

From the Contingent Audit Register (CAR) maintained by Treasury, Gangtok, it was observed that the expenditure booked under Detail Head 01 covered both the nature of expenditure i.e. Salaries and Medical Treatment.

At the end of the fiscal year 2023-24, the amount booked under nature Medical Treatment should have been transferred to Detail Head 06-Medical Treatment. However, it was seen from the Annual Detailed Appropriation Account (ADAA) generated from the VLC System in the Office of the Sr. Deputy Accountant General that the token provision was surrendered and the expenditure incurred under 06-Medical Treatment remained under Detail Head 01-Salaries to the end of fiscal year 2023-24. The total expenditure booked under Detail Head 01 was ₹296,38,000/- whereas the expenditure should have been ₹27,57,9888/- under 01-Salaries and ₹20,58,112/- under 06-Medical Treatment. This resulted in incorrect projection of expenditure by nature in the concerned Statement 4 (B) of Finance Account Vol. I of 2023-24.

(vii) Recording correct and complete Accounts Classification on bills

In terms of Rule 32 (v) of Sikkim Financial Rules, 1979 [Third edition - 2014] full accounts classification should be recorded on each bill by the drawing officer. In this regard the Finance Department issued Circular No. 35/FIN/ACCT/93, DATED 07.12.93, wherein it has been mentioned that Chief Pay & Accounts Officer (CPAO) is also advised to ensure strict compliance of the instructions contained in the said Circular.

Test check of vouchers of RMDD/Works/August 2023/CPAO/Soreng revealed that the voucher presented to O/o Sr. Dy. Accountant General, Sikkim, Gangtok is void of such classification. In absence of proper classification, the amount has been booked under the given head in Form 61 regardless of any mention of Major Head, Minor Head etc. in the voucher.

It is suggested that necessary checks/controls to book the expenditure under correct Detail Head bifurcating the expenditure by nature and portraying the correct expenditure classification as per the Demand for Grants is practiced.

(viii) Misclassification of vouchers

Para 43 of Handbook of Payments and Accounting Instructions states that “If any objection is found in a bill in course of pre-check, the bill will be returned with objection detailed in a half margin duly approved by Accounts Officer.

An errata for Demand for Grants 2023-24 was issued by Finance Department, Government of Sikkim vide No. 1(44)98-99/Bud/Fin/251, dated 15.06.2023 with copies endorsed to all Treasuries including Treasury, Pay & Accounts Office (HQ), Gangtok. In these errata the very first entry was for Sub Head, Sub-Sub Head & Object Head (SH, SSH & OH). The errata so made were for 63.69.21 to be read as 69.00.21.

However, on receipt of vouchers for October 2023 accounts pertaining to MH 2403, it is found that the SH, SSH & OH used was for the original classification and not the corrected version. This means that the necessary rectification was not carried out in the SIFMS even after issuance of errata dated 15.06.2023.

The bill was passed for ₹5,75,328/- bearing the original classification & not the rectified classification. This led to situation in this Office wherein the errata were already rectified and the said original SH, SSH & OH could not be accessed. Errata’s issued by Finance Department may please be rectified as and when issued by Budget wing of Finance Department, Government of Sikkim.

(ix) Posting under Major Head 8782 instead of 8443

Test check of Monthly Accounts pertaining to the month January 2024 of RMDD (Works) CPAO/Gyalshing District revealed that an amount of ₹2,73,726/- (two lakh, seventy-three thousand, seven hundred and twenty-six) was booked under MH 8782 (Cash Remittance and adjustment between officers rendering accounts to the same Accounts Officer) in Form 80. As per Form 79 the receipt was made for deposits for work done. A similar case was reported for the month of October 2023 where public works deposit ₹60,99,618/- was booked under MH 8782-pw cheques

2.5: Short Remittance to the bank

Monthly Accounts pertaining to the month November 2023 of Power department (Works)/Gyalshing revealed that the deposit of works (8443-108) was booked in form 80 of ₹5,07,894/- & remittance to the bank was shown ₹5,03,332/-. Where cash deposit was made under head 8782-108 of ₹4,97,353/-. There was a short deposit of ₹5,979/-.

As per the Bank Receipt submitted to Accountant General’s office. It was further noticed that there was mis-booking under 8782-108 remittance to bank where 108 related to the Lottery Department. It was suggested that Monthly Accounts be submitted in the proper form and with accuracy. In this case rectification was to be carried out by submitting transfer entry from head 8782-108 to 8782-102.

2.6: Booking of Revenue Receipt under Classification 8443 -00-108 Public Works Deposits

On scrutiny of receipt accounts and the instrument i.e., Bank Receipt of June 2023 of CPAO/Namchi it was observed, that the deposit made under domestic supply of energy & Power “New Service Connection” was booked under 8443 Civil Deposit instead of Revenue Head 0801 as mentioned below.

Sl.No.	BR No./date	Amount (₹)
1	431102/ 05/06/23	992/-
2	431095/05/06/23	992/-
3	431100/05/06/23	992/-

It is suggested to scrutinize all receipt accounts and remedial measures may be taken to depict the authentic revenue of the Power department.

2.7: Difference in Cash Balance 8999

State bank of Sikkim (SBS) being the banker to the State Government is vested with the responsibility of receiving money on behalf of the Government and making all payments and keeping custody of the balances of the government in Current Account (Government Accounts: Major Head 8999) as well as investment of cash balance.

SBS, Gangtok at the close of the month prepares a statement named 'Consolidated Government Supplementary Report ' wherein the total payment and the total receipt figures of a particular district are given. The difference between the two figures (viz., payment & receipt) gives us the overall cash balance of the given district.

During cross check of these statements with the figures generated by Treasury, Pay & Accounts Office, Gangtok district under the Major Head 8999 – Cash Balance, the following difference was noticed.

(Amount in ₹)

Receipt as per SBS closing as on March 24	Payment as per SBS closing as on March 24	Difference	Cash Balance shown in district receipt submitted by PAO, Gangtok	Difference (₹)
8,82,2832/-	676,96,21,428/-	668,13,92,596/-	668,14,23,736/-	31,140/-

The above difference of cash balance which occurred in the month of March 24 may be reconciled between SBS and TPAO, Gangtok under intimation to this office.

However on the whole for all Treasuries/PAOs the Cash balance as on 31 March 2024 there was a net difference of ₹34.68 crore with State Bank of Sikkim, mainly due to pending reconciliation between the Treasury / State Bank of Sikkim / Agency Bank and AG Office.

2.8: Anomalies in submission of Monthly works accounts

2.8.1: On scrutiny of Compiled Works Accounts Pertaining to PAO/Pakyong for the Division RMDD the following misclassification was noticed: -

1. The amount which had to be credited to 8443-108 Public Works deposit was shown under 515-00-800 i.e., Revenue Receipts for Other Rural Development Programs. Amount booked under 8443-108 Public Works Deposit needs to be remitted to Treasury/Bank under head 8782-00-

108-01. In the month of May 23 an amount of ₹22,21,655/- was shown as remitted to the bank /treasury in Form 80 which was subsequently verified as Deposit of Work done in form 79 and cash remitted during the month in form 51 for the respective month. Similar practice was done in the Accounts of RMDD for the Month of June 23, Jul 23, Aug 23 and Sep 23 wherein the amount pertaining to 8443-00-108 was credited to 0515-00-800.

2. In the month of May 23 Form 76 depicted an amount of ₹9,384 against revenue expenditure head 0059-80-103 Storage Charges. This amount i.e., ₹9,384/-+ ₹22,21,655/- (amount remitted to Treasury Bank) was credited into head 0515 in form 80.
3. An internal check may be carried out to find such erroneous entries and rectification done as to portray the actual figures by the CPAO.

2.8.2: Inconsistencies in submission of Monthly Accounts (Works & Forest)

As per Chapter – III Sl. 9 (i) and (ii) below rule SPWD CODE – 2009 envisaged that the general system of de-centralization of payments and accounting at District Level applies also to the Public Works Department. Under the System, the office of the Superintending Engineer of the Public Work Department or the officer designated by the Government for the purpose is the primary disbursing unit of the Department within the District / Circle and is required to present all bills including the bills for works executed within the District / Circle to the District Pay and Accounts Office for pre-check and payment through the Disbursing Officer of the Department.

Based on the payments released and transactions effected in the cash book, the monthly account is compiled by the District Pay and Accounts Office and rendered directly to the Sr. Dy. Accountant General, Sikkim for incorporation in the account of the State Government.

Scrutiny of monthly accounts of Chief Pay and Accounts Office/Namchi revealed following discrepancies as tabulated.

Sl. No	Department	Month	Nature of wrong depiction of Accounts
1.	UD&HD	March 2024 & June 2023	Closing Balance of Rs. 2,00,846/- in Miscellaneous Deposits (Form 79) is not carried forwarded in April Accounts.
2	RDD	Apr to Aug' 23	1.Rs. 7796883 remitted to Bank under 8782 as per form 80 was not reflected in form 51 2.Form 79 not submitted
3.	P.H.E	Apr 23 to Sept '23 Feb '24 to Mar '24	Form 79 is not submitted
4.	Building & Housing Dept.	--	Closing Balance of Cash Deposits of Contractors 8443-108(I) (Form 79) of June monthly Accounts does not match with the Opening Balance of July Accounts.
5.	Roads & Bridges	Dec 2023	December 2023 Closing Balance does not match with Opening balance (Jan'24) of Form 51 for the month of January 2024

In this context, it is requested to verify the above omission Also an internal check be carried out to find such erroneous entries and that they needed rectification done as to portray the actual figures by the CPAO/Namchi.

2.9: Anomalies in submission of Vouchers

Rule 32 below SFR 1979 envisages that (i) all the bills shall be prepared in printed form. (ii) All bills along with supporting documents must be filled in and signed in ink etc. (iii) All corrections and alterations in the total of a bill whether made in words or figures should be attested by the full signature with date of the drawing of officer as many times as such correction and alteration were made. (iv) Full accounts classification should be recorded on each bill by the drawing officer.

Similarly, Rule 158 of Sikkim Public Works Code 2009 read with Form 21 says that payment to departmental labour engaged on execution of works should be drawn on Muster Roll in Sikkim Public Works Department Form 21 and charged to estimates of the works on which they are engaged.

On scrutiny of contingent voucher submitted by the CPAO, Gyalshing District through the Monthly Accounts revealed that the expenditure was met under Major Head 4202 seems to be incomplete as follows:

SL No	Head of Accounts	Deptt.	Vr No/Date	Amount (in ₹)	Observation
1.	4202-01-001-46-62-72	Education	65- 26.03.24	28,53,560	MR bill in r/o Bhakta Kr. Rai was passed without supporting documents such as L.C. Certificate, Acquaintance roll (form 21). The bill was passed under sub head code (44) head office establishment.
2.			76-21.03.24	3,30,085	
3.			72-01.11.23	2,94,500	
4.			60-21.03.24	2,94,650	

Pay & Accounts Office may direct DDOs for proper submission of bills/vouchers as per the guidelines.

2.10: Discrepancies in Form 79 Schedule of Deposit and Form 51 schedule of monthly settlement with bank

Para 315 and 364 of Sikkim Public works code stipulates that figures exhibited in Form 79 and Form 51 should tally where the appropriate credit and debit figures of the month for which the accounts are prepared. The Sikkim Public works code stipulates that figures exhibited in relevant Forms should tally where the appropriate credit and debit figures of the month for which the accounts are prepared. The closing balance in the schedule of deposit is derived taking into consideration the opening balance and the transaction during the month. Thus, the closing balance is taken forward in the succeeding month as opening balance. On test check of monthly works accounts of Water Resource Department of Namchi District revealed that the previous month's closing balance was not taken into the succeeding month as opening balance.

As per monthly accounts				
Month	OB	Cr	Dr	CB
April 23 to Aug.	11630573	0		11630573
Sept.	11630573	0	133954	11496619
Oct.	11630573	0	667964	10962609
Nov.	10962609	0	106187	10856422
Dec.	10962609	0	--	10856422
Jan. 24	10856422	34044	--	10890466
Fe.24	--	0	--	--
Mar. 24	11005839	233657	--	11239496

Observation			
OB	Cr.	Dr.	CB
11496619	0	667964	10828655
10828655	0	106187	10722468
10722468	0	106187	10616281
10616281	34044	0	10650325
--		--	--

The difference may please be verified, and necessary rectification may be made under intimation to this office.

2.11: Erroneous entry of figures in Schedule of Deposits Form 79

The Works Accounts compiled for Rural Development Department and submitted through CPAO/Pakyong depicted the following discrepancies: -

- (i) In Form (80) figure depicted for the month of August 2023 against 8443-108-01 was ₹54,26,422 which had to be credited in form 79 in the third column i.e., credit during the month. In form 79 submitted the second column, i.e., opening balance depicted a credit figure of ₹5,55,034/- and third column i.e., credit during the month depicted an amount of ₹43,64,263 totalling to a credit figure of ₹ 49,19,297 in the fourth column. Debit during the month in the fifth column was shown as ₹54,26,422/- leading to an adverse closing balance of ₹ (-)5,07,125/-. As seen if the correct figure was credited in the third column, a favourable closing balance of ₹3,55,537/- could have been derived.
- (ii) Subsequently in the month of September 23 form 79 of Rural Development department did not have any opening balance.
- (iii) Similarly deposit of contractors.

Para 221 of Sikkim Public Works Code, 2009 states that Cash deposits of contractors comprise of Earnest Money deposited at the time of tender and security deposit recovered from the bills of the contractors/suppliers as and when payments are made. The rate of earnest money is 2 ½ % of value of work and security deposit is deducted from bills at the rate of 5% of the value of work. Monthly accounts of such deposits including deposit works of other Departments should be compiled by Accounts Officer of the concerned District in the Form 79 after compilation of accounts with the Pay & Accounts Office.

Test check of Works Accounts (Mangan) related to month of April, May, June, August & September 2023 of RDD, WR & RDD & Roads & Bridges department, Government of Sikkim, it is observed that the opening balance & Closing Balance does not tally in form 79.

Transactions that took place during the month ibid has not been accounted for by the Treasury Pay & Accounts office, Mangan as under:

Dept	Month	Opening Balance	Credit during the month	Debit during the month	Closing Balance (₹)
RDD	April 2023	8263529* (as per Form 79)	3,89234/-	-	**1,83,10,945/-
	May 2023	8263529 (as per Form 79)	-	4,21,759/-	***1,74,99,952/-
WR&RDD	May 2023	6,22,864	-	-	6,22,864/-
	June 2023	25,59,864****	-	6,67,225/-	18,92,639/-
Roads & Bridges	Aug 2023	77,34,35,656	34,00,390/-	2,58,318/-	77,65,77,728/-
	Sept 2023	77,34,35,656*****	4,68,622/-	66,95,896/-	76,72,08,382/-

*Wrongly booked. As per Form 79 the actual figure is ₹1,79,21,711/-.

**Total of April figure did not tally due to wrong booking of amount.

*** Miss-match figure arrives due to wrong booking and put wrong opening balance, which should be ₹1,83,10,945/-.

**** Here opening balance was mis-matched with closing balance of April 2023.

***** There is short amount ₹31,42,072/- booked as opening balance in September 2023.

Test check of Works Accounts of Gyalshing Distt. related to the month of January, February & March 2024 of Roads & Bridges department, Government of Sikkim, revealed that the opening balance amounting to ₹8,89,79,843/- in form 79 is that of Closing balance of November 2023.

Transactions that took place during the month of December 2023, January 2024 & February 2024 have not been accounted for by the Treasury Pay & Accounts office, Gyalshing as under:

Month	Opening Balance	Credit during the month	Debit during the month	Closing Balance (₹)
Dec.2023	8,89,79,843	19,57,947/-	-	9,09,37,790/-
Jan.2024	9,09,37,790	64,432/-	89,04,131/-	8,20,98,091/-
Feb.2024	8,20,98,091	49,778/-	-	8,21,47,869/-
Mar.2024	8,21,47,869	56,05,875/-	*6,60,020/-	**8,41,15,871/-

*Wrongly booked. As per Form 79 the actual figure is Rs 36,37 873/-.

** The closing balance has been arrived at by taking the actual figure of Rs. 36,37,873/-.

The Closing Balance in Form 79 for the year 2023-24 in respect of Road & Bridges department should be ₹8,41,15,871/- (which will be Opening Balance for the year 2024-25) and not ₹9,39,25,698/-.

The Treasury /CPAOs concerned have been requested to take corrective steps to rectify the difference and action taken may be communicated to this office.

2.12: Differences in Opening Balances figures in Form-79 Schedule of Deposits

As per Rule 221 of Sikkim Public Works code 2009, Cash deposits of contractors comprise of Earnest Money deposited at the time of tender and security deposit recovered from the bills of the contractors/ suppliers and as and when payments are made the rate of earnest money is 2 ½ % of value of work and security deposit is deducted from bills at the rate of 5% of the value of work. Monthly accounts of such deposits including deposit works of other Departments should be compiled by Accounts Officer of the concerned District in Form 79 after compilation of accounts with the Pay and Accounts Office.

Scrutiny of Schedule of Deposits Form 79 revealed the following discrepancies in the opening balance for the Month December 2023 in respect of Education and Fisheries Department submitted through PAO, Gangtok.

Department	Month/Year	Opening Balance	Credit	Debit	Closing Balance
Education Department Gangtok	November'23	96445259	71950	3803220	92713989
	December'23	93560147	-	1997459	91562688
Fisheries Department Gangtok	November'23	2874145	-	1294722	1187811
	March'24	1579423		1428819	150604

In respect of the Fisheries Department, it was observed that the closing balance for the month of November 23 was wrongly calculated and submitted to AG office. Further, when the accounts retained in the CPAO were checked it was found that necessary correction was carried out after submission of accounts to Accountant General's Office.

The above inaccurate balances may lead to erroneous account maintenance on behalf of other entities whose credit balances are kept in the treasury. Hence, it is suggested to rectify

the errors and maintain the Civil Deposit balance properly. Any rectification done after submission of accounts may be intimated to this office for taking further necessary action.

2.13: Discrepancies in Form 51-Schedule of monthly settlement with Bank

Para 315 and para 364 of Sikkim Public Works (SPW) Code stipulates that a monthly extract figure exhibited in Form 51 showing each item like opening balance, the credit and debit and closing balance, The figure depicted in Form 51 should be tallied with the corresponding items. During a test check of monthly works accounts for the year 2023-24, the under mentioned discrepancies were observed.

Department	Month/Year	Closing Balance	Opening Balance
Roads & Bridges (Form-51)	June 2023	3516326/-	--
	July 2023	--	3513750/-

The CPAO, Mangan may review the above variation.

2.14: Discrepancies in supporting documents of Form 80

Para 315 and 364 of Sikkim Public works code stipulates that figures exhibited in Form 80 should be supported by the relevant forms where the appropriate credit and debit figures of the month for which the accounts are prepared.

On test check of monthly works accounts of December 2023 in respect of Rural Development Department, CPAO, Namchi it was observed that the amount ₹2128225/- depicted under Receipt head 0515-00-800-00-00-00 was not supported by any document /Form 76 in the monthly accounts as rendered.

Further Form 51 schedule of monthly settlement with bank was also not submitted with the monthly accounts of Dec.2023 whereas ₹ 2128225/- was depicted in form 80 as Remit into Treasury.

An internal check be conducted before sending monthly accounts.

2.15: Adhoc payment on RA. Bill

Adhoc payment made on the running account bill made should be suitably endorsed both on the running bill against which the payment is made. On test check it was observed from the paid voucher rendered with Works monthly accounts of October 2023 pertaining to MH 5054 Roads and Bridges Department, Namchi that there is no record of adhoc payment of 1st & 2nd RA bill in the paid voucher No.130 dated 20.10.23 where 3rd adhoc payments ₹531,000/- was made.

Similarly paid voucher No.236 dated 20.10.23 where 4th adhoc payment of ₹116000/- was released with no record of 1st, 2nd & 3rd adhoc payment already made.

It is suggested to check all the transactions be recorded and cross-checked as per the financial rules.

2.16: Deviation of amount of work order

On scrutiny of paid vouchers rendered through the Works monthly accounts of October 2024 pertaining to MH 5054 Roads and Bridges Department, it was observed that the amount mentioned in the work order, does not tally with the completion certificate and general abstract duly signed by the Engineers as mentioned below:

S.No.	Vr. No./ dated.	Amount as per Work order	Amount as per Completion certificate	Amount as per General Abstract
1	130 /20.10.23	4831885 1%48319	4853635 1%cess48536	4858844
2	131 / 20.10.23	4831885 1% L.Cess48319	2526105	4874239

The difference in amounts may be reviewed

2.17: Anomalies in utilization of fund under Head 8443

Major Head 8443-00-108 relates to Public Works Deposits, and the amount to be deposited by the Contractors for a particular project/scheme and construction works. This amount is to be credited in the form of 80 Works Accounts. Scrutiny of voucher submitted by CPAO/Soreng revealed that following expenditure was met under Major Head 8443.

SL No	Nature of Expenditure	Head of Accounts	Department	Amount (₹.)
1	MR Bill in r/o Bishal Subba & others for the Public Works "Immediate Restoration Work Near the house of Raju Subba, Karthok.	8443-00-108	RMDD	1,41,855/-
2.	Supply Bill Ent. For the Supply of materials on the above-mentioned work	8443-00-108	RMDD	3,06,443/-
3	MR Bill of Suk Hang Subba and twenty-five others for a period of 4-09-2023 to 04-10-2023.	8443-00-108	RMDD	3,30,760/-

All the above transactions need to be met under the service head as per the provision of the Budget Document. But the voucher was prepared and passed under head Deposit. This will result not only in excess expenditure under the head concerned and booking incurred. CPAO/Soreng may please re-examine the provision of transaction/expenditure.

2.18: Expenditure incurred more than budget provision

As per handbook of Payment and Accounting Instructions vide para 54, that no excess payment from allotted budget should be made, the PAO has to exercise an effective check maintaining a separate register in the Pay & Accounts Office for each Drawing Officer by sub-heads and by units of appropriation so as to ensure at the time of passing each bill, the amount of the bill under check is covered by the budget allotment.

Further rule 83 of SFR 1979 envisaged that control of departments over such expenditure may be effective and real and that the controlling officer should be in a position from month to month to estimate the likelihood of savings in and excess over grants and appropriation, the Finance Department may lay down the detailed procedure for observance by all drawing, disbursing and controlling officers concerned. Further for the purposes of control of expenditure, the administrative departments of the Government should obtain from the controlling and distributing officers subordinate to them, monthly and progressive total figures.

In accordance with the expenditure booked in the office of the Sr. Dy. Accountant General (A&E), Sikkim, Gangtok under the heads mentioned below, it was observed that an excess amount was passed by the Pay and Accounts Office/Namchi exceeding allotted Budget Provision shown as under:

							Amount (₹)	
MH	Sub MH	Minor Head	SH	SSH	DH	Final Grant	Actual Expd.	Excess/Saving
2202	01	101	63	48	02	162738000	163577973	-839973
2217	80	01	00	48	01	58344000	60001961	-1657961
2235	02	01	40	48	01	14966000	18921751	-3955751

CPAO/Namchi may check at the level of Treasuries/CPAOs in allowing such bills.

Similarly, during the closing of annual accounts pertaining to year 2023-24 in respect of CPAO/Gyalshing, there was excess expenditure of ₹2,15,700 under the head 2405-00-101-62-00-01(Salary), Animal Husbandry and Veterinary Services, the original budget of ₹1,00,50,000/- was reappropriated & surrendered by ₹10,35,000 and ₹10,97,000 respectively. The final budget provision was ₹7918000/- where expenditure ₹81,33,700/- was incurred. Process for regularization of such excess expenditure may be carried out and action taken in this regard may be intimated to this Office.

2.20: Un-encash Cheques

(i) Receipt & Payment rules stipulate that a cheque issued is valid for three months from the date of issue unless it is cancelled or re-validated. As per para 21 (v) of Handbook for Payment and Accounting instructions under the Pay and Accounts System if a cheque remains unpaid for any reason for twelve months after the month of issue and no request along with the time-barred cheque is received from the payee for issue of a fresh cheque, a non-payment certificate should be obtained from the bank and the cheque should be cancelled. Financial rules stipulate that a cheque issued shall be valid for three months from the day of issue. Hence, a cheque becomes invalid on expiry of three months unless it is revalidated, or a request is made for fresh issue.

The cheques issued by the department concerned are submitted through compiled works accounts under Form 52. Concerned Treasury/CPAO submits the cheques encashed to O/o the Sr. Dy. Accountant General through the Monthly Civil Accounts. Similarly, cash remitted to banks is submitted through compiled works accounts through Form 51. Concerned treasury/PAO submits the copies of remitted challans to the Accountant General through the Monthly Civil accounts. These two entries are parried in respect to cheques and challans in the Office of the Senior Deputy Accountant General (A&E) Sikkim.

As per the present records of the database of O/o the Senior Deputy Accountant General(A&E) there are 49 un-encashed cheques amounting ₹5413169/- pertaining to ten (10) Works Department of Namchi District.

Sl. No.	Department	Cheque No	Cheque dated	Cheque amount	No. of items
1	Public Health Engi.	846433	28-Jan-13	234955	1
2	Land Revenue Deptt.	114883	27-Oct-14	23951	8
3	Roads & Bridges	423930	29-Jun-07	24239	3
4	Rural Development Deptt	373360	16-Jul-03	6645	10
5	Building & Housing	423822	31-Mar-07	9260	3
6	Irrigation & Flood Control	270884	17-Mar-22	1316	8
7	Education Engineering Cell	708812	11-Feb-04	901	3
8	Power	778234	9-Dec-04	1500	4
9	U.D. & Housing Deptt.	834718	22-Sep-09	88950	5
10	Public Health Engineering	166203	17-Jun-16	22186	2

(ii) As per the present records of this Office, there is one un-encashed cheque lying under and 16 unacknowledged challans pertaining to RMDD, Pakyong shown as below.

S.No.	Department	Cheque No	Cheque dated	Cheque amount (₹)	No. of items
1	Land Revenue Department	330317	24-Feb-23	19200	01

(ii) Similarly, on scrutiny, this has been observed that cheques issued on behalf of works divisions in respect of CPAO/Mangan are uncashed to the tune of Rs. 62,88,407/-pertaining to the older periods ranging from the financial year 2003-04 to 2023-2024. Currently, uncashed details in the office of the Sr. Dy. Accountant General have been appended here for reference.

As such, it is suggested to scrutinize and exercise the above issues (1) whether the older cheques are not uncashed and (2) adjustment of uncashed cheque as stated above by diminishing the amount in monthly accounts under Form-51.

(iii) An amount of ₹1,28,197/- pertaining to 7 cheques was lying un-encashed, ranging from the year 2023-2024 pertaining to Works/Forest of CPAO/Soreng. The details are as follows.

Financial year	Month	Source	Cheque No	Cheque Date	Cheque Amount
2023-24	OCT	Land Revenue	312542	20-Oct-23	59,310/-
2023-24	OCT	Land Revenue	312591	21-Oct-23	20,895/-
2023-24	JUNE	Rural Development	311681	23-Jun-23	6,580/-
2023-24	SEP	Rural Development	312124	26-Sep-23	5,832/-
2023-24	OCT	Rural Development	312161	06-Oct-23	20,856/-
2023-24	OCT	Rural Development	312340	18-Oct-23	9,552/-
2023-24	OCT	Rural Development	312158	06-Oct-23	5,172/-
				Total	1,28,197/-

The above cheques issued, which are more than 3 months old remain un-encashed and show an adverse balance in the broadsheets maintained in this Office

Periodical reconciliation with the Bank be carried out and the current position of un-encashed cheques be intimated.

(iv) As per the data maintained for monthly work accounts on cheque remittance paring in respect of all CPAOs is detailed in the following table.

CPAO/Treasury	No of cheques	Amount
Gangtok	794	1007121589
Lotteries	18	637064891
Mangan	9	7623030
Gyalsing	664	41009335
Soreng	456	4585546
Namchi	241	341394083
Pakyong	16	10678059

It is requested that the matter may be scrutinized by the concerned bank/department for early settlement. Details enclosed as **Annexure -II**.

2.21: Un acknowledge Challans remitted to bank under Remittance Head 8782-102-01

As per Form 51 submitted through Works and Forest accounts remittance under 8782-00-102-01 (Remittances into Bank) drawn through cheques is submitted to the Sr. Dy. Accountant General (A&E) for incorporation into the works accounts. These cheques are accepted and remitted into the banks who issues Bank Receipts under 8782-00-102-01. The deposited amount is accounted through the Civil Accounts submitted through the concerned treasuries/PAO and forwarded to the Office which is booked as receipt under 8782-00-102-01. Office of the Sr. Dy. Accountant General pairs these two different entries and acknowledges it according to the financial year and month. A broadsheet is maintained to monitor this transaction as per the Accountant General Form 20. The amount remitted to the bank is then parried with the bank receipt issued by SBS.

An amount of ₹388.89 crore against 4611 Challans/DD remains unpaired in the VLC database of Sr. Deputy Accountant General(A&E) Sikkim. The un-acknowledged Challans/DD against each division is listed below:

	No of challans	Amount
Gangtok	2187	2,82,65,17,769
Gangtok (SNT)	263	4,57,96,940
Gangtok Headquarters	212	55,53,06,186
Gyalsing	540	9,99,87,058
Mangan	618	5,84,24,011
Namchi	285	14,82,25,616
Pakyong	344	9,40,55,613
Soreng	162	6,06,09,402
	4611	3,88,89,22,595

Further analysis revealed that the Cheque/DD debited under 8782-102-01 in Form 80 of the Monthly Works accounts are credited under head 8443-108 by State Bank of Sikkim contributing to inflate the figures of un acknowledge challans/DD under the Namchi District. Steps may be taken to rectify the above misclassification.

Similarly, there are 16 numbers of unacknowledged challans amounting to ₹10,678,059/- against Treasury /Pakyong district. Similarly on scrutiny of record of cash remittance in respect of CPAO/Soreng District, a sum of ₹9,86,962/- (under the head of account 8782 were not

acknowledged due to non-receipt of deposited instruments like bank receipt or challan under M.H. 8782.

The increasing trend of unacknowledged cash remittance may be identified and remedial measures for settlement of the adverse balance may be initiated and intimated to this Office.

Treasuries are the basic fiscal units which maintain the initial accounts of the receipts and payments on behalf of the State Government and render monthly accounts to the Accountant General (Accounts and Entitlement) Office. All transactions should be recorded and cross-checked as per the financial rules drawn up by the State Government. The coordination between the treasury, department and the bank should include both policy and operational aspects, it is important to ensure the coherence of fiscal and monetary policies. Instructions for reconciliation of transactions falling under PWD Remittance and Forest Remittances have been clearly elaborated under Rule 17.10 issued by the Controller General of Accounts, Ministry of Finance under Civil Accounts Manual. Hence, it is suggested that appropriate measures/reconciliation is to be taken immediately as per instructions contained in above mentioned Para, and to reduce the adverse accumulation of un-enchased cheques and un-acknowledge challan. Treasury Offices may verify with the department/bank concerned for its early settlement.

2.22: Difference in Cash Balance

State Bank of Sikkim (SBS) being the banker to the State Government is vested with the responsibility of receiving money on behalf of the Government and making all payments and keeping custody of the balances of the government in Current Account (Government Accounts: Major Head 8999) as well as investment of cash balance.

SBS, Gangtok, at the close of the month prepares a statement named “Consolidated Government Supplementary Report All” wherein the total payment and the total receipt figures of all the seven treasuries are given. The difference between the two figures (viz. payment & receipt) gives us the overall cash balance of a particular treasury.

During cross check of these statements with the figures generated by Treasury, Pay & Accounts Office, Gyalshing under the Major Head 8999 – Cash Balance, the following difference were noticed.

Month	Payment (SBS figures)	Receipt (SBS figures)	SBS Cash Balance (Receipt-Payment)	T/PAO 8999		Difference	
				Payment	Receipt	Payment	Receipt
Dec 2023	318198712	7496580	-310702132	-	310692150	-	9982

The above difference of cash balance occurring in month of December 2023 – 2024 may be reconciled between SBS and TPAO, Gyalshing District under intimation to this Office.

Similarly, During cross check of these statements with the figures generated by Treasury, Pay & Accounts Office, Headquarters, Gangtok under the Major Head 8999 – Cash Balance, the following difference was revealed.

Amount in ₹

Month	Payment (SBS figures)	Receipt (SBS figures)	SBS Cash Balance (Receipt- Payment)	TPAO 8999		Difference	
				Payment	Rpt.	Payment	Rpt.
Aug.23	10193993058	12464018661	2270025603	2269808016	-	217586	-
Nov.23	8771183138	9896521836	1125338698	1127338699	-	2000001	-
Dec.23	13574380144	15290470871	1716090727	1715265561	-	825166	-
Jan.24	12867572302	15749085453	28815134151	2881483692	-	29459	-
Feb.24	23232852424	26393774306	3160921882	3160853663		68219	
Mar.24	30980783759	38766836353	7786052594	7785729403		323191	

The above difference of cash balance occurring in six different months of 2023 – 2024 may be reconciled between SBS and TPAO, Headquarters, Gangtok under intimation to the Inspection team.

2.23: Major Head 8670 – Cheques and Bills

State Bank of Sikkim (SBS) is the main banker of the Government of Sikkim and other authorized Banks function as its agents while handling Government transactions. Transactions through Banks have their final impact on Government ‘Cash Balance’ in course of time. Prior to that certain intermediary/adjusting heads are operated, and the bookings thereunder are to be finally adjusted at the earliest to reflect Government’s receipts and expenditure accurately. One of the intermediary heads referred to above is 8670 Cheques & Bills.

The figure under 8670 submitted during submission of accounts for the year 2023-24 to O/o the Sr. Dy. A.G. (A&E), Gangtok and the figure generated by PAO Hqr. through SIFMS on 03.12.2024 differs in the following manner. This impacts the overall Cash Balance in the given month.

Amount in ₹

Month & Year	Figure under 8670 submitted during submission of monthly accounts	Figure under 8670 generated on 03.12.24	Difference
April-23	260524735	260503717	21018
June-23	435862462	440183101	-4320639
July-23	287382752	287421447	-38695
September-23	422564829	422527829	37000
October-23	616239881	623707310	-7467429
December-23	867492512	867466517	25995
January-24	125138674	125175674	-37000

This is due to the fact, that, once the accounts are submitted to O/o Sr. Dy. A.G. (A&E), Sikkim, Gangtok the accounts once finalized should have been closed/frozen for the given month.

The mismatch of data only confirms that the monthly accounts are kept open even after submission.

2.24: Cash deposit of contractors.

Para 221 of Sikkim Public Works Code, 2009 states that Cash deposits of contractors comprise of Earnest Money deposited at the time of tender and security deposit recovered from

the bills of the contractors/suppliers as and when payments are made. The rate of earnest money is 2 ½ % of value of work and security deposit is deducted from bills at the rate of 5% of the value of work. Monthly accounts of such deposits including deposit works of other Departments should be compiled by Accounts Officer of the concerned District in the Form 79 after compilation of accounts with the Pay & Accounts Office.

Test check of Works Accounts (Headquarters) related to month of December 2023 and January 2024 of Tourism and Civil Aviation Department, Government of Sikkim, it is observed that the opening balance amounting to ₹8,66,89,502/- in form 79 is not the Closing balance of December 2023. The Closing Balance of December 2023 was ₹ 7,97,18,053/-.

Transactions that took place during the month of December 2023, January 2024 & February 2024 has not been accounted for by the Treasury Pay & Accounts office, Headquarter as under:

Amount in ₹				
Month	Opening Balance	Credit during the month	Debit during the month	Closing Balance
Dec. 2023	8,14,50,190	-	17,32,137	7,97,18,053
Jan. 2024	7,97,18,053	10,88,982	30,758	8,07,76,277
Feb. 2024	8,07,76,277	6,25,707	14,74,587	7,99,27,397
Mar. 2024	7,99,27,397	66,87,484	1,01,278	8,65.13,603

As per Inspection team's calculation the Closing Balance in Form 79 for the year 2023-24 in respect of Tourism and Civil Aviation department should be ₹8,65,13,603(which will be Opening Balance for the year 2024-25) and not ₹9,34,85,052/- as depicted in Form 79 of March 2024 accounts (Works). The difference may please be rectified under intimation to this Office.

2.25: Settlement of Medical Advance.

Rule 20 of "The Sikkim Services (Medical) Facilities) Rules, 1981 states that Head of the Department with the concurrence of the Director of Health Services or (Additional Director of Health Services as specially notified by the Health Department), grant an advance to a Government Servant to enable him initially to meet expenditure of medical attendance and treatment when he or a member of his family is treated in a Government Hospital/Institution outside Sikkim.

Sub rule (5) further states that the amount of advance should be adjusted against the claim for reimbursement of expenditure as admissible under these rules and the balance, if any recovered from the pay of the Government servant concerned.

Rule 22 of the said rule's states that the claims for reimbursement of medical expenses in respect of a particular spell of illness should be preferred within three months from the date of completion of treatment as shown in the Essentiality Certificate issued by the concerned Medical Officer.

Scrutiny of Register of Advance Drawn and Adjustment thereof, revealed that Medical Advance to a tune of ₹2,00,000/- (two lakh) only was drawn vide voucher No. 646, dated 18.05.2023 (Cheque No. 773225, dated 18.05.2023). However, even after a lapse of 17 plus months the advance drawn remains unadjusted. Treasury, Pay & Accounts Office,

Headquarters, Gangtok is advised to settle the outstanding advance under intimation to the Inspection team.

2.26: Booking under Minor Head 800-Other Receipts.

The Minor Head 800-Other Receipts is to be operated only when the appropriate minor Head has not been provided in the accounts. Routine operation of Minor Head 800 should be discouraged since it renders the accounts opaque.

During the year 2023-24, Rs. 427.67 Cr under 33 Major Heads of Account, constituting 4.63 percent of the total Revenue Receipts (₹9231.52 Cr through challan only, excluding MH 1601) was classified under 800 Other Receipts in the accounts of Treasury, Pay and Accounts (TPAO), Headquarters, Gangtok.

The total percentage of bookings under Minor Head 800 adds to 86.70 percent. The remaining 13.30 percent has been booked by 06 other treasuries.

Bookings under Minor Head 800 should henceforth be discouraged by T/CPAO, Headquarters, Gangtok.

2.27: Rush of Expenditure.

As per Note 3 of Rule 84 of Sikkim Financial Rules (SFR) states that the rush of expenditure towards the end of financial year is regarded as a breach of financial regularity and shall be avoided.

The rush of expenditure, particularly in the closing month of the financial year should be avoided as per Financial Rules. Government funds should be evenly spent throughout the year. Rule 55 of Handbook of Payment and Accounting further states that in relation to check of expenditure against regularity it is the duty of Pay & Accounts Office to examine all financial rules (in this case Note 3 of Rule 84 of SFR) and orders affecting expenditures and other transactions subjected to check issued by the executive authorities to see that the rules etc., are themselves *intra vires* and that the check of transactions which they govern may be effectively conducted against them.

As per note 2 and 3 under rule 84 Sikkim Financial Rule 1979, it is contrary to the interest of the Government that money spent hastily because it is available or that the lapse of a grant could be avoided and rush of expenditure particularly in the closing month of the financial year can lead to a lapse in checks in passing such payments.

The treasury wise summary of budgets heads were 100 *percent* of budget head expenditure was incurred only in March 2025 is as below:

	Number of Budget heads where 100% of expenditure was made in March 2024	Amount (₹)
CPAO - HEADQUARTER	363	6,28,28,10,810
Sikkim Legislative Assembly	4	10,77,600
CPAO - GANGTOK	43	3,15,08,977
CPAO - GANGTOK	29	1,12,47,326
CPAO - GANGTOK	41	1,59,22,394
CPAO - NAMCHI	31	4,74,64,802
CPAO - PAKYONG	38	1,38,49,217
CPAO - SORENG	19	67,37,778
	568	6,41,06,18,904

The DDOs concerned may be advised to adhere to the provisions of Rule 83 and Note below Rule 84 of Sikkim Financial Rules 1979 and avoid rush of expenditure.

2.28: Forms of Abstract Contingent and Detailed Contingent Bill.

Government of Sikkim's instructions No 7.4 (6) & (7) under Sikkim Financial Rules (SFR) 1979 indicates that the advance to be drawn shall be prepared in A.C. Bill Form-1 (Blue colour) and the Detailed Contingent (DC) Bill in Form II shall be in yellow colour.

During the process of compiling accounts, the colored AC & DC bill forms help in differentiating from other bills and thus can be included in outstanding AC Bill or in adjusting AC bills. However, it was observed that the AC and DC bills are being received in white colored format which is in violation to the instructions issued by Government of Sikkim. In this regard Treasury,

Pay & Accounts Office, Gangtok District is advised that any AC/DC bills received in white colored format may be rejected right away with instruction to the Department concerned that the AC/DC bills may be resubmitted as per Government of Sikkim guidelines.

2.29: Mismatch in Statement of Reconciliation.

The monthly List of Payments and List of Receipts submitted along with vouchers and Bank Receipts to O/o the Senior Deputy Accountant General (A&E), Sikkim, Gangtok includes a "Statement for Reconciliation between the Bank figure and Cheque figure for the given month". In column 3 of this statement the heading should be "Difference Col 2-Col 1" instead of "Difference Col 1-Col 2".

It was observed that during the months of July 2023 and October 2023 the statement in Differences (Col 1- Col 2) was submitted by PAO/Mangan.A similar case was observed in respect of CPAO/Gyalsing.

Proper heading in Column 3 will than add up to the net difference between "Disbursement as per Bank Statement" and "Pay & Accounts Office Cheques Receipt" and the figure so arrived at will tally with the figure given under Major Head 8670 in the statement "District Receipt".

Necessary rectifications in the said statement may be carried out.

2.30: Non submission of Sanction Order

Para 47 under Chapter 3 of Handbook of Payment and Accounting, Instructions mentions that "one of the important functions of Pay and Accounts Office in relation to check of expenditure is to see each item of expenditure is covered by the sanction of the authority competent to sanction it". The Pay and Accounts Office has to see that the expenditure is covered by a sanction.

Test Check of records/vouchers (November 2023/Works) pertaining to Human Resource Development Department/Education Department, it was observed that although vouchers are supported with Labour Clearance Certificate there are no formal sanction orders addressed to

Chief Pay and Accounts Officer with copies endorsed to Accountant General, Secretary Finance etc.

It was advised that the instructions given in the Handbook of Payments and Accounting may be strictly followed while passing of bills for making necessary payments.

2.31: Incorrect submission of Vouchers

Rule 32 below SFR 1979 envisages that

- (i) All the bills shall be prepared in printed form.
- (ii) All bills along with supporting documents must be filled in and signed in ink etc.
- (iii) All corrections and alterations in the total of a bill whether made in words or figures should be attested by the full signature with date of the drawing of officer as many times as such correction and alteration was made.
- (iv) Full accounts classification should be recorded on each bill by the drawing officer.

During the scrutiny of voucher pertaining to R.D.D (BAC-KABI), Mangan for the month of September 2023 revealed that expenditure have been made without full classification (copy enclosed) where CMRF (Chief Minister Relief Fund) was written in the space provided for classification. Actual Major Head could not be ascertained.

The PAO concern was suggested to avoid these kinds of transactions and objection should be raised to the DDOs as well as necessary direction may be issued for make a proper submission of bills/vouchers as per the Government guidelines.

In the Scrutiny of voucher/hand receipt submitted by the CPAO, Soreng District the following was observed

SL No	Head of Accounts	Dept	Vr No/Date	Amount (in ₹.)	Observation
1	5054-04-337-60-72-73	Road & Bridges	1/01.11.23	2,09,000	Bill was passed through Hand Receipt. Work order was found wanting Sanction order was not submitted along with voucher Contingent Bill was not attached with the hand receipt The signature of the signing authorities was missing in the Deviation Statement.
2.	5054-04-337-60-72-73	Road & Bridges	2/01.11.23	2,42,000	Bill passed through Hand Receipt. Work order was found wanting Sanction order was not submitted along with voucher Contingent Bill was not attached with the hand receipt The signature of the signing authorities was missing in the Deviation Statement. The signature of the AE/SE in the Work Bill Form was missing. It was also seen that the statement of Work Bill was submitted in duplicate copy instead of original where all the entries seem to be illegible

CPAO may ensure compliance to the Rules and completeness in bills/vouchers before passing them for payment.

2.32: Non submission of supporting document against paid Voucher

On scrutiny of vouchers submitted through CPAO, Soreng pertaining to Works Accounts for the month of March 24 under classification 3054-04-105-61-72-29 (Repair and Maintenance) the following discrepancies were noticed.

The payment amounting to ₹2,68,815/- was made vide a Hand Receipt marked under Voucher No 71 amounting to ₹2,68,815 through Cheque No. 313497 dated 31/03/24 and was marked as Ad-hoc supply bill.

Documents such as, quotation/Invoice of the supplied item were not attached along with the paid vouchers. The documents attached were just a printed Contingent Bill printed by Roads & Bridges Department, Soreng and a no objection certificate issued by Commercial Taxes Division, Finance Department, Govt. of Sikkim. As per the Hand Receipt payment was made amounting to ₹ 2,68,815 after deducting Rs 5 as stamp duty. The cheque which was drawn vide Cheque No 313497 dated 31/03/2024 was amounting to ₹ 2,46,005/-

The above transaction is not in compliance with the Rules in Para 37. ‘Vouchers in support of Payments’ laid down in Sikkim Financial Rules 1979 and its subsequent sub para as in page 37 and 38 of the above rule books.

CPAO may ensure the compliance of Rules with when passing any such bills.

2.33: Works Accounts

There are 07(Seven)) Forest accounts rendering units under different departments. Consequent upon the decentralization of accounts by the State Government w.e.f 01.08.2003, all the divisional Forest accounts are now compiled according to the provisions contained in the Sikkim Public Works Code by the respective Pay & Accounts Office (Works Cell) in the Headquarters and districts and are rendered to the Office of the Senior Deputy Accountant General (A&E), Sikkim, Gangtok. The details are as below:

SL. NO.	NAME OF DEPARTMENT	MONTHLY COMPILED ACCOUNTS RENDING UNITS/DISTRICTS					
		Gangtok	Gyalshing	Namchi	Mangan	Pakyong	Soreng
FOREST DIVISION							
1	Forest	1	1	1	1	1	1
2.	Land Use (North)	-	-	-	1	-	-

In terms of Para 297 and 365 of the Sikkim Public Works Code, Schedule of Forest expenditure is required to be prepared in Form 64 separately for expenditure relating to each of the Major Heads in respect of works on which expenditure has been incurred. Such schedules were found to be wanted in respect of Gangtok District during the month of April 2023.

PART- III

3. Deficiencies noticed during inspection of Treasury establishments.

3.1: GPF Subscription beyond the threshold limit of ₹5 lakh during the FY 2023-24

(i) A test check of a few cases of GPF ledgers of High Court Chief Justice & Judges revealed that the threshold subscription limit rule was not implemented during 2023-24 and is also continuing in FY 2024-25.

DoP&PW's vide O.M. F.No.3/6/2021-P&W(F) dated 11.10.2022 amended Rules 7, 8 & 10 of the GPF Rules 1960 and prescribed that the new ceilings of GPF subscription and arrear subscriptions in a financial year should be limited to Rs.05 lakh.

The Ministry of Law & Justice, Corporate Affairs & Supreme Court of India, Department of Legal Affairs, Pay and Accounts Office, New Delhi vide No.F-5/PAO-LA/GPF-HCJ/2024-25/658 dated 21.08.2024 have noted that the threshold subscription limit rule was not observed during 2023-24 and is also continuing in FY 2024-25.

The concerned DDO may be directed to regulate the GPF subscriptions as per the provisions of the above OMs.

(ii) Subscription to GPF beyond the threshold limit of Rs.5 lakh during the FY 2023-24 in respect of AIS Officers

As per Government of India, Ministry of Personnel, Public Grievances and Pensions, Department of Personnel & Training e.F.No.11026/04/2022-AIS-III dated 6th January 2023, the maximum limit of Rs.5 lakh on subscription to GPF conveyed vide Department of Pension & Pensioners Welfare OM NO.3/13/2022/P&PW (F) (8353) dated 02.11.2022 shall also be implemented to the members of All India Services (AIS).

On perusal of GPF ledger of AIS officers, it was noticed that one AIS officer viz., Shri A.K. Singh, IPS has contributed subscription to GPF amounting to Rs.5.91 lakh during the FY 2023-24 and interest has been allowed on the entire subscribed amount as per details given below:

Month & year	Amount of GPF subscription ₹
March 2023	41666
April 2023	41666
May 2023	60668
June 2023	60000
July 2023	60000
August 2023	60000
September 2023	60000
October 2023	60000
November 2023	60000
December 2023	60000
January 2024	13500
February 2024	13500
Total:	591000

The Department replied that fresh notices would be issued for complete adherence to the notification issued by Government of India and justification from the concerned DDO will be sought for non-compliance of notification and forwarded to this office.

It is suggested that DDOs may be asked to comply with the provisions of Government of India OM dated 6th January 2023 and regulate the GPF subscriptions accordingly.

3.2: Deduction of GPF subscription more than the Basic Pay.

As per Para 8(b) (Rates for GPF subscription) issued vide notification No.8/Fin dated 16.10.84, the Governor has clearly expressed that not less than 6 percent of the basic pay and not more than total basic pay can be deducted as GPF Contribution.

On test check it was revealed that salary bills passed through Gangtok district in the month of June and July 2023 vide voucher No. 773 and 774 (copy enclosed) against major head 2202, the GPF contribution was more than the basic pay.

All such cases may be reviewed, and it may be ensured that GPF deductions are regulated as per the guidelines issued vide the above notification.

3.3: NPS subscribers and crediting of contributions in NSDL.

As per the extant rules, employees recruited on or after 01.04.2006 are to be enrolled under National Pension Scheme (NPS). NPS contribution @10% of Pay & DA is to be deducted from the salary of the employees. The amount so deducted together with the matching contribution by the employer is to be credited to respective PRAN of employees every month.

On perusal of records, the following were observed:

- a) 25,294 numbers of employees are covered under the NPS to the year ended 2023-24 out of which only 24,735 Nos. of employees were allotted PRAN. 559 employees were yet to be allotted PRAN.
- b) An amount of ₹257,25,95,924/- (employee & employer contribution towards NPS) was transferred to NSDL and ₹76,06,46,911/- was placed under CPF for non-allotment of PRAN.

The NPS stipulates that the entire fund (employee and employer's contribution) should be transferred to NSDL and no balance should be available at the end of each financial year without any valid reasons. It is suggested that steps be taken for allotting PRAN to 559 employees and transfer the amount lying under CPF to NSDL.

3.4: Anomalies noticed in NPS subscriptions

As per the VLC software data, the total NPS subscriptions (employee and employer's contribution) and funds transferred to NSDL during the FY 2023-24 is as given below:

NPS subscriptions received during FY 2023-24	NPS fund transferred to NSDL during FY 2023-24	Balance kept under CPF
₹265,21,19,662	₹257,82,56,889	₹7,38,62,773

As per the information furnished by the Department, the total NPS subscriptions (employee and employer's contribution) and funds transferred to NSDL during the FY 2023-24 is as given below:

NPS subscriptions received during FY 2023-24	NPS fund transferred to NSDL during FY 2023-24	Balance kept under CPF
₹265,21,19,662	₹257,25,95,924	₹7,60,64,911

The difference in the amounts of fund transferred to NSDL and Balance kept under CPF may be reconciled with this office.

3.5: 8658-135 Inter Sate Settlement

It is observed that from the books of O/o Senior Deputy Accountant General (A&E), Sikkim, Gangtok, Rs.21,69,638/- was lying outstanding for adjustment under Suspense Head under 8658-135 'Cash Settlement Suspense' for non-adjustment transaction on account of pension payments etc. from the various states, whose pensioners draw pension from Government of Sikkim. As per the details made available by the department, ₹24,38,644/- was lying outstanding to the end of the FY 2023-24.

Immediate adjustment of suspense balance is in the financial interest of the State Government. You will appreciate that if immediate action is not taken to adjust the balance, its clearance becomes difficult with the passage of time.

It is suggested that the difference between the figures of this office and the Department may be reconciled, and efforts may be made to get the amount reimbursed from various States to clear the outstanding balance under the suspense head 8658-135.

3.6: Non- Receipt / Non-submission of life certificate by pensioner

Department of Pension & Government of India Circular No 12/4/2020-P&PW©-6300, dated 17.01.2020 states that instructions have been issued from time to time for submission of Life Certificate by Pensioners in the month of November every year.

Pensioners are required to submit their LIFE CERTIFICATES or JEEVAN PRAMAAN by November 30 every year to continue their monthly pension. The rule stipulates the period of the submission of such certificate by pensioners above the age of 80 from October 1 and the window is available for two months and for those below 80, the rule will come into effect from November 1, while the window will remain open till November 30.

As per the existing norms the person getting the pension normally needs to be physically present before the disbursing agency to issue the life certificate. However, in the pandemic situation, the Government has come up with digital life certificates (DLC) to avoid COVID risk, which is considered enough proof for pension disbursal. However, a life certificate becomes essential for pensioners as it helps ensure payment of their monthly pension without any break as it may be the sole source of income for many. Since being physically present to obtain the life certificate becomes a problem for many old people, for which the Government

has come up with the digital life certificate or JEEVAN PRAMAAN where the entire procedure is done digitally.

It is highly appreciated that the Government of Sikkim has already on-board the system of getting Digital Life Certificate through web services. Life certificates can be submitted digitally now via JEEVAN PRAMAAN website (<https://jeevanpramaan.gov.in/>) or the app or initially visiting the Pension Office. They have also displayed information and mobile numbers for providing assistance to the pensioner in every possible corner of the Office for the Digital Life Certificate. The pensioner can complete the process digitally at home by filling in the required details like name, mobile number, Aadhaar number and other pension-related details. The portal also uses the Aadhaar platform for biometric authentication, which includes fingerprints or iris. One can also visit a nearby citizen service centre mostly available in all districts administrative area/CSC etc. or nearest bank/post office to submit the life certificate digitally.

On verification of records of Life Certificate maintained in the Pension Section under the Finance Department, it is found that a quite few pensioners have not submitted their LIFE CERTIFICATES in the stipulated/due date either personally or digitally, but their pension has not been stopped yet. On being asked to furnish the reason for non-compliance of the provision, the department stated that despite arranging several platforms for awareness of the mandatory requirement, few numbers of pensioners are unresponsive. In compliance with audit observation of last year, the department has stopped payment of pension to 263 pensioners/family pensioners. However, it is seen that out of 17329 pensioners (up to 31.03.2024), only 16099 life certificates of pensioners/family pensioners were received on time and 614 Life Certificates were received after the due dates. The Department has brought to the notice of the Chief Secretary the matter of withholding pension/family pension to pensioners/family pensioners who have failed to submit life certificate. To ensure that the pensioners/family pensioners whose pension/family pension has been put on hold, the Chief Secretary has written to all DCs and DDOs advising them to renew the life certificates for immediate restart of pension/family pension and to obtain death certificate if the pensioner/family pensioner has deceased.

Similarly, during Inspection of PAO/SLA, it was observed that the Pension of Family Pensioners who have not submitted their Life Certificates are still being disbursed despite the observation given in the previous year which is the violation of Financial Rules.

There are 26 Ex-MLA family pensioners as on the date of inspection. Out of 26, 20 Life Certificates have been received. The list of the Family Pensioners who have not submitted the Life Certificates are shown under:

Sl.No.	Name of the Family Pensioner	Name of the Husband	Date of last submission of L.C
1.	Smt. Puspa Subedi	Lt. N. K. Subedi	30.05.2014
2.	Smt. Diki Dadul	Lt. TenzingDadul	30.09.2014
3.	Smt. Bimla Sarda	Lt. Balchand Sarda	-
4.	Smt. Parbati Rai	Lt. Chandra Bdr. Rai	05.09.2012
5.	Smt. Tshering Ongmu Bhutia	Lt. PhutookTsh. Bhutia	12.09.2014
6.	Asharmit Lepcha	Lt. Phur Tshering Lepcha	-

The above family pensioners have not submitted life certificates for long. On enquiry the department stated that they have contacted family pensioners telephonically who assured to submit the certificates by November 2024.

Steps may be taken to obtain Life Certificates of all Pensioners/life pensioners within the due dates so that the issue of non-continuance of pension to living pensioners does not occur and payment of pension to deceased pensioners continues even after death of the pensioner.

3.7: Delay in transfer of Contributory Pension Fund (CPF)

The contributory pension system notified by Government of India in the Ministry of Finance vide notification number F.No. 5/7/2003-ECB & PR. Dated 22nd December 2003 came into effect from 01.01.2004. According to Finance Revenue & Expenditure Department, Government of Sikkim vide notification No 710/Pen/05 dated 18.05.2006 stated that the Sikkim Government Servants (Contributory Pension) Rules shall come into effect from 01-04-2006.

Practice of banking the amount credited by the Employees falling under New Contributory pension system is done under classification 8342-00-117: Defined Contribution Pension Scheme for Government Employees. The amount of user's subscription and the share of Government Contribution towards Contributory Pension Fund is to be transferred monthly by crediting the said classification head 8342-00-117 and the same amount is to be transferred to NDSL monthly by debiting the same head. As per the ledger maintained in the office and the accounts rendered to the Office of the Sr. Deputy Accountant General(A&E), Sikkim it is seen that during the month of October 2022 and February 23 no transfer was made to NDSL although an amount of ₹9,27,51,366 and ₹10,12,39,328 was credited respectively in the two months.

The transfer of share of Government Contribution towards Contributory Pension Fund from revenue expenditure head 2071-01-117-00-00-78 to 8342-00-117 is done in the end of the Financial Year i.e., in March and is depicted in the books of Accountant General in the month of March only. This practice leads to depicting adverse balances in the Ledger. In the month of November 22, January 23 and February 23 a negative (Debit) amount was shown in the closing balance of DDR head 8342-00-117.

It is recommended to PGIPF office to transfer the Government Contribution towards Contributory Pension Fund to NDSL monthly in time.

3.8: Maintenance of Cheque book Register and Custody

Para 22 of Handbook of Payments and Accounting Instructions states that at the end of each day's payment the total payment made on that day should be struck for each counter in the Register of Cheque Delivered by the counter clerk. He shall also agree to the number of bills paid and cheques delivered, with the total number of entries in the Register of Cheques Delivered. He shall write the total number of cheques delivered in figures as well as in words in the Register of Cheques delivered after the last entry made therein for the day. Each counter clerk shall also prepare at the end of each day several cheques received at the beginning of the

day (ie. opening balance, cheques received during the day, cheques delivered and the closing balance of cheques in hand) in a separate Notebook to be maintained for each counter.

As per the Handbook of Payment and Accounting issued by the Finance Department, Government of Sikkim, sub para (ii), and (iii) under para 5 that the records of cheques issued , date of issue, issued against the nature of bills payment and the messenger or the Payee to whom the payment was made is to be maintained in a Register. The details should be maintained as per Form 8 and Form 10 as mentioned in the above para.

Although the Cheque Register pertaining to works /civil was maintained and entry accordingly was listed in the register, the above-mentioned details were not fully covered.

It is advised that a register as per Form 8 and 10 should be maintained incorporating all the above details show that the transactions trails of all the cheque issued through the CPAO can be documented. If possible, the same can be incorporated in the new developed SIFMS (Parnali System) and the above registers can be maintained electronically through the Parnali Database.

3.9: Group Insurance Scheme - Record updating

On verification of GIS Ledger, Nomination records and other related documents furnished to the inspection team, the following observations are made.

In a few cases, the monthly GIS credits were not updated in the Ledger/System.

1. Declaration of nominee is a mandatory requirement. In a few cases it was noticed that the name of the nominees was not entered/updated in Ledger/System.
2. Certain entries were made in the Ledger but not entered in the system and vice versa.
3. In the case of persons on deputation outside the department, GIS credit entries were found not updated for a long time despite receipt of cheque from the borrowing department.
4. GIS Fund transfer is not made immediately in the succeeding month.

Action taken in this regard may please be intimated to this office.

3.10: Allotment of Permanent Retirement Account Number

The Permanent Retirement Account Number is a unique 12-digit account number assigned to everyone who joins the National Pension System. It serves as an identification for existing and new subscribers while providing them with access to their pension funds and it is mandatory for all NPS subscribers to have PRAN.

On a test of record maintained by PGIPG it was observed that total 78 no employees were not allotted PRAN which could deprive the subscriber to track their pension fund and avail various benefits offered by the NPS. It is recommended to necessary action to assign PRAN to the left-out subscriber.

3.11: Non adjustment of Tour Advance amounting to ₹24,350/-

As per Rule 31 (d) of Sikkim TA Rules 1980 the amount of advance granted shall be adjusted immediately on completion of the tour or within three months from the drawl of advance whichever is earlier. Any advances drawn by any officer which remains un-adjusted beyond three months due to non-submission of details or forfeiture of claims under Rule 64 shall be recovered from his pay and allowances.

Test check of TA Advance Register of PAO/SLA revealed that the following TA advance was pending for adjustment. The same was also pointed out in the Inspection report 2022-23.

Sl.No.	Amount	Vr. No./Date	Ch. No./Date	Bill No./Date
01	₹24,350/-	21/11.05.2022	653038/11.5.22	85/09.05.22

3.12: Non-adjustment of Medical Advance amounting to Rs. 8,00,000/-

As per Rule 20(5) Grant of Advance' under Sikkim Service Medical Facilities Rules, the medical advance should be adjusted within the stipulated time for submission of Medical Reimbursement claim. However, it was observed that most of the advances outstanding in the last inspection report were found settled. However, the following medical advances remained unsettled in PAO/SLA.

Sl. No.	Amount (₹)	Vr. No./Date	Ch. No./Date
01	1,00,000/-	45/12.08.21	376510/12.08.21
02	2,00,000/-	54/18.8.22	653515/18.8.22
03	2,00,000/-	7/911.23	821117/9.11.23
04	2,00,000/-	Details not entered	Details not entered
05	1,00,000/-	69/17.9.22	653675/17.9.22
Total	8,00,000/-		

The advances may be settled and intimated to this Office.

Part-IV

4. IT SECURITY AND ITS CONTROLS

4.1 Maintenance of IT Hardware and Inventory registers

With the introduction of SIFMS/ Pranali systems, implementation of information systems security and controls assume significance. Users of latest IT systems with licensed software, implementation of antivirus systems, monitoring system security, access control and network controls are important to maintain the integrity of the data of the system. It was served in most of the CPAO offices that the Register of inventory IT Hardware, software's were not complete and not updated. Details of the date of purchase, the system configuration, the machine serial number, user of the allotted system, the warranty and AMC details were not found on the Register. Antivirus software for protecting monitoring the system and the network was not installed. Several of the PCs were using outdated operating systems for which security support has long been stopped for Microsoft. Most of the system did not have any maintenance contract.

It is suggested that the CPAO may be impressed to maintain updated inventory of IT systems and protect the systems with updated antivirus software. Implementing appropriate access control and monitoring access and usage is also vital to ensure the security and integrity of the SIFMS/ Pranali system.

PART-V

5. Outstanding paras of previous Inspection Reports

The paras in the Inspection Report are pursued for compliance with the concerned Treasury Office. Persistent issues are updated and included in the current report, the position of which is as mentioned below:

CPAO	Previous Inspection Report Paras updated	Previous Inspection Report Paras outstanding
CPAO/Hqr.	3	0
CPAO/Gangtok	4	0
CPAO/ Gyalsing	2	0
CPAO/Mangan	3	0
CPAO/SLA	2	0
CPAO/Namchi	7	0
CPAO/Pakyong	4	0
CPAO/Soreng	3	0
PGIPF	5	0

**ANNEXURE-I –
Outstanding A.C. bills**

(Position as at the end of 31 March 2025)

CAO/Treasury Wise - Grant wise Details of pending AC Bills

Grant No	Grant	No of Bills	Pending AC Bill Amount
Gangtok Headquarters			
8	Election	16	17,50,44,662
15	Horticulture	110	5,16,81,779
29	Planning and Development	81	3,31,79,172
14	Home	278	3,19,09,984
45	Public Service Commission	61	3,16,34,436
38	Social Justice and Welfare	150	3,01,45,646
39	Sports and Youth Affairs	81	2,38,27,068
40	Tourism and Civil Aviation	26	2,25,08,512
17	Information and Public Relation	29	1,81,31,478
10	Finance	96	1,59,02,242
19	Water Resources	11	1,33,65,842
28	Department of Personnel	65	1,14,98,822
47	Skill Development	12	96,52,169
43	Panchayat Raj Institutions	20	92,77,131
1	Agriculture	4	77,34,628
13	Health and Family Welfare	39	75,12,366
7	Education	6	67,18,195
24	Legislature	3	62,02,500
4	Co-operation	10	47,53,479
2	Animal Husbandry and Veterinary Services	16	38,78,771
30	Police	97	33,07,842
20	Judiciary	18	23,26,772
33	Public Health Engineering	50	22,89,777
18	Information Technology	14	22,13,200
31	Power	3	17,35,950
34	Roads & Bridges	17	15,73,019
11	Food and Civil Supplies	9	14,16,265
21	Labour	37	13,44,809
9	Excise	13	11,66,897
5	Culture	8	10,23,523
26	Motor Vehicles	16	8,74,062
42	Vigilance	2	7,90,866
36	Science and Technology	36	7,60,202
44	Governor	9	6,55,636
22	Land Revenue and Disaster Management	9	4,27,503
35	Rural Development	16	3,71,379
3	Buildings and Housing	8	3,25,335
32	Printing and Stationary	7	3,16,352
25	Mines and Geology	11	2,26,767
12	Forest and Environment	6	68,122
16	Commerce and Industries	3	56,449
6	Ecclesiastical	2	43,544
41	Urban Development	3	34,415
27	Parliamentary Affairs	1	12,416
37	Transport	3	5,188
Gangtok EAST			
35	Rural Development	51	8,76,832

24	Legislature	2	3,00,000
12	Forest and Environment	4	2,28,591
29	Planning and Development	1	2,25,000
1	Agriculture	1	2,11,500
43	Panchayat Raj Institutions	4	1,50,665
13	Health and Family Welfare	1	1,00,000
22	Land Revenue and Disaster Management	4	56,333
38	Social Justice and Welfare	4	53,445
30	Police	6	45,866
19	Water Resources	3	37,281
34	Roads & Bridges	2	26,050
26	Motor Vehicles	1	19,188
2	Animal Husbandry and Veterinary Services	1	15,127
10	Finance	1	12,018
20	Judiciary	1	10,519
Gyalsing			
2	Animal Husbandry and Veterinary Services	7	37,83,745
38	Social Justice and Welfare	9	9,00,302
29	Planning and Development	1	8,10,000
22	Land Revenue and Disaster Management	24	5,22,428
35	Rural Development	25	4,52,482
13	Health and Family Welfare	4	4,18,720
7	Education	3	2,96,209
20	Judiciary	6	2,62,887
1	Agriculture	1	2,32,200
12	Forest and Environment	2	1,02,608
30	Police	4	76,896
33	Public Health Engineering	4	63,784
19	Water Resources	1	13,542
40	Tourism and Civil Aviation	2	12,854
Mangan			
20	Judiciary	3	3,02,011
22	Land Revenue and Disaster Management	13	2,03,183
35	Rural Development	10	1,20,012
29	Planning and Development	1	1,09,500
33	Public Health Engineering	2	51,968
38	Social Justice and Welfare	1	35,825
3	Buildings and Housing	1	19,180
26	Motor Vehicles	1	17,784
43	Panchayat Raj Institutions	1	13,298
12	Forest and Environment	1	10,604
16	Commerce and Industries	1	5,300
Namchi			
29	Planning and Development	3	28,00,000
1	Agriculture	3	20,25,398
35	Rural Development	55	19,95,188
20	Judiciary	6	19,74,415
7	Education	1	9,00,000
39	Sports and Youth Affairs	9	6,27,561
13	Health and Family Welfare	3	6,07,050
14	Home	28	5,73,445
30	Police	17	4,81,523
22	Land Revenue and Disaster Management	13	3,78,021
43	Panchayat Raj Institutions	6	2,61,399
38	Social Justice and Welfare	5	1,44,232
11	Food and Civil Supplies	2	41,484
4	Co-operation	2	31,328
34	Roads & Bridges	1	23,137

9	Excise	2	19,545
19	Water Resources	1	19,188
17	Information and Public Relation	1	13,650
33	Public Health Engineering	1	13,200
10	Finance	1	11,212
Pakyong			
35	Rural Development	6	5,67,603
22	Land Revenue and Disaster Management	6	99,727
47	Skill Development	1	79,000
26	Motor Vehicles	2	38,376
17	Information and Public Relation	1	19,188
2	Animal Husbandry and Veterinary Services	1	19,188
30	Police	1	3,458
Soreng			
2	Animal Husbandry and Veterinary Services	4	32,06,784
7	Education	4	92,714
35	Rural Development	3	55,068
22	Land Revenue and Disaster Management	2	53,835
31	Power	2	36,972
10	Finance	1	29,028
49	Fisheries	1	17,784

ANNEXURE-II
Un-encashed Cheques

(Position as at the end of 31 March 2025)

Particulars		No of cheques	Amount
Gangtok	Building & Housing Plan (EAST)	24	15,56,79,020
Gangtok	Fisheries Plan(EAST)	1	1,64,397
Gangtok	Health & Family Welfare Plan (EAST)	10	2,31,81,878
Gangtok	Irrigation & Flood Control Plan (EAST)	27	1,67,36,514
Gangtok	Power Non-Plan (EAST)	357	91,05,458
Gangtok	Power Plan (EAST)	294	66,13,60,995
Gangtok	Public Health Engineering Non-Plan (EAST)	1	1,93,024
Gangtok	Public Health Engineering Plan (EAST)	6	2,73,05,297
Gangtok	Roads & Bridges Plan (EAST)	39	9,14,97,235
Gangtok	Rural Development Department Non-Plan (EAST)	1	59,813
Gangtok	Rural Development Department Plan (EAST)	32	1,99,09,215
Gangtok	Urban Dev. & Housing Deptt. Plan (EAST)	2	19,28,743
Lotteries	State Lotteries Plan	18	63,70,64,891
Gyalsing	Power Non-Plan (WEST)	19	19,251
Gyalsing	Power Plan (WEST)	637	3,68,40,859
Gyalsing	Rural Development Department Plan (WEST)	8	41,49,225
Mangan	Power Plan (NORTH)	8	72,04,724
Mangan	Rural Development Department Plan (NORTH)	1	4,18,306
Namchi	Building & Housing Plan (NAMCHI)	18	5,21,21,891
Namchi	Land Revenue Department, NAMCHI (Plan)	1	2,52,990
Namchi	Power Plan (NAMCHI)	190	23,31,07,496
Namchi	Public Health Engineering Plan (NAMCHI)	3	69,19,431
Namchi	Rural Development Department Plan (NAMCHI)	28	4,85,58,063
Namchi	Urban Dev. & Housing Deptt. Plan(NAMCHI)	1	4,34,212
Pakyong	Rural Development Department Pakyong Works	16	1,06,78,059
Soreng	Power Soreng Works	455	36,29,553
Soreng	Rural Development Soreng	1	9,55,993
		2198	2,04,94,76,533

ANNEXURE-III
Un Acknowledged Challans

(Position as at the end of 31 March 2025)

Particulars	No of items	Amount
Gangtok East		
Building & Housing Non-Plan (EAST)	1	1,700
Building & Housing Plan (EAST)	474	52,40,94,426
Education Engineering Cell Non-Plan (EAST)	1	28,138
Education Engineering Cell Plan (EAST)	170	76,57,61,567
Fisheries Plan(EAST)	2	7,42,037
Health & Family Welfare Non-Plan (EAST)	1	3,25,000
Health & Family Welfare Plan (EAST)	224	18,84,69,120
Irrigation & Flood Control Non-Plan (EAST)	4	11,16,362
Irrigation & Flood Control Plan (EAST)	164	5,83,77,374
Land Revenue Department, EAST, Plan	87	2,75,09,216
Land Revenue Department, Non-Plan, Gangtok	28	20,73,783
Power Non-Plan (EAST)	17	1,80,192
Power Plan (EAST)	411	16,99,47,235
Public Health Engineering Non-Plan (EAST)	8	1,32,394
Public Health Engineering Plan (EAST)	128	11,05,65,126
Roads & Bridges Non-Plan (EAST)	34	1,44,80,095
Roads & Bridges Plan (EAST)	149	62,48,62,994
Rural Development Department Non-Plan (EAST)	1	1,36,325
Rural Development Department Plan (EAST)	150	11,10,62,588
Urban Dev. & Housing Deptt. Non-Plan (EAST)	8	7,60,788
Urban Dev. & Housing Deptt. Plan (EAST)	125	22,58,91,309
SNT		
Sikkim Nationalised Transport(SNT) Non-Plan	117	9,27,143
Sikkim Nationalised Transport(SNT) Plan	146	4,48,69,797
Headquarters		
Animal Husbandry, Livestock and Veterinary Services Department (Plan), Gangtok	55	1,17,86,545
Civil Aviation and Tourism Department (Plan), Gangtok	51	40,41,44,288
Food Security & Agriculture Development Department, Gangtok	11	29,75,980
Horticulture and Cash Crops Development Department Plan, Gangtok	17	69,25,523
Land Revenue Department, (Plan), GANGTOK	78	12,94,73,850
Gyalsing		
Building & Housing Plan (WEST)	66	1,09,61,006
Education Engineering Cell Non-Plan (WEST)	2	5,624
Education Engineering Cell Plan (WEST)	6	63,45,233
Irrigation & Flood Control Non-Plan (WEST)	1	888
Irrigation & Flood Control Plan (WEST)	190	1,15,90,165
Land Revenue Department, WEST (Non Plan)	7	1,82,544
Land Revenue Department, WEST (Plan)	80	1,51,95,778
Power Non-Plan (WEST)	4	9,600
Power Plan (WEST)	59	1,64,01,655
Public Health Engineering Plan (WEST)	32	1,51,44,931
Roads & Bridges Non-Plan (WEST)	1	169
Roads & Bridges Plan (WEST)	52	1,31,49,512
Rural Development Department Non-Plan (WEST)	3	40,479
Rural Development Department Plan (WEST)	37	1,09,59,474
Mangan		
Building & Housing Plan (NORTH)	1	470
Education Engineering Cell Plan (NORTH)	5	15,22,012
Irrigation & Flood Control Plan (NORTH)	89	1,03,25,044

Land Revenue Department, NORTH (Non Plan)	10	1,29,999
Land Revenue Department, NORTH (Plan)	389	1,61,15,926
Power Non-Plan (NORTH)	14	28,992
Power Plan (NORTH)	65	2,27,08,984
Public Health Engineering Plan (NORTH)	4	5,29,137
Roads & Bridges Non-Plan (NORTH)	1	2,22,600
Roads & Bridges Plan (NORTH)	26	47,97,356
Rural Development Department Plan (NORTH)	14	20,43,491
Namchi		
Building & Housing Plan (NAMCHI)	44	1,43,83,601
Education Engineering Cell Non-Plan (NAMCHI)	3	4,799
Irrigation & Flood Control Plan (NAMCHI)	46	3,10,11,674
Land Revenue Department, NAMCHI (Non Plan)	2	67,603
Land Revenue Department, NAMCHI (Plan)	23	1,52,88,345
Power Non-Plan (NAMCHI)	2	3,000
Power Plan (NAMCHI)	42	3,11,19,291
Public Health Engineering Non-Plan (NAMCHI)	1	2,34,955
Public Health Engineering Plan (NAMCHI)	10	54,25,191
Roads & Bridges Plan (NAMCHI)	55	4,20,54,668
Rural Development Department Non-Plan (NAMCHI)	1	2,32,296
Rural Development Department Plan (NAMCHI)	37	61,06,579
Urban Dev. & Housing Deptt. Non-Plan(NAMCHI)	1	88,950
Urban Dev. & Housing Deptt. Plan(NAMCHI)	18	22,04,664
Pakyong		
Education Engineering Cell Plan Pakyong Works	10	61,33,884
Irrigation & Flood Control Plan Pakyong Works	86	1,86,08,782
Land Revenue Department Pakyong Works	216	3,07,49,657
Power Pakyong Works	15	2,38,65,236
Public Health Engineering Pakyong Works	3	12,79,093
Roads & Bridges Pakyong Works	13	1,34,04,966
Rural Development Department Pakyong Works	1	13,995
Soreng		
Education Department Soreng	13	77,56,670
Land Revenue Department, Soreng	28	45,49,022
Power Soreng Works	22	73,65,989
Public Health Engineering Plan (SORENG)	17	44,77,533
Roads & Bridges Plan (Soreng)	58	3,18,80,365
Rural Development Soreng	9	1,44,163
Soreng Water Resources Department	15	44,35,660
	4611	3,88,89,22,595