

## CHAPTER 1

### PUBLIC DEBT

#### Audit of Treasury Bills

**101.**The securities received from the Treasuries should be examined with reference to Rules in Chapter 2 of Section II of the MSO (Tech) Volume I, and discrepancies noticed, if any should be settled with the Treasury officers. In respect of debits received from Settlement Accounts, the discharged securities and other particulars required should be obtained from the Account Current Section. All the securities and other relevant particulars or documents received in support of the transactions should be forwarded, with the covering list, by LA-VII to the Public Debt Office, Reserve Bank of India, Madras. A copy of the covering list should be marked to Book Section for having made use of in the reconciliation of the figures of this office with those of the Reserve Bank of India. The securities received with the first lists of payments should be sent not later than the end of the month and the rest not later than the 20<sup>th</sup> of the following month.

LA-VII Section should maintain a register (from the details available with them and from the details obtained from LA-VI Section) showing:

- (i) The amounts debited in the Treasury Accounts in respect of the open Market Loans of the State Government under "603-Internal Debt of the State Government—Market Loans....."
- (ii) The amounts for which securities have been forwarded to Bank and
- (iii) The balance for which either securities are due or which should be cleared by transfer to correct heads of account in cases of misclassifications.

Details of the action taken to clear the balance should be indicated in the Register. The Register should be closed a fortnight after the completion of the monthly accounts and submitted to the Branch Officer and once a quarter to the Group Officer/Accountant General.

[AG's Orders dated 27.11.54—Book Section Case (i) No: 8-7/54-55 and (ii) AG-I/Book DML/9-1/211 dated 25.3.198.]

Loans from Autonomous Bodies, Nationalised Banks, etc.

**102.** The State Government receive financial assistance in the shape of Loans for implementing several developmental schemes from Autonomous bodies like the Life Insurance Corporation of India. The National Co-operative Development Corporation and Central Warehousing Corporation, Reserve Bank of India (Agricultural Credit Department), and also from State Bank of India. Nationalised Banks, etc. The Departments of the Secretariat and Head of Departments concerned are responsible for the maintenance of the detailed accounts and for the repayment of the loans on the due dates. The detailed accounts should be subjected to local audit (ISC). The departments etc., should also furnish to this office.

- (i) A certificate of acceptance of the balance at the end of the year,
- (ii) A certificate regarding the fulfillment of the terms and conditions attached to the loans and
- (iii) A Certificate of utilization of the loans for the purpose for which they were sanctioned.

Broadsheets are maintained in LA III Section in respect of the loans advanced by each autonomous body. The Department of Secretariats and the Heads of Departments concerned should send to this office a monthly statement of Receipt and Payments in the prescribed form. The figures thus communicated are posted in the broadsheets in lump and compared with ledger figures. Differences, if any between the two sets of figures are taken up for reconciliation. The broadsheet is enclosed and submitted to the SB on 5<sup>th</sup> of each month. The balance at the close of each year worked out and communicated to the heads of Departments etc, for acceptance.

Under Article 293(3) of the Constitution, the consent of the Government of India has to be obtained before the State Government can raise any loan, if there is still outstanding any part of loan which has been made/guaranteed by the Government of India. It should therefore, be specially seen by the audit section concerned while auditing sanctions to loans that this consent has obtained. Cases of failure to obtain the consent should be taken up promptly with the State Government/other authorities concerned.

(iii) G.O. Rs. No: Finance, dated 25-7-63 and (ii) AG's orders dated 26-8-63—Case No Book/DB-8-1/62—64/Volume II.]

## CHAPTER 2

### LOANS AND ADVANCES BY GOVERNMENT

**201.** Please see paragraphs 435, 447 and 496 of the C&AG's MSO (Teach) Volume I.

**202.** In the case of loans to Municipalities, Panchayat Unions/Panchayats and Private Institutions a disbursement order on the basis of Government Order will be issued to the treasuries by the Heads of Department, concerned or an Officer duly delegated by him. In our office the orders of Government conveying sanctions to loans and advances should be noted in the special charges register and the connected vouchers audited and posted against the noting-vide also para 438 and 439 of MSO (Tech Volume I.

[DCM/IV/12-30/70-72/140 dated 22<sup>nd</sup> March 1974.]

**203.** The Broadsheet in respect of loans and advances to private parties and institutions etc. for which detailed accounts are kept by the departmental officers will be maintained in a simplified form. The total receipts and disbursements will be posted each month from the detail book in the register (Form 85) for each head of account which constitutes the last tier of classification. Each head of account for which postings are made in Form 85 will be taken as one unit for watching the Annual Certificates of Acceptance of Balances. The Broadsheets in the simplified form should show the opening balances, charges receipts and closing valance under each loan head of account. The postings from detail book in the broadsheets should be agreed every month with the corresponding entries in the consolidated abstract for each head of account to ensue the correctness of the postings and any differences, noticed rectified then and there. The outstanding balance under each loan head i.e. the total of the treasury and TE figures as on 31<sup>st</sup> March each year should be communicated in the prescribed form to the controlling officers concerned with reference to Article 225A of Tamil Nadu Financial Code Volume I for reconciliation and acceptance. The acceptance of balances of the Controlling officers obtained in Form SY 291 should be entered in the Acceptance Register maintained for the purpose separately for each Controlling officer as well as against the relevant head in the broadsheets and got attested by the Section Officer. In the Acceptance Register, an abstract should be maintained to show the yearwise details of number of acceptances due, number received and the number outstanding. The Acceptance Register should be closed monthly on the 18<sup>th</sup> and submitted to the Branch Officer with details of action taken. The provision of codes and manuals relating to Broadsheets in the simplified form will also apply, mutatis mutandis to the Broadsheets in the simplified form will not show district wise breakup of loan,

transaction. TE proposals and Alteration Memoranda should be received in GAD (p) correctness checked with reference to bookings in the Detail Book and the same forwarded to Treasury in the case of Alteration Memoranda or to LA-VI for booking in the case of TEs.

[Office Order No: DCM/IV/13-5/74-75/108 dated 15.11.76 and DCM/IV/131-5-/80-81/63 dated 17<sup>th</sup> July 1980.]

**204.** Attestation of Postings in the Broadsheets:—The postings of credits in the Broadsheets of Loans and Advances by the State government where detailed accounts are maintained by this office, should be checked by the A.A.O Computerised, Posting and Authorization done by A.A.O. Section Officer and attested in token thereof to the extent of 10 percent each month so as to cover all the items in a year. The debit entries will be attested cent percent.

After Computerisation, maintenance of broad sheet manually is dispensed with. However postings are checked and total agreed with main account figures is Book Section and authorized by AAO of the concerned LA Section.

[C&AG's Letter No: 1586/Admn/1-334/61 dated 15<sup>th</sup> July 1961 and DA-III Case No: 5-2/60-62 and AG's Orders dated 1-9-1961.]

**205 to 211 [deleted]**

**212.** The broadsheet for the payment and repayment of loans is maintained in form SY-114. The debits and credits are posted in the broadsheets as well as in the loan ledger from the vouchers and credit schedules received from the Treasury in support of the figures in the Treasury Accounts (SA-27-A ). The postings should be made only from the treasury accounts as prescribed in para 438 of MSO (Tech) Volume I and not with reference to the original challans received from the Local Bodies concerned. The details of the original challans received directly from the Local Bodies in support of credits which could not be distinctly traced in the treasury accounts due to misclassification will have to be noted in the remarks column of the subsidiary loan register and the matter pursued with Treasury Office for rectification of misclassification. The difference arising between the ledger and the broadsheet on account of unposted Debits/Credits should be recorded in the difference register and their eventual clearance made after obtaining the details from the Treasury Officers and the Local Bodies concerned.

After Computerization no Broad sheets is maintained manually for SA 27A. Main Account figure for 6003 to 7615 (except 7610) are booked from Treasury Account SA 27A and agreed with Book Section.

**213.** In respects of each item of balances pending collection, Annual demand collection and Balance Statement (in the form in Annexure B) detailing the particulars of loan amount, the name of the Local Body and the amount due in respect of each item of the loan should be prepared after the accounts of the year are closed and sent to the department of the State Government concerned for necessary action.

**214.** As soon as the accounts of the year are closed the balance due from each Local Body should be worked out and an account of each loan for the year in the form in Annexure B prepared and sent to the Local Body concerned (by 30<sup>th</sup> September each year) for acceptance. In account of the loans advanced, the amounts of principal and interest repaid and the balance pertaining to each local body should be prepared (in the form in Annexure C) and sent to the departments of the State Government concerned by 31<sup>st</sup> August every year.

#### Write-off of unreconciled Balances/Differences to 'Miscellaneous Government Account

**215.** (i) While scrutinizing proposals for write-off of unreconciled balances/ difference under the heads which close to balances by transfer to '8680-Miscellaneous Government Account it should be examined whether there items which remained outstanding mainly due to missing voucher/schedules, adjustment of debits and credits to wrong departmental adjusting accounts, lack of follow-up action and wrong posting in Classified Abstract. While investigating such items, it should also be examined whether there have been any lapses in our office such as loss of vouchers and schedules, wrong adjustment of debits and credits and mis-posting. If so, details thereof and the remedial steps taken to avoid such lapses should also be intimated to the headquarters along with the proposals for write-off.

[Authority.—(1) C&AG's officer Letter No. 1344-AC/203-75, dated 30<sup>th</sup> June, 1976.

(2) DCM Circular No: DCM/IV/15-1/76-77/27, dated 17<sup>th</sup> July, 1976.)

(ii) Comptroller and Auditor General has further instructed that the following requirements are fulfilled before a proposal for write-off is forwarded to the Head-quarters Office for approval.

- (a) The proposal should give full details about the individual items which are to be written off, the period to which they relate, and the reasons for their remaining outstanding.
- (b) The correspondence in the pursuit of old outstanding balanced was not fruitful though it was at higher level. The special efforts made in the direction of settling the outstanding items should be mentioned.



**ANNEXURE B**

**(Paragraph 213)**

Demand collection Balance Statement as on 31<sup>st</sup> March, 19

Opening Balance as on 1 <sup>st</sup> April	Demand		Collection		Balance as on 31 <sup>st</sup> March	
	Principal	Interest	Principal	Interest	Principal	Interest

**ANNEXURE C**

**(Paragraph 214)**

**Annual Statement of Loans**

Serial Number	Folio Number	Name of the Local Body	Ref. to Govt. Order sanctioning Loan	Amount of Loan	Rate of Interest	Annuity	Repayment of Interest		Closing Balance as on	Interest Credited
							Opening Repayment Balance made as on	8 9		
1	2	3	4	5	6	7	8	9	10	11

**ANNEXURE D**

**(Paragraph 2140)**

Account of Government Loan to the .....

From 1<sup>st</sup> April .....to 31<sup>st</sup> March .....

Serial Number	Folio Number	Loan Amount	Number and Date of the government order sanctioning the Loan	Opening Balance as on 1 <sup>st</sup> April, 19	Closing Balance as on 31 <sup>st</sup> March, 19
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D. 15.C.CA/

Dated:

Forwarded to .....with the request that the certificate at foot may be signed and forwarded to this office if the balance is accepted as correct.

For Accounts Officer

No:

Dated:

Certified that the balance of Rs .....on account of government Loan of Rs.....granted to .....shown outstanding on the 31<sup>st</sup> March, 19....in letter No: .....



## CHAPTER 3

### LOANS TO GOVERNMENT SERVANTS

**301.** Long Term Advances (Recoverable in 60 and more installments): Long term advances sanctioned to State All India Service Officers are generally of the following kinds:--

1. House Building Advances
2. Conveyance Advances
3. Marriage Advances

[Vide Chapter X of Tamil Nadu Financial Code Volume I. A record of such advances should be kept in Form MSO (Tech. ) 86 and 87. Please see also paragraph 449 of the C& AG's M.S.O. (Tech.) Volume I.]

**302.** The Broadsheet in Form MSO (Tech ) 86 should be utilized for the purpose of watching the recovery of interest. The note at the foot of the form details the methods of calculating interest at the end of each year. The interest as calculated should be carried forward, to column 7 of the Broadsheet for the next year. The interest "due for the year" can be calculated from the red ink figure in column 22 and should be entered in column 7 in cases in which the principal is repaid completely within the year. If not, the balance due should be shown in column 7 of the next year's Broadsheet. In cases in which the advance is completely repaid within a year, column 23 will be operated upon only if the interest had not been paid immediately on completion of the repayment of the advance.

In cases where pay bills for a month are paid before the end of the month the recovery of the advance from the pay for that month should not be taken into account in the 1<sup>st</sup> of the succeeding month.

[C&AG's Letter No: 286-Admn. C. 36/31, dated 27-2-1931—TM Case No: 15-72/30-31.]

Detailed Broad Sheet of HBA, MCA and DCA drawn by All India Service Officers are maintained in LA V section (Vide Circular No. TM/I/2009-10/SLB/S. dated 23-12-09).

**303. Recovery of Interest.**—In respect of advances granted to Gazetted All India Service Officers, about two months before the completion of the repayment of the advance, interest should be calculated on

the presumption that the remaining instalments will be duly recovered and an advance demand noticed should be sent to the officer concerned. The officer concerned should be made known that the amount of interest will increase, if the last two instalments are not paid in time. In case of Non-Gazetted All India Service no advance demand notice need be issued. The Head of office, who draws and disburses the Pay and Allowances and makes the recovery should calculate the interest due on the advances. The audit office should furnish such particulars on the 'Head of Office' may require for calculation of interest as well as such assistance as he may need, as the detailed accounts of the advances are kept by the former. The audit officer should, also check the correctness of the interest recovered from the non-gazetted All India Service in post audit.

C&AG's Letter No: 2277-(Tech) Admn. II/32-65 dated 10<sup>th</sup> November, 1965—TM Case No: 12-14 TA/65-66.]

After the closure of Accounts, the balances Outstanding under Long Term Advances in respect of All India Service Officers will be communicated to them on 30<sup>th</sup> June.

**304.** With a view to ensuring proper check of recoveries towards interest on the advances paid to All India Service Officers, the Treasury Officers should send with CA-G a sub-accountwise appendix for the interest recoveries in respect of each of the category of advances (viz. HBA, MCA, Warm Clothing, etc) supported by credit schedules (in duplicate giving names of debtors of debtors, amounts and date of recoveries.

On receipt of the details, the total amount shown against the various sub-accounts in the sub-accountwise appendix should be agreed by DC-VI with the total amount credited in the body of the account against each advance. It should be also be ensured that the amounts shown in the sub-accountwise appendix (for each advance) is duly supported by credit schedules in duplicate. \*The abstracts of deductions with the supporting schedules should be sent by DC-VI to LA- I-A IA-I-B and GAD (Pension) and to DC Sections concerned under proper acknowledgement.

[AG's order on the notes on CAG's Letter No: 1386-TA I/390-67 dated 11<sup>th</sup> July, 1967 and (ii) Circular No: DCM/IV/13-9/67-68/71 dated 2<sup>nd</sup> May, 1968-DCM Case No: 12-14/4/67-68 Volume II.]

**305.** Acceptance of Balances.—In order to verify the balances outstanding under Motor Car/other conveyance advance, LA V and GAD sections should, On or before the 1<sup>st</sup> of July every year, issue letters to the officers concerned through the respective head of offices calling for

acknowledgements from the former accepting the balance reported as outstanding against them in the books of this office on the last day of the previous financial year.

[TM Case No: 23-67/24-25.]

**306.** Advances for the purchase of conveyances.—In the case of purchase of conveyances, the date of drawal of advance will be:--

(i) The date of issue of the cheque by the Treasury Officer Accounts officer when personal cheques are drawn in favour of the All India Service : and

(ii) The date of actual disbursement of the advances to the officers in the case of other All India Service Officers whose pay is drawn on establishment bills and also who are disbursed the advance by the Head of the office after drawing the money from the Treasury Bank.

The Head of Office should invariably intimate the date of such disbursement promptly to the audit officer concerned to enable him to know the month from which recovery should start. It may also be ensured that the time lag between the date of drawal of a cheque and its disbursement by the Heads of office is reduced to the Minimum. If any delay is apprehended, the advance should be credited back to Government or cheque got cancelled.

[C.I., M.F. (Dept of Expenditure) OM No: 16(3)-E. II(A) 62 dated 9<sup>th</sup> March 1962 communicated in DB. MAC. II/1-18/52-63/38 dated 2<sup>nd</sup> May 1962—TM Case No: 12-14/62-63.]

**307.** In the case of motor car and other interest bearing advances the sanctioning authorities should be promptly intimated of the dates of the drawal of the advances and the amount drawn so that they may ensure that any further action required of them (such as getting mortgage bonds executed etc.) is completed without any delay.

[C&AG's Letter No: 1120/Admn. III/522.60 dated 24<sup>th</sup> July 1961-TM Case No: 12-14/61-62.]

**308.** House Building Advances.—Rules for the grant of House Building Advances' to State All India Service Officers are laid down in appendix 25 of Tamil Nadu Financial Code Volume II. The procedures prescribed in paragraph 302 and 303 above applies also to House Building Advances sanctioned to All India Service Officers of the Tamil Nadu Government under Government Memorandum No. 9524, Finance—Exp. A-11/48 dated 20<sup>th</sup> October, 1948 as amended from time to time.

[TM Case No, 15-92/56-59.]

**309.** Refunds.—The procedure outlined below may be followed in respect of refund of amounts which have been paid in excess in repayment of a loan on personal account and/ or interest thereon by a All India Service Officers/ private individual.

The sanction for repayment of the amount which has been paid in excess on account of the principal of the loans and or interest thereon by a loanee shall be issued by the authority competent to sanction the original loan after verifying from the departmental authority/Accountant General responsible for maintaining the detailed account of the loans that such repayment is due to the loanee; the fact of having made such a verification should be indicated in the sanction. No further authority for payment from the Accountant General is necessary in the case of Gazetted All India Service Officers. On the basis of this sanction, the head of the office in the case of Non-Gazetted All India Service Officers/Gazetted All India Service Officers or departmental officers who normally disburses the loan in the case of private individuals, may draw funds presenting bill in the form of a simple receipt, separately for amounts paid in excess on account of the principal of the loan and for interest at the Treasury attaching to the bill a copy of the sanction for each payment. The head of office/departmental officer concerned shall disburse the amount to the loanee and obtain his acquittance, duly stamped where necessary. The classification on the bill for withdrawal on account of excess deposit of a loan and the interest thereon shall be shown as 'Minus Credit' and to the head of account to which the loan was debited at the time of its payment and 'Deduct Refunds' under Major Head interest '049' respectively. The departmental Officer/Accountant General who keeps the detailed account of the loan will keep a note of the sanction for the refund in the relevant loan account and when repayment is actually made the voucher number and date of payment will also be recorded and attested by the departmental officer/Branch officers in the Accountant General's office as the case may be.

[GOI, MF (DEA) OM No. F. 10(61) 69 dated 10-9-78 communicated by CAG in his Endorsement No. 1832/TA. II/ 288-69 dated 6-10-70-DCM Case No. 15-2/69-71.]

**310.** Lumpsum broadsheets for short-term loans and advances (repayable in less than 60 instalments).—In respect of short term loans and advances to All India Service Officers in less than 60 instalments, detailed account are maintained by the Departmental Officers. No separate register to serve as single line Broadsheet is required to be maintained in this office. Instead the monthly statements of debits/credits (loanwise and Departmentawise) received from the departmental officers (as reconciled with the Treasury Figures) which are sent by the District Controlling officer to their heads of Departments with copies marked to this office and the statements of debits/ credits loanwise and

departmentwise—sent by the Treasury Officers/Pay and Accounts officers to this office—Would themselves serve as the basis for the ledger figure. These statement should be kept in Separate Folders monthwise with a working sheet (in the form specified in annexure) indicating loanwise, departmentwise monthly totals of debits/credits arrived at from the statement of the Treasury Officers/Pay and Account officers. This working sheet should be submitted to the Branch Officer every month to enable him to ensure that the postings in the working sheets are completed every month and that the departments are taking prompt action to reconcile the differences. The Branch Officers should give a direction wherever necessary to address the departmental officers for effecting reconciliation if there is any reason to believe that the progress of reconciliation is not being effectively done by the Departments.

On receipt of communication of balances from the Departmental officers concerned, the balances as communicated by the Departmental Officer and the balances arrived at from the figures of the Treasury officers/Pay and Accounts Officer should be compared and the differences, if any should be got reconciled by correspondence with the departmental officers/Pay and Accounts Officers/Treasury Officers concerned. After reconciliation certificates of acceptance of balances should be obtained from the Heads of the Departments concerned.

The department compilation sections should watch the progress of reconciliation and receipt of annual certificates of acceptance of balances from the heads of the Departments through the Reconciliation Register and the Sectional Calender of Returns.

[Letter No. 409-TA. I/116-73-17, dated 23-3-79 of the C&AG of India DCM/IV/15-138/80-81/190 dated 13-11-80 and DCM/IV/15-138/79-80/248 dated 1-3-1980.]

**311.** Receipt of orders of sanctions to Loans and Advances to state All India Service Officers for building etc., and their disposals.—The original Orders sanctioning long term Advances to All India Service Officers should be received by the DC sections. As and when vouchers are received , the D. C. section should link the copies of the sanctions attached to the vouchers with the original sanctions and make an encasement linked with the original sanction on the copies attached to the vouchers. The voucher number in which the advance is drawn should also be noted in the original sanction order before transmitting the vouchers to the LA sections concerned. LA sections should make entries in columns I to 5 of the Broadsheets with reference to the copies of the sanction orders attached to the vouchers which have already been linked with the original sanction orders by the D.C. Section.

In cases where copy of the sanction order has not been attached to the voucher DC section should with reference to the sanction order received direct furnish the following particulars sanction in the voucher so as to enable the LA sections to note them in columns 1 to 5 of Broadsheets (i.e.) (1) Name of the All India Service Officers (2) sanction order Number and date (3) Amount sanctioned (4) Monthly rate of recovery and (5) Rate of Interest.

[Authority.—(1) DCM/IV/15-1/77-78/69 dt. 29-7-78.]

(2) D.O. TM.II/Unit II/5/80-81 2/76 dt. 8-1-81.]

**312.** Adjustment of missing credits in respect of Long term Advances to All India Service Officers, viz., House Building Advance Motor Car Advance etc., on the basis of collateral evidence.—Recoveries of long term advances for which detailed accounts are kept by the Accountant General may be adjusted where the recoveries are not located in accounts, on the basis of collateral evidence under the orders of the Accountant General. Such collateral evidence should be in the form of a Certificate from the Treasury or drawing and disbursing Officers about the recovery having been made in the salary bill of the Officer with voucher number and date of verification of the particulars furnished by the Officer with reference to either the vouchers or noting in the salary Audit-Register or any other record. Such cases adjusted on the basis of collateral evidence should be entered in a separate register to be opened for this purpose. Efforts should be made to trace the credits and adjust them and remove the items from the said register before the close of the accounts of the year. After the close of the accounts of the year in which such adjustments are made a review of the outstanding items in the register should be made and the total amount of such outstanding item may be written off to “government Account” as a book keeping error under Article 53 of Account Code Vol. I by the appropriate authorities with reference to the existing power delegated to them and the conditions attaching thereto.

[**Authority.**—CAG’s Circular letter No. 885-Comp//63-73 dt. 8-10-73-DCM case 12-1-/73-7

The following further instructions have been issued by the headquarters:--

- (a) Posting in the B/S should be made in addition to nothing in a separate Register, every time an item is adjusted on collateral evidence basis without making any account adjustment. The difference between the broadsheet figure and ledger (account) figure should be suitably explained. The intention of making an entry in the register is to treat the credit as received for all practical purposes.

- (b) No transfer entry should be proposed for every adhoc adjustment as in the case of Provident Fund accounts.
- (c) The difference between Broadsheet and Ledger arising out of the posting in the B/S will be removed as and when credits are traced in accounts and adjusted, or after the closure of the accounts of the year when the difference are written off to Government Account.
- (d) An arrival report of the amounts written off by the Account General under the powers delegated vide note I below Article 53 of Account Code Vol. I. should be sent to C.A.G. by 10<sup>th</sup> November of each year.
- (e) Adjustment of debits (if any) are not contemplated as in the case of P.F. accounts.

[Authority—CAG's letter No.112-Comp/63-73 dt. 4-12-73, DCM case 12-1/73-74.]

**313.** Writeoff of Unreconciled balances/Differences To 'Miscellaneous Accounts'.—

#### **314. Control Mechanism Register**

In respect of broadsheets relating to loans and advances maintained by concerned LA sections, in order to ensure that the correct ledger figures as reflected in the Consolidated Abstract of LA 6 section have been adopted for the purpose of closure of the broadsheets with analysis of the difference between the two sets of figures, a register is maintained by LA 6 section indicating the loan heads sub account wise / minor head wise. It is the duty of the sections maintaining Broadsheets to have the ledger figures relating to the head of account dealt with by them attested by LA 6 section. This register known as Control Mechanism Register will indicate the arrears in the closure of Broad sheets.

This register should be closed on 10<sup>th</sup> of every month and submitted to Branch officer for approval. The register should be sent to TM for review. TM section should review the register critically and analyse the arrear position. The closing of various Broadsheets by the LA sections and submit a report to the A.G. on 15<sup>th</sup> of every month.

This applies mutatis mutandis to Broad sheets in respect of all other debt, deposit, remittance heads. LA III and LA VIA are maintaining the necessary control mechanism register for this purpose.

Maintenance of detailed Broad Sheet. Of HBA, MCA and PCA drawn by All India Service Officers are only maintained in LA V section. And maintenance of Broad Sheets of other Govt Servants are dispensed with vide circular No. TM/I / 2009-10 / SLB / S dated 23.12.09.

**ANNEXURE**

**(Paragraph 310)**

**WORKING SHEET**

Monthly Statement of Debits and Credits under .....Advance

Sub-Account No.

Month:

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Name of Treasury	Designation of the Drawing officer	Debits			Credits		
		Treasury Figure	Departmental Figure	Difference	Treasury Figure	Departmental Figure	Difference

Total for each Treasury



## CHAPTER 4

### DEPOSITS OF LOCAL FUNDS

**401.** Please see paragraphs 365 to 367 and 491 of the C&AG's MSO (Tech) Volume I.

**402.** The expression 'Local Fund' is defined in instruction (1) of Chapter V, Part III of the Tamil Nadu Treasury Code Volume I. A list of Local Funds in this State appears in Instruction (2) *ibid* and Article 304 of Tamil Nadu Financial Code, Volume I.

**403.** Payments from these funds are made by cheques (See instruction 50 under Treasury Rule 16 of the Tamil Nadu Treasury Code Volume I) except when expenditure is incurred by government on behalf of a local fund in which case the charges are debited direct to the local fund concerned. The debits in the Treasury Accounts are supported by the paid cheques sent to this office along with the list of payments.

**404.** Broadsheets for Local Funds are kept in Form MSO (Tech) 87. The Broadsheet Auditor will check the opening balance, credits debits, and closing balance, of the plus and minus memoranda and also check with the credits and debits shown in SA-27-C in respect of debit head of account dealt with by him.

The credits and debits as per plus and minus memoranda will be posted in the broadsheet. The total credits and debits in the broadsheet should be worked out and verified with those appearing in the Detail Books. The detail book figures should be entered in the Broadsheets by the Broadsheet Auditor and verified by the Auditor in charge of the detail book and attested by the Section Officer concerned. The broadsheet thus closed should be submitted to the Branch Officer in charge every month and to the Group Officer once in three months.

[DAG(R)'s orders in File DA-XI/5-70/65-66.]

**405.** Verification of Balances.—The Treasury Officer should obtain from the authority administering the fund, a certificate of balance as worked out in the administrative accounts and forward it to this office so as to reach this office not later than the 10<sup>th</sup> July, explaining the differences, if any, between that balance and the balance appearing in the treasury account as corrected by adjustments in the accounts of march final. The balance as shown in the books of this office should be followed by the Treasury Officer and not that shown in the Administrative Accounts.

[instruction (4) in Part III of chapter V of T.N.T.C. Volume I]

**406. Provident Fund Investment of Employees of Local Bodies.**---(a) The Provident Fund deduction made from the pay bills of the employees of the madras Corporation, Municipalities, Panchayat Unions and Town Panchayats as well as the contributions paid by the Local Bodies (other than the Madras Corporation) are credited to Government Account under the head of account 'K. Deposits—(a) Deposits bearing Interest—AB Miscellaneous Deposits---Provident Fund Deposits of Corporation, municipal Panchayat Unions and other Local Board Employees'[Credited under 8342-00-117-AB]

(b) A broadsheet is maintained in LA-3 section wherein the total receipts/payments for each minor head of account shown in the plus and minus memo should be entered relating to that minor head against each District/Treasury. The annual verification of the balance at the credit of each such deposit account will be done by the Treasury Officer concerned in consultation with the Administrator of the Account concerned.

(c) The Examiner of Local Accounts issues orders sanctioning the payment of interest every year provisionally on the basis of claims received from the local bodies subject to adjustments, if necessary, after the amount is finally fixed based on the audit of the annual accounts of the local bodies by him. The amounts are drawn in adjustment bills (debiting the interest head of account by contra credit to the deposit account wherein the provident fund accounts of the employees are accounted for).

[C&AG's letter No. 664-D&M 69-72---Officer No. DCM/IV/13-6/79-80/188 dated 30-11-79 and (i) G.O.Ms. No. 553 Finance, dated 17-6-67—case No. LA-1/81-1/68-79/Vol. II. (ii) G.O. Ms. No. 575, Finance (Funds) dated 19-4-72 and (iii) G.O. Ms. No. 1, Finance (Funds) dated 3<sup>rd</sup> January, 1977.]

## **CHAPTER 5**

### **DEPOSITS**

#### **SECTION 1—Audit Procedure**

**501.** Please see Chapter 9 of Section III and paragraphs 489 and 490 of the C&AG's Manual of Standing Orders (Technical) Volume I.

**502.** The audit procedure etc. laid down in the Manual of DA Sections and DC Sections will mutatis mutandis apply to the audit of Deposit Vouchers also.

**503.** Statement of lapses.—One statement for each class of deposits is sent by the Treasury Officer, after the 31<sup>st</sup> March each year (see article 127 of Account Code Volume II and Article 271 of Tamil Nadu Financial code Volume I). (On receipt of a Statement of Lapsed Deposits (Form TA 49 of the Account Code Volume II), the arithmetical accuracy of these statements should be checked by the Accountants maintaining the Broadsheets of the respective deposit head (Revenue Security, Criminal and Civil Court Deposits and work Deposits in LA III.

The Statements should also be checked with the plus(+) and minus (-) memorandum for the month of March and necessary transfer entries should be proposed by the Accountant maintaining Broadsheets to transfer the total amount lapsed to the revenue head of the Government Accounts ("0075—Miscellaneous General Service—101.Unclaimed Deposits"). The particulars of the transfer entry should be noted in the above statement.

These statements of lapsed deposits should then be sent to LA-3 Section for record and for taking further action for refund of lapsed deposits with reference to applications for such refund.

**504.** Refund of lapsed Deposits.—The provisions contained in SR-31 and Instructions 21-C under TR- 16 of Tamil Nadu Treasury code Volume I and Article 272(e) of Tamil Nadu Financial Code Volume I regarding refund of lapsed deposits may be referred to.

The refund of lapsed deposits, the detailed accounts of which are not kept at the Treasury, requires the sanction of the Accountant General. In the case of refund of lapsed deposits, the detailed account of which are kept at the Treasury, pre audit by this officer is necessary, only if the claims for repayment have become time barred and are preferred within 6 years from the dates of their lapse )i.e.

preferred within 3 years from the dates of their becoming time barred) with the special sanction of the Head of the Department.

The items of Deposits quoted in the bills for refund of lapsed deposits, received direct by the Deposit Section (LA\_III) should be traced in the statement of Lapsed Deposits. Only when sufficient balance is outstanding, sanction to the application should be accorded. These sanctions should be noted in the ('Lapsed Deposit Number Book').

After checking debit in the Treasury Sub-Accounts with the total of payment shown in the schedule of paid refund bills of lapsed Deposits, the paid vouchers should be forwarded by DC-III Section to LA—III for purpose of audit. The date of actual payment should be noted by LA—III in the lapsed Deposit Number Book with reference to the paid voucher.

**505. Personal Deposits.**----The Broadsheet Auditor should check the opening and closing balances and examine each account. The balance of each account at the end of the year as given in the monthly return of Personal Deposits for March is checked with the administrator's certificate. The schedules so checked should be marked as such by the checker.

**506. Works Deposits.**---Deposits for work of land acquisition for public bodies or Individuals: The items under "Works Deposits" should not be outstanding for more than a year from the date of the award, by the Land Acquisition officer. When they are so outstanding, the Treasury Officers should be advised to take immediate steps, in communication, if necessary with the land acquisition officers concerned, for the clearance of the amounts from this head of account whether by payment to the parties concerned, or by transfer credit to Revenue or Civil Court Deposits.

**507. Revenue Deposits on behalf of officers under other Audit officers.**—Such deposits should be passed on to the relevant audit officers through the Settlement Accounts. The Departmental Officer should endorse the refund order on the original receipt granted by the Treasury officer and send it to his own Accountant General, who will either authorize a refund through the Treasury, if the payee is within his accounts jurisdiction or will pay the party by Reserve Bank draft. Similarly, in respect of credits relating to "Revenue Deposits", received through the Settlement Accounts the procedure prescribed in paragraph 407 of the Manual of the DC Sections should be followed when repayments have to be made to private parties, i.e. in these cases the bank drafts will be obtained by the Departmental Officers themselves.

[CAG's letter No. 1637-AC/302-58 dt. 20-11-59. W.V. to AGCR letter No. TM II/14-1/DW 299 dt. 12-9-59 MGF D GOMS. No 416 dt. 9-3-55.]

**508.** Award statements.---Award Statements should contain a certificate of the corresponding credit. The award statements should be kept in serial order until finally disposed of. After each Award statement has been paid in full, and the prescribed particulars have been completely noted therein, it should be passed in original with a covering memorandum in the prescribed form to the Collectors of the Districts concerned as required in Rule 18 of Appendix 6 of the Compilation of Central Treasury Rules and Madras Land Acquisitions Manual (also read Board's Letter No. 1-1/645/78-1 (LR) dated 12<sup>th</sup> January 1978- TM Case 12-14C/ 76-79)

**509.**Acquisitions of land on behalf of local bodies---payment into Treasury.—After the land acquisition officer issues an award statement, the full amount thereof should be paid into the Treasury in one lumpsum by the local body concerned. The Treasury Officer should note in the Extract Register of Receipts the particulars of the award statements upon which the Deposits are received. In case of work done for a municipality however, if the municipal Council has given previous authority in writing the treasury or bank should Pay out at once, on the simple receipt of the land acquisition officer, the amount of the award, debiting it direct to the Municipal Fund.

[Rule 21 of Appendix 6, CTRs volume II and Tamil Nadu Land Acquisition manual.]

**510.** In cases where land is acquired by a Collector or other Civil Officer not specially employed for land acquisition, and the amount of compensation due has to be deposited in Civil Court, the payment should be made on receipts in Form-C (prescribed in the Tamil Nadu land Acquisition Manual), accompanied by Form-D. The amount will be adjusted by book transfer at the Treasury to the credit of Civil Court Deposits and Form- voucher sent with the Treasury Accounts in support of the debit.

[TM Case -3-6/30-31.]

[Para 511 Omitted]

**512.** Opening of Personal Deposits Accounts,--  
Section IV of Appendix 19 to Tamil Nadu Financial Code Volume II indicates the several transactions that can be accounted for under Personal Deposits. It is not the intention of government that in such cases personal Deposit Accounts may, be permitted to be opened without their specific sanction under Article 269 of Tamil Nadu financial Code Volume I.

[Government of M.G. F.D. Memo No: 82758 Accounts/55 dated 10-11-1955 and 1410-EA/56-1 Finance dated 2-2-1956—DA-XII—PD Case 4-1/55-56.]

“Orders issued by Government for opening of Personal Deposit Accounts should be examined in LA 2 Section in consultation with Book and DCM Sections. Personal Approval of the Principal Accountant General should be obtained before authorization for opening of Personal Deposit Accounts is issued.”  
(Authority: AG(A&E)/TM/12/II/9091/15 dt.26.06.1990. Filed in TM/12/II/199091 Orders of Pr.AG dt.11.06.1990).

**513.**The opening of Personal Ledger Accounts within the Consolidated Fund does not involve transfer of monies in lumpsum outside the Consolidated Fund. There is, therefore, no risk of funds being made non-lapsable and thereby vitiating legislative control. The closure of such accounts at the end of each financial year would also not serve any useful purpose. Legislative control is ensured adequately under the present arrangements. In view of these reasons it has been decided that it is not necessary to close at the end of each financial year the Personal Ledger accounts opened within the Consolidated Funds.

[Authority – C&AG’s letter No : 2716-Tech/Admn. 1/80-265 Volume II dated 25-7-1968-Filed in DCM Case 15-37/68-69.]

**514.** Court Orders for Payment—Forms 67 and 68 of Tamil Nadu Treasury Code Volume II.  
The court orders for payment issued by the presiding officers of the Courts which are non-negotiable, are governed by instructions 20 under TR-16 of Tamil Nadu Treasury Code Volume I, according to which they have to be re-dated every month if they are not cashed within the account month in which they were issued. The period of currency of three months prescribed for cheques in SR-49 under TR-16 of Tamil Nadu Treasury Code Volume I, does not apply to the Court orders, which can be revalidated for payment any number of times by the Court concerned. All that need be ensured with reference to instruction 20 under TR-16 is that it is cashed and accounted for within the month in which it is issued.

[M.G. Finance Dept. letter No. 48433-Exp-A/57-2 dt. 1-8-57.]

**515.** Deposits made in courts in Satisfaction of a Decree pending judgement of an appeal Filed against the Decree.

(1) Deposits made in Courts as security for staying the execution of the Lower Court’s Decree pending decision on its appeal to the Higher Court shall be initially accounted for under “8658—Suspense Accounts—Suspense Accounts (Civil)” (vide note 5 in LMMH). If the Court grants a stay order and

proceeds with the appeal, the initial debit to the above head will remain till the appeal is decreed, and if the court refuses to grant a stay order, the initial debit to the above head should be cleared by transfer to the 'consolidated Fund' as a charged expenditure under the appropriate service head of account.

(ii) In the absence of a stay or execution decree, such deposits shall be deemed to be in satisfaction of the decree, and the decree holder is at liberty to withdraw the same. The payment into the Courts in such case, shall be treated as a final charge adjustable under the relevant service heads of account and be charged on the Consolidated Fund in term of article 112(3) (b) and 202(3) (e) of the Constitution.

In either case so far as the accounts of the Courts are concerned, the money paid into the Court will be credited to 'K. Deposits and Advances'—(b) Deposits not bearing interest---'8443—104-AA

[Government of India Ministry of Finance (Department of Economic Affairs Letter No: (144)8/56 16-5-56, read with C&AG's letter No. 869-AC/15-56 dated 14-9-56—Government of Tamil Nadu finance Department G.O. Ms. No: 1857, dated 21-11-56 and Government memorandum No: 116947/BG/56-1 dated 15-2-57.]

(iii) State Government are required to pay security deposits in the Supreme Court, while Filing appeals against the decisions of the High Courts. The deposits in such cases are intended for the purpose of giving security for the costs of respondent in appeals filed by the State Government. The right of the opposite party, if any, to the deposits would accrue only after the disposal of the appeal and in accordance with such directions as the court may choose to give when disposing of the appeal. Hence it has been decided by the Comptroller and Auditor General in consultation with the Government of India, ministry of Finance and the Ministry of Law that such deposits may be accounted for under "Suspense and Miscellaneous (b) Suspense—8658 Suspense Account – Suspense Accounts (Civil)" (vide foot-note 5 in LMMH).

[Authority.---C&AG's letter No: 939-AR/82-70 dated 14-8-79-Filed in DCM Case No: 12-1/69-71.]

**516.** The Board of Revenue (now abolished) has held that the acceptance by the Debt Conciliation Boards of Deposits either before or after agreements are reached, for purposes of payment to creditors is illegal. As such there will be no occasion for credit of such moneys received by them into the Treasury under Deposits.

[Board of Revenue Resolution mis. No: 1210 dated 6-5-41 TAD-XI Case 22-1/41-42 and DAG's orders thereon.]

## CHAPTER 6

## **DEPARTMENTAL ADVANCES**

**601.** Please see paragraphs 451 to 456 of the C.A.G's M.S.O. (Tech) Volume I.

**602.** Broadsheets for each of the following advances are maintained by the sections noted against each:--

1. Deficiency in remittances –DC III.
2. Advances for remittance of treasure—LA III.

**603.** Broadsheets are maintained in GAD (P) for each of the advances falling under the following heads:

1. Special advances.
2. Revenue advances---Cost of Survey Marks.

The procedure laid down in paragraph 448 of the C.A.G's M.S.O. (Tech) Volume I, applies to all these cases.

### **Orders of write off**

**604.** The orders sanctioning the write-off of the balance under these advances should be only for the net result of the excess debits/credits in the accounts.

[C&AG's No. 284-AC/13-63, dt. 6.3.63—T.M Case 11-44/62-63]

### **Deficiency in Remittances**

**605.** A separate set of Object Book, Adjustment Register and Broadsheet should be maintained in respect of the transactions under as '8550 Civil advances –Other Advances –Deficiencies in remittances by DC III' The Treasury departmental and T.E. abstract totals in the Objection Book and adjustment register should be entered in the debit and credit columns respectively of the Broadsheet and the grand totals should separately be agreed with the respective total in the ledger (consolidated Abstract). The ledger balances should be got attested by LA III. The difference between Broad Sheet and Ledger should be worked out progressively and analysed yearwise for previous years and monthwise for current year. The totals of the abstract should agree with the net progressive difference shown in the Broad Sheet closing. The Broad Sheet as closed should be submitted to the Brach Officer for review.



## **Survey Advances**

**606.** The statement of the accounts in respect of Revenue Survey Advances and cost of Survey Marks for the half-year ending (30<sup>th</sup> September and 31<sup>st</sup> March should be reported to the Commissioner for Land Administration for verification (B.P. 69, Revenue Settlement, dated 6<sup>th</sup> March 1899). At the same time, the ledger balances in the Accountant General's Books should be compared with the Treasury plus and minus memoranda balances and necessary steps taken for the settlement of any differences. The commissioner for Land Administration and Settlement compares the balances reported by this office with these reported by the Collectors or other officers concerned and calls upon them to settle the differences. The Administrative Officers concerned are required to furnish annually by the 10<sup>th</sup> August through the Treasury Officers concerned, a certificate showing the balance to be accounted for by them on the 31<sup>st</sup> March preceding according to their administrative accounts. The Treasury Officer should reconcile this balance with that entered in the Treasury plus and minus memoranda and both must be agreed with the Broadsheet balances.

**607.** The question of increasing the overdraft upto which advances for survey operations can be drawn is administrative. The Accountant General need not, therefore be consulted before sanctioning any increase.

[G.O. Ms. No. 634-Rev. Dept., dt. 19-3-54 T XI A Case 22-106/53-54.]

## CHAPTER 8

### TRANSACTION ON BEHALF OF THE RESERVE BANK

**801.** Receipts and payments on account of the Reserve Bank are classified under the head

“8658—Suspense Accounts—117. Transactions on behalf of the Reserve Bank of India in the State Section of Accounts (SA 27D).

[Vide FootNote 7 under this Major Head in the list of Major and Minor Heads]

802. On receipt of vouchers and treasury accounts (S.A.27D) for a month, LA 6A section should check the vouchers pertaining to the Reserve Bank with the list of payments and deliver them to Section AC – 1 for transmission to the Reserve Bank. A certificate should also be endorsed on the list of payments that the total in the list agrees with the major head total in the treasury accounts. If there is any difference in the total in the list of payments and the major head total, a brief explanation of the difference or the action taken to reconcile the difference should be noted in the list of payments. The Pay and Accounts Officer (North) Madras will deliver all the vouchers, the amounts of which have been included under the above major head in the Treasury Accounts (SA 27D).

Book section (RBD unit) will send a statement on the 8<sup>th</sup> of the second succeeding month to which the statement relates to the Central Accounts Section of the Reserve Bank of India, at Nagpur, showing the credits and debits recorded under the above head of account, the debits and credits being supported by such vouchers and documents as desired by the Bank. After scrutiny of the accounts, the Reserve Bank effects necessary monetary settlement by affording the necessary credit or debit to the accounts of the State Government in its books. On receipt of the Clearance Memorandum from the Reserve Bank, the amount adjusted by the Bank should be credited or debited to the head “8675-Reserve Bank Deposits—Central Accounts Section—Reserve Bank” by per contra debit or credit to the head ‘8658—Suspense Accounts- Transactions on behalf of the Reserve Bank”.

As the entire debit under the head “8658---suspense Accounts Transactions” on behalf of the Reserve Bank is eventually recovered from the Bank it should be seen that all credits/debits are supported by necessary schedules/vouchers in the prescribed form. If in any case complete particulars and supporting schedules/vouchers in the prescribed form cannot be sent to the Bank in the first instance, the items may remain outstanding under the head transactions on behalf of the Reserve Bank till the supporting documents are received and sent to the RBI and the items settled by the RBI.

## **Receipts**

**803.** The following particulars for credits appearing under the above head should be furnished.

Renewal and enforcement fees on G.P. notes—the number of G.P. Notes and the loan to which it relates.

Miscellaneous:--Full particulars of the credit should show that it relates to the Reserve Bank.

## **Payments**

### **Advances of Travelling Allowance**

Advances of travelling allowance drawn for the escort of treasure by the police or for potdars to accompany a remittance should be debited to the head “8550—Civil Advances—Advances for remittance of Treasury”. Similarly, credits in respect of the adjustment in the final bills of such advance should be taken to the head (‘8550- Civil Advances -Advance for remittance of Treasure’ ) by contra debit to “8658 Suspense Accounts—Transactions on behalf of RBI, the gross amount of the bill being debited to the head “8658 suspense accounts – Transactions” – on behalf of the Reserve Bank of India.

### **Police Escort Charges**

**805.** The column “purpose of the journey” in the Travelling Allowance Bill should show the places from and to which the police Officials escorted the remittance of treasure, Police escort charges other than escort of treasure (i.e., escort of opium, land revenue, stamps, prisoners etc.) should not be debited to the Account with the Reserve Bank. The bills should be prepared in the prescribed form and should be signed by the appropriate authority. The remittance of treasure should pertain to treasuries/Sub-Treasuries having currency chests. Particulars of remittances. i.e., names of the consignors, consignee, date and value should be given in the bills. If a consolidated bill for the police escort has been prepared and presented for payment, an extract of the bill relating to the portion for escort of treasure debitable to the head Transactions on behalf of the Reserve Bank should be furnished to AC 1. As the bills for the escort of the treasure are sent finally to the Reserve, it is always desirable that a separate bill is obtained in such cases. In cases where treasure is carried by buses and claims are made by companies in the form of statements supported by warrants issued by police authorities, the purpose of the Journey should be given separately to enable the Bank to accept the claim. In cases where railway warrants have

been issued in lieu of tickets, such warrants should be adjusted by the Railways concerned direct with the Reserve Bank.

#### **806. Pay and Allowances of Potdars accompanying remittances**

Claims for allowances of potdars should always be supported by potdar's certificate prepared in T.N.T.C. Form 86 properly filled in with particulars of the remittances viz., kind of remittance, amount, destination, etc. The signature of potdars and those of the receiving and remitting officers should be on the potdar's certificate. If the potdar's halt at the outstation exceeds 10 days, the potdars certificate should be countersigned by the Currency Officer. In case where the halt exceeds a month, the counter signature of the Chief Accountant Reserve Bank of India. Central Office, Bombay should be obtained when potdar's pay is claimed it should be clearly stated that the pay relate to temporary potdar. The purpose for which the potdar is engaged should also be stated.

#### **Cost of Boxes' Cart and Cooly hire.**

**807.** The following is a list of items which are usually incurred by the Treasury Officers in receiving and despatching remittances. The amounts in respect of these items should be drawn in contingent bill form supported by sub-vouchers for amounts above Rs. 100 with particulars of kind of remittances. Amount and destination being mentioned in the bill:--

(i) Hire of purchase of remittance boxes and repairing damaged/used boxes. Sanction of the Currency Officer for the expenditure incurred towards cost of repairs to remittance boxes, locks, etc., should invariably be furnished.

(ii) Cost of nails, hoop iron, rivets, sealing wax, ropes etc.

(iii) Cart hire for boxes.

(iv) Cooly hire for packing, loading and unloading the boxes, stoningspace and weighing charges.

(v) Railway and steamer freight. Whenever freight charges are paid in cash instead of by issuing Credit Notes, the payments should be supported by relative receipts and reasons for not paying freight charges through credit Notes furnished.

(vi) Telegrams charges. This should be supported by a certificate that such charges relate solely to currency and resource operations.

Note: The vouchers in vernacular should be translated into English.

**808.** Claims for Railway charges for which credit Notes are issued by Railways should be settled by the Railway concerned with the Reserve Bank direct.

**809.** Claims on account of remittance of treasure incurred by the branches of the State Bank of India conducting Government Treasury work are settled directly by them with the Reserve Bank.

**810.** In respect of missing vouchers, a certificate of payment in the following form (Prescribed by the Reserve Bank of India) should be obtained from the Treasury Officer:--

**Certificate of payment**

I hereby certify that a sum of Rs.....was expended by me in the payment of .....(details of expenditure\*) .....in connection with the remittance of treasure from .....to.....on.....but the original voucher No.....dated.....in this respect has been lost. I also certify that the relevant debit has not been raised by this Treasury against the Bank nor the same will be charged to the Bank in future, if the original voucher is subsequently found. It is understood that the acceptance of the certificate by the Bank will not absolve the Treasury from any consequence that may arise from the loss of the original voucher.

Date

Treasury Officer.

**(Seal of the Treasury)**

- (a) Pay of temporary potdars accompanying remittances
- (b) Insurance
- (c) Police escort
- (d) Railway and steamer fares
- (e) Railway and steamer freight
- (f) Potdar's allowances
- (g) Purchase of kutcha boxes
- (h) Cartage and mazdoor hire.
- (i) Not enumerated

**811.** A broadsheet is maintained in AC 1 Section wherein the debits/credits as per the monthly statement of transactions is posted along with the figures booked under the head in AC 1. The differences between the two sets of figures are analysed and action taken for clearance of the unadjusted items.

## **CHAPTER 9**

### **SUSPENSE**

### **Broadsheets for Suspense/Receipts/Payments**

**901.**(Please see paragraphs 10.20 to 10.22, 11.09, 20.49 and 20.52 of the C&AG's MSO(A&E) Volume – I.)

**901.**The Broadsheets for the transactions of the State Government under this head 8658 Suspense-Accounts---Suspense Accounts (civil) Receipts/Payments are maintained by AC Section. The procedure for the maintenance of broadsheets is the same as that referred to in "Chapter 6 Departmental Advances". Itemwise differences and action taken for their clearance under Receipt/Payments" should be detailed in the broadsheets or in a subsidiary register maintained for the purpose. The Registers should be closed monthly and submitted to the Branch Officer on the 10<sup>th</sup> of the month, second succeeding to the month to which the closing relates. The Registers should be called for by TM for a surprise review once in a quarter and the results of the review should be submitted to the A.G. with a view to seeing that the items kept under 'Suspense' are reduced to a minimum, it is necessary to ensure that the items placed under 'Suspense' are scrutinized carefully. The following monetary limits should be observed for the scrutiny for such items:---

Section Officer up to Rs. 5000

Branch Officer above Rs. 10000

50% of the items upto Rs. 10000 under these should be reviewed concurrently by the Branch Officer. During the monthly closing of the Broadsheets for these heads, all items exceeding Rs. 10,000 and outstanding in a particular month should be brought to the notice of the Group officer, so that he can satisfy himself that adequate action has been taken for their clearance.

A progress report indicating the clearance of 11 (1) outstanding balances, and (2) differences between ledger and broadsheet under suspense accounts to the end of the 31<sup>st</sup> march of the previous year should be sent to the Book section on the following due dates:-

1<sup>st</sup> Report 15<sup>th</sup> November

2<sup>nd</sup> Report 15<sup>th</sup> February

3<sup>rd</sup> Report 15<sup>th</sup> June.

The previous approval of the Comptroller and Auditor General should be obtained under article 53 of the Accountant Code, Vol. 1 for the adjustment of any irreconcilable difference between the

broadsheet and the Ledger balance (C&AG's letter No. AC 650-65-26 dt. 17-2-26 TM case no.23-170 of 1925-26).

The March final accounts should not be closed without clearing the outstanding under the Suspense heads and, if any special reason, it is considered necessary to retain any items under suspense even in march final accounts this should be done only after obtaining the approval of the group officer the individually for each item after complete analysis. For this purpose, a report indicating the individual items outstanding under suspense heads and the reasons for their non-clearance should be furnished to the controlling sections, will review the reports and submit them to the Group Officer by the 10<sup>th</sup> of June for his approval for the retention of inevitable items under expense heads.

[ C&A.G's Letters No. A.C.650-65-26 dt. 17/2/26 TM case 15-170/1925-26 27 Comp. 11/97-59 dt. 25-1-60 293 Comp. 11/47/61 dt. 13-6-61. This Office O.O. AC /TM 30dt. 16-5-60, ACT Genl. Case 27-1-64 C&AG's Letters No.57 Comp. 140-63 dt. 24-1-64 and his office O.O book 2-5-63---64 dt. 21-3-64 TM case 11-6-64---65]

**902.**All remittances relating to non Government monies such as the value of T.B. seals, Employees' State Insurance premium etc. wrongly credited to Govt. accounts in the Treasuries and Branches of the State Bank of India should be classified under 858 suspense Account/Suspense Account (civil) Receipts in cash' and the Treasury Officer should take necessary steps to trace the remittances and refund the wrong credits. If these credits remain under "Suspense" for three full financial years (excluding the year of remittance the amount should be transferred to 8680 Miscellaneous General Services other receipts.

**(Authority.—**G.O.Ms 1304 dt. 29-9-72 Finance Department 2. C&AG's letter No. 407 AC/17-73 dt.15-3-73 Filed in case LA IX/VI/71-74.)

#### **Adjustment of debits and credits under "Suspense" appearing in the Settlement Accounts.**

**903.**While noting the head of account on the voucher given to them by the account current Section, or against the particulars noted in the statements sent to them, the auditors should make it a point to take in to the objection statement or the adjustment Registers as the case may be, any transaction,which they propose to classify under "Suspense". A note to this effect should also be made with statement or on the voucher under the initials of the Section Officer

## **CHAPTER 10**



## **AUDIT OF REMITTANCE**

**1001.** Local Cash remittances denote those remittances between the state Treasuries/Sub-Treasuries or between a State Treasury/Sub-Treasury and the Reserve Bank (Vide SR 2 under TR 30 of TNTC Vol. I).

### **Remittance check Registers.**

**1002.** Registers are maintained by LA IX in Form MSO(T) Form 91 in the manner indicated in paragraphs 465 to 468 of the C.A.G' M.S.O. (Tech), Vol. 1 For the check of the remittances mentioned in the preceding paragraph. The registers should be closed and submitted to the Branch Officer on 30<sup>th</sup> of the month following that to which the accounts relate, together with a certificate recorded in the Register as under:--

**“Certified that adequate action has been taken for the clearance of the unadjusted debits and credits”.**

### **Receipts and Payments on Account of Civil.**

**1003.** In respect of transactions appearing under the head “PW Remittances—III Other Remittances—Payment/Receipts on account of Civil—“ other items in the divisional accounts of public works divisions, small accounts are sent by WMII to book section and statements of accounts for debits and credits to various heads of accounts under each major head, in support of the amounts included in the Small Account are forwarded by WMII to the respective DC sections—these figures communicated by WMII in the statements of accounts should be posted in the detail book/consolidated abstract and the total under each major head got agreed to by book section.

**1004.** Receipts and payments on account of P.W.D. appearing in the treasury accounts:-- remittance of public works revenue and payments on behalf of the P.W.D. by parties other than public works departmental officers are accounted for under the head “cash remittances and adjustment between officers rendering accounts to the same Accountant General-public works remittances-III. Other remittances-receipts/payments on account of PWD is in the Treasury Accounts. Schedules of Receipts /payments supported by necessary details and vouchers are sent to the divisional officers concerned by the treasury officers direct for necessary action. Copies of these schedules are received from each of the treasuries along with sub-account 27D with division wise details. LAVIA section should furnish these schedules to WMII not later than the 15<sup>th</sup> of each month with a statement of figures booked in the month under this head.

### **Transactions relating to government commercial undertakings**

**1005.** The credits for the remittances made and the debits for the cheques drawn by the government commercial undertakings appear in the treasury accounts against the heads of accounts “I remittances with treasuries, and “ii cheques” respectively under the head of account ‘remittances of gov. commercial undertaking”. The centre debit/credits for these remittances and cheques drawn are shown in the departmental accounts rendered by the commercial undertaking to the A.G. similarly, the book adjustments arising in other commercial departments etc. which are finally adjustable in the accounts of the undertaking and vice-versa accounted for under the head of account ‘III other remittances” in the departmental accounts and A.G.’s accounts.

The check register mentioned in para 1002 is maintained in 3 parts covering the three heads of accounts mentioned above. The individual credits appearing in Bit 27D under the heads of accounts ‘I- Remittances into Treasuries’ and II Cheques’ are compared with the corresponding debits and credits appearing in the Schedule of settlement with Treasuries received with the departmental accounts. The items remaining unadjusted are take up with the Treasury/undertaking for reconciliation and adjustment. Similar comparison is made in respect of the transfer entries booked in this office under ‘III other remittances’ with the corresponding items appearing in the departmental accounts and action taken in respect of the unadjusted items.