

For internal use in Indian Audit and Accounts Department

MANUAL OF CENTRAL AUDIT
VOL. IV
(PROVIDENT FUND)
(SECOND EDITION)

Issued by:

**The Principal Accountant General (Civil & Commercial Audit), Kerala,
Thiruvananthapuram**

PREFACE

This is the second edition of the Manual of Central Audit (Provident Fund) issued in accordance with paragraph 2.2. of the Comptroller and Auditor General's Manual of Standing Orders (Administrative), Vol.I

The instruction in the Manual are supplementary to those in the various Codes and Manuals issued by the Government and the Comptroller and Auditor General of India. All members of the office are expected to be conversant with the procedure laid down in this Manual.

The responsibility for keeping this Manual up-to date rests with the Integrated Audit Unit Section in charge of Provident Fund Audit.

Suggestions for improvements are welcome.

Sd/-

Thiruvananthapuram

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Principal Accountant General (C&CA), Kerala

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CHAPTER I

INTRODUCTORY

1.01. Introductory

With the separation of Audit and Accounts and Entitlement functions and setting up of separate and functionally independent Audit and A & E Offices with effect from 01 March 1984, the systems and the procedures of Central Audit have been recast to suit the needs and requirements of the new structure of the department with the A & E Office becoming, *ipso-facto*, one of the auditee units of the Audit Office. In the composite offices, there was no separate wing for conducting the Central Audit of Provident Fund accounts. The sections responsible for maintaining these accounts and authorising withdrawals/final payments therefrom concurrently conducted its audit also in terms of Provident Fund Rules framed under Government Provident Fund Act, 1925 read with the instruction laid down in paras 386 to 432 of Chapter 10 (C) of the Comptroller and Auditor General's Secret Memorandum of Instructions. The review of the Provident Fund accounts and their payment authorizations was also done up to the prescribed extent by the Section/Accounts Officers of Provident Funds wing from 01 March 1984. While the accounting and entitlement functions of Provident Fund continue to be with the Accountant General (A&E), the Central Audit of Provident fund account is conducted by the Principal Accountant General (C&CA). The systems and procedures of audit contained in the Manual of Standing Orders (Technical) and the quantum of audit as prescribed in secret Memorandum of Instructions still apply to the extent indicated in the Manual of Instructions of Central Audit (MICA) as modified from time to time.

1.02 Duties

Central Audit of the Provident Fund accounts is conducted every month by the Central Audit Parties (CAPs) attached with Integrated Audit Unit (IAU) Section of the Audit Office. The audit is to be conducted by the CAPs by going to the office of the Accountant General (A&E) on the basis of records maintained by that office (Para 2.1 of MICA). Necessary arrangement for the accommodation of CAPs is to be made by the Accountant General (A&E) in consultation with the Principal Accountant General(C&CA).

1.03 The Composition of the Central Audit Party is based on the work load and is sanctioned by the Headquarters Office. Two CAPs are supervised by one Assistant Audit Officer.

(Para 2.2, 2.3. of MICA).

1.04 The duties and responsibilities of Integrated Audit Unit Section are broadly outlined below. These lists are not intended to be exhaustive; any item of work not listed here but are required to be done in terms of Comptroller and Auditor General's Manual of Standing Orders or Principal Accountant General's instructions will be assigned by the Audit Officer in charge to the members of the IAU/CAP and by the Group Officer/Principal Accountant General to the Audit Officer.

(a) Audit Officer

- i) Co-ordination and general supervision.
- ii) Framing of audit programmes, deployment of Audit parties and watching completion of audit/audit performance.
- iii) Audit of sanctions of general nature relating to provident funds.
- iv) Review of files containing objection memos issued to provident fund sections.
- v) Scrutiny of materials for audit reports.
- vi) Examination of rules and regulations proposed/issued by Government.
- vii) Reports regarding failure of audit.

(b) Assistant Audit Officer

- i) Disposal of references seeking clarifications and allied correspondence.
- ii) Review of files containing objection memos issued to departmental officers.
- iii) Check of consolidation of statistics.
- iv) General check of objection book and approving the closing.
- v) Processing materials for audit reports.
- vi) Check of reports/returns

(c) Senior Auditors/Auditors

- i) Issue and pursuance of objection memos with departmental officers.
- ii) Issue and pursuance of objection memos with Provident Fund Sections.
- iii) Maintenance of register of important points for local audit.

- iv) Compilation and consolidation of statistics including those for calculation of staff requirements.
- v) Half yearly report of digest of important and interesting cases.
- vi) Preparation and consolidation of reports returns.
- vii) Maintenance of objection book and closing.
- viii) Other routine work not specifically listed; or other works entrusted by the AAO.

(Annexure 3.1.1. of MICA)

1.05 The duties and responsibilities of the members of Central Audit Parties are broadly outlined below. These are not intended to be exhaustive; any item of work not specifically mentioned herein but required to be done under the Manual of Standing Orders or Standing Instructions of the Principal Accountant General will be assigned by the Assistant Audit Officer in charge of the Central Audit party to one of the members of the CAP.

a) Assistant Audit Officer

- i) Co-ordination and general supervision of work of audit parties.
- ii) Selection of vouchers for audit/review and cases for check/review.
- iii) Review of vouchers audited by Senior Auditors/ Auditors.
- iv) Check of the prescribed quantum of final payment cases.

b) Senior Auditors/Auditors

- i) Audit of final payment vouchers.
- ii) Check of the prescribed quantum of final payment cases.
- iii) General review of ledger cards.
- iv) Listing of vouchers for audit/review and cases for checking.
- v) Audit of part final payment vouchers
- vi) Audit of temporary advance vouchers.
- vii) Any other routine work; or other work assigned by the Assistant Audit Officer.

CHAPTER II

SUBSCRIPTIONS AND ACCOUNTING OF PROVIDENT FUND

2.01 Provident Fund

‘Provident Fund’ means a fund in which subscriptions or deposits of any class or classes of employees are received and held on their individual accounts and includes any contributions and any interest or increment accruing on such subscriptions, deposits or contributions under the rules of the Fund.

(Section 2 (e) of the Provident Fund Act, 1925)

2.02 The Accountant General (A&E) is responsible for maintenance of Provident Fund Accounts of the State Government employees. The Government Provident Funds within the meaning of the Provident Fund Act, 1925 which are dealt with in the Accounts and Entitlement Office are the following.

1) General Provident Fund (Central Services) relating to Union Territory of Lakshadweep (Due to departmentalization, the other Central Accounts are maintained by the P.A.O of concerned Department (Ministry).

2) All India Services Provident Fund.

3) General Provident Fund (Kerala).

The general legal position in regard to the provisions in the Provident Fund Rules has been dealt with in the ‘Memorandum Explanatory of Government Provident Fund Rules Vis-à-vis the law on the subject’ which has been prepared by the Government of India in consultation with its legal advisers. This Memorandum, as stated in its preface, is not exhaustive and exceptional cases may arise which are not covered by the instructions in the Memorandum. It will, however, be found useful in dealing with the generality of cases arising under the various Provident Fund Rules.

(Paragraph 3.12.4 MSO (Audit))

2.03 The Provident Fund wing in the A&E Office is divided into several compact sections. F.M section co-ordinates the work in the entire branch with a view to ensuring efficient working of the sections.

2.04 Admission

Subject to the provisions of Rule 5 and sub-Rule (2) of the General Provident Fund (Kerala) Rules, the following classes of Government Servants

whose conditions of service are governed by the rules issued by the Governor, shall join the Fund:

Provided that any Government servant who has insured his life in the State Life Insurance (Official Branch) will not be required to join the Fund if he so desires and if the monthly premium of Insurance does not fall below the minimum rate of subscription for the General Provident Fund (Kerala) prescribed by Government from time to time.

Provided also that if the monthly premium in respect of the State Life Insurance (Official Branch) taken by a Government servant falls below the minimum rate of monthly subscription to the General Provident Fund (Kerala) prescribed by the Government from time to time, he will be required to join the General Provident Fund (Kerala) also and the monthly subscription to the General Provident Fund (Kerala) and the monthly premium to the State Life Insurance (Official Branch) together shall not fall below the minimum rate of Provident Fund subscription prescribed by Government from time to time.

(G.O (P) 619/71/Fin dated 11.10.1971)

- a) All full members of any pensionable service.
- b) All Probationers in any service who will be made full members of the service on due completion of their period of probation.
- c) All temporary, acting and officiating members of any service, other than re-employed pensioners, on completion of one year's continuous service.
- d) Part time contingent employees (KPTCEPF)
- e) An officer not coming under (a) or (b) or (c) or (d) above, but who has been duly admitted to membership under rules or orders heretofore in force.

NOTE: Temporary, acting and officiating members of any service (other than re-employed pensioners and those provisionally appointed initially) who have not completed one year's continuous service may also be admitted to the Fund if they apply for it in writing.

(G.O (P) 198/66 Fin., dated 11.5.1966)

Provided that a temporary Government Servant who is borne on an establishment to which the Provisions of Provident Funds Scheme, 1952 framed under the Employees, Provident Funds and Family Pension Fund Act, 1952 (19 of 1952), would have applied but for the exemption granted under section 17 of

the said act, shall subscribe to the general provident fund, if he has actually worked for not less than 240 days during a period of twelve months or less in such establishment.

Explanation: The period of work for 240 days shall be computed in the manner specified in the Employees Provident Funds Scheme, 1952, and shall be certified by the employer.

2) No officer who has been required or permitted to subscribe to a Contributory Provident Fund shall be eligible to join or continue as a subscriber to the Fund, while he retains his right to subscribe to such a fund.

GOVERNMENT DECISIONS

1) All the officials confirmed in service prior to 1.4.1964 and who are required to join the Fund Compulsorily with effect from the date of their confirmation, but not admitted to any fund so far, will be admitted to the General Provident Fund (Kerala) with effect from the date of their confirmation and the arrears from that date collected and credited to the General provident Fund (Kerala).

(G.O (P) No.479/65/Fin.(PF) dated 27.12.1965)

2) Those contingent employees who have opted for absorption into regular establishment will be admitted to the General Provident Fund compulsorily from 1.4.1969, unless they apply in writing for admission to the fund from an earlier date.

(Cir. No. 56/PF/68/Fin dated 14.8.1968)

The provisions in the All India Services Provident Fund Rules and in other Provident Fund Rules regulate the eligibility of Government servants in the services mentioned therein to join such Funds.

On receipt of an application in the prescribed form or list of subscribers from Head of an office, the eligibility of the new subscriber is tested in the Provident Fund Section of A&E Office with reference to relevant rules. If he is found eligible, an account number is assigned to him in the General Index Register as provided in paragraph 12.14 of MSO (Accounts and Entitlements) Vol. I and communicated to him direct or through the Head of his Office. When admitting, the rate of subscription proposed by the subscriber should be checked to see whether it is in accordance with the rules of the Fund. In the case of

admissions with retrospective effect, the arrears of subscription should be calculated and intimated for recovery.

(Form of Admission in Annexure- I Government Circular No.21/2007/Fin dated Thiruvananthapuram 28 March 2007).

2.05 Nominations

i) Every Gazetted Officer governed by General Provident Fund (Kerala) Rules, is required to send to Accountant General (A&E) a nomination in the prescribed form at the time of joining the Fund. Even if the nomination is not furnished, the application to the Fund should be admitted if the applicant is eligible to join the fund.

In the case of subscribers governed by General Provident Fund (Central Services) Rules, 1960 and All India services (Provident Fund) Rules, 1955, the above procedure should be followed.

ii) With the introduction of compulsory subscription to General Provident Fund the responsibility for scrutiny, acceptance and custody of the nomination of all Non-Gazetted Officers under General Provident Fund (Kerala) Rules are vested with the Head of Office. On their substantive promotion to Gazetted Officer's cadre the Head of Office will forward the nomination to the Accountant General for safe custody.

(Government of Kerala Cir.31/75/Fin dated 21.4.1975)

iii) All nominations should after admission be sent to the Provident Fund Library for safe custody where they are pasted in the Guard files. The Guard files of nomination should be maintained in the order of Account numbers for each department and kept under lock and key. The Branch Officer/Fund Miscellaneous Section in the A&E Office shall be personally responsible for ensuring that all the nomination received from Provident Fund Sections are actually filed in the Guard files.

Note: (a) It has been held by the Government of India that a nomination for the Provident Fund submitted to the Head of Office before the death of the subscriber should be treated as a valid one, notwithstanding the fact that it did not reach the Accounts Officer before the subscriber's death.

(CAG's Cir. No. 993-4/3-62 dated 23 November 1962)

(b) A child given in the adoption outside the family of a subscriber should be excluded from the category of the surviving members of the family.

(GI Fin, Deptt. 73/FE dated 20 May 1924)

- c) 'Family' means:
- a) Wife – in the case of a male subscriber
 - b) Husband – in the case of female subscriber
 - c) Minor Sons
 - d) Unmarried/widowed/divorced daughters
 - e) Major sons (Sons who have attained legal majority)
 - f) Married daughters
 - g) Father
 - h) Mother
 - i) Minor brothers
 - j) Unmarried sisters
 - k) Children of a pre-deceased son or daughter
 - l) The paternal grand parents

Note:- (1) Item (c), (d), (e) and (f) include step children, adopted children, posthumous children and item (g), (h) include adoptive parent.

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of a community to which she belongs to be entitled to maintenance, she shall hence forth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate, unless the subscriber subsequently indicates by express notice in writing to the Accounts Officer that she shall continue to be so regarded: and

Provided that if a subscriber by notice in writing to the Accounts Officer expresses her desire to exclude her husband from her family, the husband shall hence forth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate unless the subscriber subsequently cancels formerly in writing her notice excluding him.

2) in rule 32, in sub-rule (1) for clause (b), the following shall be substituted, namely:

b) If no such nomination in favour of a member/members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount

standing to his credit in the fund, the whole amount or the part there of to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable

(GO(P) No. 384/2006/Fin dated 26 September 2006)

b) A child given in adoption outside the family of a subscriber should be excluded from the category of the surviving members of the family.

(G.I. Fin.Deptt. 73 dated 20 May 1924)

2.06 Conditions of subscriptions

A subscriber shall subscribe monthly to the Fund except during a period of suspension and the last three months of his service. A subscriber may, at his option, not subscribe during leave which either does not carry any leave salary or carries leave salary equal to or less than half pay or half average pay. A subscriber, on reinstatement after a period passed under suspension, shall be allowed the option of paying in a lump or in installments, any sum not exceeding the maximum amount of arrear subscriptions permissible for that period.

A subscriber may at any time during the last one year of service immediately preceding the date of his retirement elect not to subscribe to the Fund.

2.07 Rates of subscription

The amount of subscription shall be fixed by the subscriber himself, subject to the following conditions.

- a) It shall be expressed in whole rupees.
- b) It may be any sum, so expressed, not less than 6 *per cent* of his emoluments and not more than his emoluments.

(G.O) 427/86/Fin dated 12.6.1986)

2) For the purposes of sub para (1) the emoluments of the subscriber shall be as follows:

a) In the case of a subscriber who was in service on the 31st March of the preceding year, the emoluments to which he was entitled on that date:

Provided that

i) If the subscriber was on leave on the said date and elected not to subscribe during such leave, or was under suspension on the said date, his

emoluments shall be the emoluments to which he was entitled on the first day after return to duty.

ii) if the subscriber was on deputation outside the State on the said date or was on leave on the said date and continues to be on leave and has elected to subscribe during such leave, his emoluments shall be the emoluments to which he would have been entitled had he been on duty in the State or had he not been on leave.

b) In the case of subscriber who was not in service on the 31st March of the preceding year, the emoluments to which he was entitled on the day he joins the fund.

3) The subscriber shall intimate the fixation of the amount of his monthly subscription in each year in the following manner.

a) If he was on duty on the 31st March of the preceding year, by the deduction which he makes in this behalf from his pay bill for that month.

b) If he was on leave on the 31st March of the preceding year; and elected not to subscribe during such leave, or was under suspension on that date, by the deduction which he makes in this behalf from his first pay bill after his return to duty.

c) If during the year, he has entered Government service for the first time, or joins the fund for the first time, by the deduction which he makes in this behalf, from his pay bill for the month during which he joins the Fund:

d) If he was on leave on the 31st March of the preceding year, and continues to be on leave and has elected to subscribe during such leave, by the deduction which he causes to be made in this behalf from his salary bill for that month.

4) The amount of subscription so fixed shall remain unchanged throughout the year:

Provided that the amount of subscription may be enhanced twice at any time during the course of a year and reduced once at any time during the course of the year.

(G.O (P) 824/93/Fin dated 15.11.1993)

In cases of voluntary enhancement of subscription to the Provident Fund during the course of a financial year, it is not the intention to realize arrears of subscription at the enhanced rates for the previous months. However, in cases

where arrears of subscription have been realized inadvertently there is no objection to admitting them in audit.

(C. No. 59/64/Fin (PF) dated 16.6.1964)

5) Notwithstanding anything contained in sub rule (1) the Government may by order direct that the whole or any part of the arrears of pay or allowances or both payable to subscribers under a scheme or revision of pay or allowances or both implemented with retrospective effect, shall be credited to the Fund and every subscriber to whom such order applies shall comply with such order. This has come into force with effect from the 5th April 1974.

(G.O (P)310/74/Fin dated 20.9.1974)

6). When a subscriber is transferred to foreign service or sent on deputation outside the State he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

2.08 Realisation of subscription

Subscriptions shall ordinarily be recovered by deductions from pay bills. But a subscriber who is on foreign service or on leave or on deputation outside the State may remit his subscription either in cash through a treasury or by means of demand drafts. The challan in the case of cash remittance to the treasury or the demand draft shall be sent to the Accounts Officer together with a schedule showing the details of the remittance.

2) In the case of subscriber on deputation to a body corporate, the subscription shall be recovered and forwarded to the Accounts Officer by such body so as to reach him before 15th of the month.

(G.O (P) M/93/Fin dated 5.1.1993)

3) If an officer fails to subscribe with effect from the date on which he is required to subscribe to the Fund the total amount due to the Fund on account of arrears of subscription shall forthwith be paid by the subscriber to the Fund or in default be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber in instalments or otherwise, as may be directed by the Head of the office in case of non-gazetted officers, by the heads of departments in the case of Gazetted Officers and by Government in the case of Heads of departments.

CHAPTER III
ADVANCES FROM THE FUND

3.01 A Temporary advance may be granted to a subscriber from the amount standing to his credit in the Fund at the discretion of the appropriate authority specified by Government from time to time by general or special order subject to the following conditions:

a) No advance shall be granted unless the sanctioning authority is satisfied that the applicant's pecuniary circumstances justify it and that it will be expended on the following object or objects and not otherwise-Provided that the conditions of actual dependence shall not apply in the case of son or daughter of the subscriber:

i) to pay expenses in connection with prolonged illness of the applicant and members of his family or any person actually dependent on him, or to repay any outstanding amount on account of a loan expressly taken for this purpose.

Note: An Advance is permissible to meet the expenses on account of confinement (1) in cases necessitating prolonged medical attention, prolonged stay in a hospital or protracted treatment and (2) in other circumstances involving expenditure disproportionate to the subscriber's income. For sanctioning advance, no certificate of documentary evidence shall be required. It shall suffice if the subscriber gives sufficient details. (Inserted vide C.S No. 1/93/Fin in G.O (P) 14/93 Fin FM 1/1-5/92-93 dated 3.3.1995).

ii) to pay for the overseas passage for reasons of health or education of the subscriber and members of his family or of any person actually dependent on him, and also to meet the cost of education of the subscriber or of any person actually dependent on him outside India, whether for an academic, technical, professional or vocational courses; or in India for medical, engineering or other technical or specialized courses, beyond the High School stage, provided that the course of study is for not less than three years.

The courses of study in India detailed below shall be treated as technical in nature provided the course is of not less than 3 year's duration and is beyond High School stage.

a) Diploma courses in the various fields of Engineering and Technology e.g. Civil Engineering, Mechanical Engineering, Electrical Engineering,

Telecommunication/ Radio Engineering, Metallurgy, Automobile Engineering, Textile Technology, etc. conducted by recognized technical institutions.

b) Degree courses in the various fields of Engineering and Technology, e.g. Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-Communication Engineering and Electronics, Mining Engineering, Metallurgy, Aeronautical Engineering, Chemical Engineering, Chemical Technology, Textile Technology, Leather Technology, Pharmacy, Ceramics etc. conducted by Universities and recognized technical institutions.

c) Post Graduate courses in the various fields of Engineering and Technology conducted by the Universities and recognized institutions.

d) Degree and Diploma courses in Architecture, Town Planning and allied fields conducted by recognized institutions.

e) Diploma and Certificate courses in Commerce conducted by recognized institutions.

f) Diploma courses in Management conducted by recognized institutions.

g) Degree courses in Agriculture, Veterinary Science and allied subjects conducted by recognized Universities and institutions.

h) Courses conducted by Junior Technical Schools.

i) Courses conducted by Industrial Training Institutes under the Ministry of Labour and Employment (DGE &T).

j) Degree and Diploma courses in Art/Applied Art and allied subjects conducted by recognized institutions.

k) Draftsmanship courses by recognized institutions.

l) Medical courses.

m) B.Sc. (Home Science) Course of three years duration.

iii) to pay obligatory expenses on a scale appropriate to the subscriber's status in connection with marriages, funerals or ceremonies which by the religious or social customs of the applicant it is incumbent on him to perform (admissible for first 'Sardha ceremony' only) or to repay any outstanding amount on account of a loan expressly taken for this purpose.

NOTE: Temporary advance from Provident Fund credits of a subscriber may be granted to meet expenses in connection with the marriage and other ceremonies of the subscriber himself.

iv) to pay for the cost of legal proceeding instituted by the subscriber for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him in the discharge of his official duties, the advances in this case being available in addition to any advance admissible for the same purpose from any other Government source, provided that the advance under this rule shall not be admissible to a subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against Government in respect of any condition of service or penalty imposed on him.

v) to pay for the cost of the subscriber's defence where he is prosecuted by the Government in any court of law or when the subscriber engages a legal practitioner to defend himself in an enquiry in respect of any alleged misconduct on his part, and

vi) to pay for the cost of general education of subscriber or of any child of his in India beyond the high school stage for University degrees like B.A., B.Sc., LLB., MA., M.Sc. etc.

NOTE: The amount of temporary advances admissible for purposes of sub-rules (iv) and (v) above shall notwithstanding any other provision to the contrary in these rules, not exceed three months pay or Rs. 500 which ever is greater and shall in no case exceed half the amount at the credit of the subscriber.

NOTE: A temporary advance may be granted to a subscriber who is under suspension provided he agrees in writing to the recovery of the advance being made in monthly instalments from the subsistence allowance sanctioned to him.

The Power to sanction temporary advances from provident Fund in relaxation of rules under the General Provident Fund (Kerala) Rules vests with Government in the concerned administrative department with concurrence of the Finance Department.

- c) The sanctioning authority shall record in writing its reasons for granting the advance.
- d) An advance shall not except for special reasons to be recorded in writing be granted.
- i) In excess of three months pay or half the amount at credit of the subscriber in the Fund, whichever is less:

Provided that if the reason is of a confidential nature, it may be communicated to the Accounts Officer personally and/ or confidentially.

NOTE: For the purpose of this rule, pay includes dearness pay, where admissible.

- e) An advance shall not be granted in excess of 75 per cent of credit balance (subject to 3a-b formula;

4 where a = balance at credit (excluding the unmatured DA/pay revision arrears credited, if any) and

b = outstanding balance of the previous advance).

The amount of advance that can be sanctioned by each sanctioning authority shall be subject to delegation of power granted to him. Where 75 per cent of credit balance (subject to 3a-b formula) exceeds Rs 1 lakh, the Head of

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the Department or other officers authorised on this behalf by Government in Finance Department may sanction the same without monetary limit.

(GO(P)323/2000/FIN Dated 14.2.2000)

3.02 The sanctioning authority shall not under any circumstances, grant to a subscriber from the Fund

- i) an advance during the last 3 months of his service or the month in which he proceeds on leave preparatory to retirement from service on superannuation.

(G.O (P) 829/87/Fin dated 19.10.1987)

- ii) an advance unless a period of six months has elapsed after the grant of a previous advance;

iii) an advance during the last one year of service, immediately preceding the date of retirement, to a subscriber who has elected not to subscribe to the Fund during the said period.

iv) an advance sanctioned from Provident Fund shall not result in a position whereby the amount of advance outstanding repayment, if any, plus the advance proposed to be sanctioned is more than 300 *per cent* of the balance amount at the subscriber's credit with the Government after disbursing the advance to be sanctioned.

The sanctioning authority should strictly follow the provisions in this sub-rule in the matter of granting temporary advances from the General Provident Fund. If in any case the advance happened to be granted irregularly and for that reason refunded in lump immediately in the month in which it is drawn, such advance will be treated as not drawn for the purpose of reckoning six months specified in the rule for the grant of the next advance and that in all other cases such irregular drawals should be taken into account for reckoning the period of 6 months.

3) In fixing the amount of an advance, the sanctioning authority shall pay due regard to the amount at the credit of the subscriber in the Fund.

4) The amount of the advance should be a sum expressed in whole rupees and the monthly installments of payments should also be in equal number of whole rupees the advances applied for being raised or reduced if necessary to enable the installments to be thus fixed.

GOVERNMENT DECISIONS

1) A temporary advance is admissible after a period of four months (and within a period of six months) only when the previous advance sanctioned to the subscriber is a non-refundable withdrawal for the same purpose.

(Cir No. 26/68/PF/Fin dated 27.4.1968)

2) A copy of the sanction for temporary advances from the Provident Fund should be sent to the Accountant General (A&E) as and when it is accorded and another copy of the sanction should be attached with the bills when presented to the treasury.

(Cir. No.18/68/Fin (P.F) dated 3.4.1968)

3) All applications for advance should be supported by the latest annual account slip issued by the Accountant General (A&E). Advances both temporary and non-refundable sanctioned already should be taken into account before sanctioning a fresh advance. In the absence of the above account slip the accounts kept by the Controlling Officers or the Provident Fund Pass Books of the subscribers, as reconciled from time to time with the accounts maintained by the Accountant General (A&E) may be relied upon for determining the actual amount at credit.

(Cir No. 73/69/PF/Fin dated 7.8.1969)

4) Any amount drawn in excess of the maximum temporary advance admissible should be got refunded in lump at the earliest with penal interest at 2% *per annum* in addition to the interest rate prescribed for Provident Fund.

(Cir No. 73/69/PF/Fin dated 7.8.1969)

RECOVERY OF ADVANCE

3.03 An advance shall be recovered from the subscriber in such number of equal monthly instalments as the sanctioning authority may direct; but such number shall not be less than twelve unless the subscriber so elects or not more than thirty six. The monthly rate of refund of consolidated advance shall be fixed in multiples of Rs 10 except in the case of the last instalment. A subscriber may, at his option repay two or more instalments in a month.

Recovery shall be made in the manner prescribed for the realization of subscriptions and shall commence with the issue of pay for the month following the month in which the advance was drawn. Recovery shall not be made except with the subscriber's consent, while he is on leave, which either does not carry any leave salary or carries leave salary equal to or less than half pay or half average pay or in receipt of subsistence allowance, and may be postponed, on the subscriber's written request, by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.

When an advance is sanctioned under para 3.01 before repayment of last instalment of any previous advance is completed, the balance of any previous advance not recovered shall be added to the advances so sanctioned and the instalments for recovery shall be fixed with reference to the consolidated amount.

If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before re-payment is completed, the whole or balance of the amount withdrawn shall with interest at the rate provided in Rule 15 forthwith be repaid by the subscriber to the Fund or in default, be ordered by the Accounts Officer to be recovered by deductions from the emolument of the subscriber in a lump sum or in monthly instalments not exceeding twelve as may be directed by the head of office in the case of non-gazetted officers, by the head of departments in the case of gazetted officers and by Government in the case of heads of Departments:

Provided that subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

Recoveries made under this rule shall be credited as if they are made to the subscriber's account in the Fund.

Recoveries towards temporary advances previously granted and outstanding, will not be made during the last three months of service. In the case of subscribers who have elected not to subscribe to the fund during the last one year of service immediately preceding the date of retirement, recoveries towards temporary advance previously sanctioned and outstanding will not be made during the said period.

As per General Provident Fund (K) Rules, Temporary Advance and non Refundable Advance from the fund shall be granted only for the purposes specified in Rule 16 in respect of Temporary Advance and Rules 28 A and B in respect of Non refundable Advance respectively.

(Circular No.53/2005/Fin dated 27 September 2005 of Finance (PF) Department of Government of Kerala)

CHAPTER IV
NON-REFUNDABLE WITHDRAWALS

4.01 (A) Non-refundable withdrawals from the amount standing to the credit of a subscriber in the Fund may be sanctioned by an authority competent to sanction an advance for special reasons at any time subject to the following conditions.

i) After the completion of 10 years of service (including broken periods of service, if any) of the subscriber or within ten years of the date of his attainment of the age of superannuation except during the last 3 months of service or during leave preparatory to retirement from service on superannuation, for one or more of the following conditions.

a) Meeting the cost of higher education, including where necessary the traveling expenses of any child of the subscriber, and if he has no child, of any other relative actually dependent on him in the following classes, namely.

- i)** for education outside India for academic, technical professional or vocational course beyond the high school stage, and
- ii)** for any medical, engineering or other technical or specialized course in India beyond the High School stage, provided that the course of study is for not less than three years.

GOVERNMENT DECISIONS

The courses of study detailed below shall be treated as technical in nature provided the course is not less than 3 years duration and is beyond High School stage:

a) Diploma courses in the various fields of Engineering and Technology e.g. Civil Engineering, Mechanical Engineering, Electrical Engineering, Tele-Communication/Radio Engineering, Metallurgy, Automobile Engineering, Textile Technology, Leather Technology, Printing Technology, Chemical Technology etc. conducted by recognised technical institutions.

b) Degree courses in the various fields of Engineering and Technology e.g. Civil Engineering, Mechanical Engineering, Tele-Electrical communication Engineering and Electronics, Mining Engineering, Metallurgy,

Aeronautical Engineering, Chemical Engineering, Chemical Technology, Textile Technology, Leather Technology, Pharmacy, Ceramics etc. conducted by Universities and recognized technical institutions,

c) Post-Graduate courses in the various fields of Engineering and Technology conducted by the Universities and recognised institutions.

d) Degree and Diploma courses in Architecture, Town Planning and allied fields conducted by recognized institutions.

e) Diploma and Certificate courses in commerce conducted by recognized institutions.

f) Diploma courses in Management conducted by recognised institutions.

g) Degree courses in Agriculture, Veterinary Science and allied subjects conducted by recognized Universities and institutions.

h) Courses conducted by Junior Technical Schools.

i) Courses conducted by Industrial Training Institutes under the Ministry of Labour and Employment (DGE &T)

j) Degree and Diploma courses in Art/Applied Art and allied subjects conducted by recognized institutions.

NOTE: The Courses of studies referred to in the above item are those relating to fine arts or applied art etc. and are of a technical or specialized nature and not that of general education course like B.A, B.Sc., M.A, M.Sc. etc.

k) Draftsmanship courses by recognized institutions.

l) Medical course.

m) B.Sc. (Home Science) course of 3 years duration.

(G.O (P) 580/68/Fin (PF) dated 12.11.1968)

n) B.Sc (Nursing course)

(G.O (P) 840/81/Fin dated 17.12.1981)

4.01 (i) (b) meeting the expenditure in connection with the marriage of a son or daughter of the subscriber, and if he has no daughter of any other female relative dependent on him, or repaying any outstanding amount on account of a loan expressly taken for the purpose;

c) meeting the expenditure in connection with the illness, including, where necessary, the traveling expenses of the subscriber and members of his family or

any person actually dependent on him, or repaying any outstanding amount on account of a loan expressly taken for this purpose;

d) Purchasing a house site in the name (s) of the subscriber and or his wife or repaying any outstanding amount on account of a loan expressly taken for this purpose from Government or any other source before the date of application for the withdrawal.

Provided that the house to be constructed on the site so purchased is for the actual residence of the subscriber and or his family.

e) building a suitable house on a site owned or acquired by the subscriber and/ or his wife with or without any assistance from the Provident Fund, or acquiring a house together with site in the name (s) of the subscriber and/or his wife, or repaying any outstanding amount on account of a loan expressly taken by the subscriber and /or his wife from the Government or any other source for any of these purposes before the date of application for withdrawal;

Provided that the house is for the actual residence of the subscriber and/or his family; and

f) making additions or alterations to, or reconstructing, or completing or repairing a house owned or acquired by the subscriber and /or his wife with or without any assistance from the Provident Fund, or repaying any outstanding amount on account of a loan expressly taken by the subscriber and/or his wife from the Government or any other source for any of the said purposes before the date of application for the withdrawals;

Provided that the house is for the actual residence of the subscriber and/or his family.

GOVERNMENT DECISION

1) Military Service and War service which are reckoned for the purpose of pension will count for the calculation of 10 years service under this sub-rule for permitting non-refundable withdrawals from the fund.

2) (a) Only one non-refundable withdrawal can be allowed for the same purpose.

In this context the marriage/education of different sons/daughters/relatives actually dependent on the subscriber and the illness of the subscriber or dependent on different occasions will not be treated as the same purpose. Regarding educational expenses, a withdrawal will be permitted for meeting the expenses for each year of education (of the kind

mentioned in the Provident Fund Rules). Similarly a further non-refundable withdrawal can be allowed for a second or subsequent marriage of the same son or daughter or relative actually dependent on the subscriber. In the case of marriage, the amount should not be drawn earlier than three months of the date of marriage and if for any reason the marriage is postponed beyond 3 months from the date of drawal of the amount, it should be refunded. In such cases a fresh withdrawal can be allowed when the need actually arises.

- b) When a non-refundable withdrawal is sanctioned for medical treatment of the same person within six months of the previous sanction, it should be specified in the sanction that the non-refundable withdrawal is for illness on a different occasion.
 - c) In respect of the grant of non-refundable withdrawals for purchasing house site or house together with site, if the payment is required in instalments through House Building Co-operative Societies or similar agencies, a subscriber shall be permitted to make non-refundable withdrawals as and when he is called upon to pay an instalment and each call for payment of instalment will be treated as a different purpose.
 - d) A temporary advance/non-refundable withdrawal should not be granted when a previous non-refundable withdrawal/temporary advance was granted for the same purpose, within a period of four months. Further the temporary advance which is subsequently converted into a non-refundable withdrawal should be treated as a non-refundable withdrawal and in such cases another non-refundable withdrawal should not be granted for the same purpose.
- 3) The various purposes specified in sub clause (f) shall be treated as the same purpose for the grant of non-refundable withdrawal in terms of G.O (P) No 328/67/Fin (P.F) dated 1.8.1967.
- 4) The cost of electrification and sanitary arrangements, etc. shall be treated as part of the expenditure for building a suitable house.

(G.O (P) 67/69/Fin (PF) dated 30.1.1969)

5) In the case of a subscriber under suspension, his period of suspension will also be taken into account for purpose of reckoning the minimum service of 10 years.

(G.O (P) 612/70/Fin dated 29.8.1970)

6) Procedure for sanction of temporary advances and non-refundable withdrawals to employee on deputation to foreign service.

i) In the case of the Gazetted Officers on deputation to foreign service within the State as well as outside the State, the temporary advances and non-refundable withdrawals from the Provident Fund will be sanctioned by the authority competent to sanction such advances and withdrawals under the rules of the Fund, to the Gazetted Officers in the Department/establishment to which he was attached at the time of proceeding on foreign service. If the deputation is within the State, the nearest treasury officer will be authorised by the Accounts Officer to pay the amount to the subscriber. A copy of the authorisation will be endorsed to the subscriber who should present the bill at that treasury for payment. If the deputation is outside the State, the Accounts Officer of the State in which the payment is to be made will be authorised by the Accounts Officer of this State to arrange payment.

ii) In respect of non-gazetted officers, the temporary advance and non-refundable withdrawal will be sanctioned by the authority competent to sanction advances, and withdrawals under the rules of the Fund, in the Department/establishment to which the non-gazetted officer was attached at the time of proceeding on foreign service, whether the deputation is within or outside the State.

iii) The amount in such cases will be drawn and remitted by the head of office, to which he was attached at the time of proceeding on foreign service, both in cases of deputation within or outside the State, the cost of remittance being borne by the subscriber.

iv) The procedure regarding the drawal of the temporary advances and non-refundable withdrawals detailed above will also be followed for the drawal of the amount required for financing Insurance Policies from the Provident Fund of the employees on deputation to foreign service.

(G.O (P) 83/67/Fin dated 27.2.967)

4.01 (ii) After the completion of twenty five years of service (including broken periods of service, if any) of a subscriber or within three years before the date of his retirement on superannuation whichever is earlier, from the amount standing to his credit in the Fund, for any of the following purposes, namely:

Purchasing a motor car for his own use or repaying any outstanding amount on account of a Government loan expressly taken for this purpose before the date of application for the withdrawal.

Provided that the subscriber draws, on the date of application, a pay (as defined in rule 12 (23) Part I, KSR) of not less than Rs. 3,500 per mensem.

Provided also that the amount of withdrawal shall in no case exceed the actual cost of the car or the balance outstanding against the loan taken for the purpose.

Provided further that

- 1) no withdrawal for this purpose shall be allowed more than once.
- 2) The actual withdrawal from the Fund shall be made only on receipt of an authorisation from the Accounts Officer who will arrange this as soon as the formal sanction is issued by the sanctioning authority.

CONDITIONS FOR WITHDRAWAL

B) (1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in rule 28 (A) from the amount standing to his credit shall not exceed *75 per cent* of credit balance. The amount of Non-refundable advance that can be sanctioned by each sanctioning authority shall be subject to delegation of powers granted to him. When *75 per cent* of credit balance exceeds Rs 1 lakh, the Head of the Department or other Officers authorized on this behalf by Government in Finance Department may sanction the same without monetary limit having due regard to the object for which the withdrawal is being made.

(GO(P)323/2000/Fin dated 14.2.2000)

Provided that

(i) in the case of a subscriber who has availed himself of a loan under any of the schemes sponsored by the Government for the grant of advances for house building purpose or has been allowed any assistance in this regard from any other Government source, the sum withdrawn (which shall not exceed the limits specified in this clause) together with the amount of loan availed of under

any of the aforesaid schemes or the amount received for house building purpose from any other Government source, shall not exceed Rs.1,50,000 or five years' pay of the subscriber, whichever is less (not applicable in the case of subscribers who have not availed of House Building Advance from any source).

ii) a subscriber who has been permitted a non-refundable withdrawal from the Fund for the purpose of building or acquiring a suitable house for residence at any place will not be permitted to make another non-refundable withdrawal from the Fund for any of these purposes or for the purchase of a house site at the same or another place. In the case of a subscriber who has been permitted a non-refundable withdrawal under Rule 28 (A) (I)(i)(d) to purchase a house site, he will not be permitted to make another withdrawal for acquiring another house site or a house together with site at the same or another place.

iii) (a) A subscriber who has been permitted under clause (d) and (e) of clause (I) of sub rule (I) of Rule 28 (A) to withdraw money from the amount standing to his credit in the Fund shall not part with the possession of the house built or acquired or house site purchased with the money so withdrawn, whether by way of sale, mortgage (other than mortgage to the Government) gift, exchange or otherwise without the previous permission of the Government.

Provided that such permission shall not be necessary for-

- i) the house or house site being leased for any term not exceeding 3 years; or
- ii) its being mortgaged in favour of Housing Board, the Life Insurance Corporation or any other Corporation or controlled by the State Government which advance loans for the construction of a new house or for making additions or alterations to an existing house.

b) The subscriber shall submit a declaration not later than the 31st day of December of every year as to whether the house or the house-site, as the case may be continued to be in his possession or has been mortgaged, or transferred or let out as aforesaid and shall, if so required, produce before the sanctioning authority on or before the date specified by that authority in that behalf, the original sale, mortgage or lease deed and also the documents on which his title to the property is based.

c) If, at any time before his retirement, the subscriber parts with the possession of the house or house site without obtaining the previous permission of the Government, he shall forthwith repay the sum so withdrawn by him in a lump sum to the fund, and in default of such repayment the sanctioning authority shall, after giving the subscriber a reasonable opportunity of making a representation in the matter, cause the said sum to be recovered from the emoluments of the subscriber either in lump sum or in such number of monthly instalments as may be determined by it.

NOTE: Non-refundable Advance in excess of half the amount at the credit of the subscriber or six months pay will be sanctioned by Government in the concerned Administrative Department, with the concurrence of the Finance Department.

(2) A subscriber who has been permitted to withdraw money from the Fund under Rule 28 (A) shall satisfy the sanctioning authority within a reasonable period as may be specified by that authority that the money has been utilized for the purpose for which it was withdrawn and if he fails to do so, the whole of the sum so withdrawn, or so much thereof, as has not been applied for the purpose for which it was withdrawn shall forthwith be repaid in one lump together with interest thereon at the rate determined under Rule 15 by the subscriber to the Fund and in default of such payment, it shall be ordered by the sanctioning authority to be recovered from his emoluments, either in a lump or in such number of monthly instalments as may be determined by the Government.

3) Nothing in sub-rule (2) shall be deemed to require a subscriber whose deposits in the Fund carry no interest, to pay any interest on any sum repayable by him under that sub-rule.

CONVERSION OF AN ADVANCE INTO A NONREFUNDABLE WITHDRAWAL

C) A subscriber who has already drawn or may draw in future, advance under Rule 16 for any of the purposes specified in clauses (a), (b) and (c) of sub rule (I) of Rule 28 (A) may convert, at his discretion by written request addressed to the Accounts Officer through the sanctioning authority, the balance outstanding against it into a non-refundable withdrawal, on his satisfying the conditions laid down in Rules 28 (A) and (B).

**RECOVERY OF MONEYS DRAWN WITHHELD OR WITHDRAWN
FROM THE FUND FOR IMPROPER USE**

D) Notwithstanding anything contained in these rules if the sanctioning authority is satisfied that money drawn as an advance from the Fund under sub-rule (1) of Rule 16 or withheld or withdrawn from the Fund under clause (a) or clause (b) of Rule 18 has been utilized for a purpose other than that for which sanction was given to the drawal, withholding or withdrawal of the money, the amount in question shall, with interest at the rate provided in Rule 15 forthwith be repaid or paid, as the case may be, by the subscriber to the Fund, or in default, be ordered to be recovered by deduction in one sum from the emoluments of the subscriber, even if he be on leave. If the total amount to be repaid, or paid, as the case may be, be more than half the subscriber's emoluments, recoveries shall be made in monthly instalments of moieties of his emoluments till the entire amount recoverable be repaid or paid as the case may be, by him.

NOTE: The term 'emoluments' as used in this rule does not include subsistence grant.

CHAPTER V

FINAL WITHDRAWAL OF ACCUMULATIONS IN THE FUND

5.01 (a) When a subscriber quits the service, the amount standing to his credit in the fund shall become payable to him.

Provided that a subscriber who has been dismissed, removed or compulsorily retired from the service and is subsequently reinstated in the service shall, if required to do so by Government, repay any amount paid to him from the Fund in pursuance of this rule, with interest thereon in the manner provided in the rule. The amount so repaid shall be credited to his account in the Fund.

Provided further that subscribers who are allowed to continue in service up to their 60th year of age and who continue to subscribe to the Provident Fund after their dates of superannuation and have quitted service at their 60th year and surrendered school teachers who are allowed to subscribe to the Fund on an optional basis after their date of superannuation till they attain their 60th year of age will be allowed interest for their Provident Fund deposits as laid down in rule 15 of the General Provident Fund (Kerala) Rules.

Explanation: This concession will be applicable to cases arising on or after 1.2.1968 in respect of surrendered school teachers and to cases arising on or after 2.12.1967 in other cases. Those who are allowed to subscribe to the fund after 55th year shall exercise their option in writing. The option exercised by the Non-Gazetted Officers shall be recorded in their Service Books. The Gazetted Officers besides recording the option in the Provident Fund schedule attached to their first pay bill preferred after attaining the age of 55 years shall send their option to the Accountant General (A&E) also. Once the option is exercised to subscribe to the fund, a subscriber shall not be allowed to discontinue the subscription till he quits service, nor will he have any claim to get his account closed before he quits service.

GOVERNMENT DECISION

In the event of those Provident Fund subscribers whose dismissal, removal or compulsory retirement from service, acceptance of resignation, termination of lien, voluntary retirement etc. are ordered with retrospective effect, the date of issue of such orders will be deemed to be the date necessitating the

closure of Provident Fund Account and accordingly interest will be allowed to them upto the end of the sixth month after the month in which such orders are issued or upto the end of the month preceding that in which the payment is made, whichever period be less.

(G.O (P) No. 569/68/Fin (PF) dated 2.11.1968 and G.O (P) 293/85 Fin dated 21.5.1985)

(b) A subscriber holding a post in an officiating or temporary capacity may either withdraw the amount on the termination of his post or leave it in the Fund to be withdrawn at the time he finally quits service.

Explanation: A subscriber, other than one who is appointed on contract or one who has retired from service and is subsequently re-employed, with or without a break in service, shall not be deemed to quit the service, when he is transferred without any break in service to a new post under the Central Government or other State Governments. In such a case, his subscriptions together with interest thereon shall be transferred to a new account under the Central Government or the State Government concerned, if that Government consents by general or special order, to such transfer of subscriptions and interest.

NOTE 1. Transfers shall include cases of resignation from government service in order to take up appointment in another department of the State Government or under the Central Government or under any other State Government or under a body corporate owned or controlled by the Central or a State Government or an autonomous organization registered under the societies Registration Act, 1860 or under the Aided School service without any break and with the proper permission of the Government. In cases where there has been a break in service it shall be limited to the joining time allowed on transfer to a different station.

The same shall hold good in cases of retrenchment followed by immediate re-employment.

NOTE 2. Cases where the corporate bodies mentioned in Note 1 above do not have any provident fund scheme of their own or whose Provident Fund rules do not provide for the acceptance of balances from other Provident Funds, the amount of subscription with interest thereon shall be finally paid to the person concerned at the time of his permanent transfer to such a body. In cases where the Provident Fund money is accepted by the corporate subject to fulfillment of

certain conditions, e.g. if the Government servant should complete the probation period, with them or should be confirmed in a post under them the Provident Fund money shall be retained with Government till such time as it is transferred to the body concerned. In such cases, the Provident Fund Account of the individual concerned would cease to be 'alive' from the date of his permanent transfer to such a body. Withdrawal from and subscriptions to the Fund other than recoveries in respect of outstanding advances, will not be permitted during the period. But the Provident Fund money held by the Government will earn interest at the normal rate till the date of transfer of the amount to the corporate body.

NOTE 3. In case where a subscriber on deputation to a body corporate, owned or controlled by the Government, is subsequently absorbed in such body corporate with effect from a retrospective date, for the purpose of calculating the interest due on the final accumulations of the subscriber, the date of issue of the orders regarding absorption shall be deemed to be the date on which the amount to the credit of the subscriber became payable, subject however, to the conditions that the amount recovered as subscription during the period commencing from the date of absorption and ending with the date of issue of orders of absorption shall be deemed to be subscription to the fund only for the purpose of awarding interest under the note.

(i) Interest on Provident Fund balances transferred to corporate bodies owned or controlled by Government shall be allowed, in accordance with the provisions of the G.P.F Rules, upto the end of the month preceding that in which the payment is made or upto the end of the sixth month after the month in which such amount becomes payable, whichever of these periods be less.

(ii) The above procedure will not apply to cases covered by Note 2.

(iii) The concession of giving interest upto a maximum of one year at the discretion of Accountant General (A&E) will not apply to cases of such transfers.

(G.O (P) 155/68/Fin (PF) dated 26.4.1966)

5.02 When a subscriber:

- a) Has proceeded on leave preparatory to retirement or, if he is employed in a vacation department, on leave preparatory to retirement combined with vacation, or
- b) While on leave, has been permitted to retire or has been declared by a competent medical authority to be unfit for further service, or
- c) Has attained the age of superannuation but has not been permitted to retire from service owing to some reason or other, the amount standing to his credit in the Fund shall, upon application made by him in that behalf to the Accounts Officer, become payable to the subscriber:

“Provided that the subscriber, if he returns to duty, shall, except where the authority competent to sanction an advance for the grant of which special reasons are required decided otherwise, repay to the fund, for credit to his account, the amount paid to him from the fund in pursuance of this rule with interest thereon at the rate provided in the rule in cash or securities or partly in cash and partly in securities, by instalments or otherwise, by recovery from his emoluments or otherwise, as may be directed by the said authority”.

5.03 On the death of a subscriber before the amount standing to his credit has become payable, or where the amount has become payable, before payment has been made:

- 1) When the subscriber leaves a family
 - a) if a nomination made by the subscriber in accordance with the provisions of the rule in force in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nominations;
 - b) if no such nomination in favour of a member or members of the family of the subscriber subsists, or if such nomination relates only a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination

purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares.

Provided that no share shall be payable to –

- i) sons who have attained legal majority,
- ii) sons of a deceased son who have attained legal majority.
- iii) Married daughters whose husbands are alive; but divorced daughter eligible for P.F money when no valid nomination is available.
- iv) married daughters of a deceased son whose husbands are alive, if there is any member of the family other than those specified in clauses (i), (ii), (iii) and (iv).

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and had been exempted from the provision of clause (i) of the first provision.

2) When the subscriber leaves no family, if a nomination made by him in accordance with the provisions of the rule in force in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

5.04 (1) When the amount standing to the credit to a subscriber in the Fund become payable, it shall be the duty of the Accounts Officer to make payment, as provided in Section 4 of the Provident Funds Act, 1925.

2) If the person, to whom under these rules any amount or policy is to be paid, re-assigned or delivered is a lunatic for whose estate a manager has been appointed in this behalf under the Indian Lunacy Act, 1912, the payment, re-assignment or delivery shall be made to such manager and not to the lunatic.

GOVERNMENT DECISION

In a case where no manager has been appointed, the payment may be made in terms of Section 95 (1) of Indian Lunacy Act, 1912 to the person having charge of the lunatic under the orders of the Collector. The disbursing Officer

has to pay only the amount which he thinks fit to the person having charge of the lunatic and the balance, if any, or such part thereof as he thinks fit to be paid for the maintenance of such members of the family of the lunatic as are dependent on him for maintenance. But before this is done, the person to whom the payment becomes payable under the rules, will have to be certified by a Magistrate as a lunatic.

5.05 If an officer who is a subscriber to any other Government Provident Fund is permanently transferred to pensionable service under Government, the amount standing to his credit in such other fund on the date of transfer shall with the consent of the Government concerned, be transferred to his credit in Fund.

CHAPTER VI

AUDIT PROCEDURE

6.01 Receipt of Vouchers for post Audit

The following are the sources from which the schedules/vouchers in respect of credits/debits under Provident Fund are received in Accountant General (A&E) Office.

- i) P.F. Schedules/payment vouchers received from DA&E Section.
- ii) Challans for each remittance and connected schedules received from the Debt Head (Compilation) Section.
- iii) Schedules/vouchers with separate covering statements in respect of credit/debit items in Exchange or Settlement Inward Account received from A.C Section
- iv) Schedules/ vouchers in respect of Fund transactions appearing in the Transfer Entry Ledger Abstracts of sections other than DA&E Sections.
- v) Transfer inward from other units of the provident Fund branch.

Issues for audit scrutiny

Audit of vouchers relating to draws from the Fund

6.02 Audit of vouchers relating to draws from the Fund

Audit of vouchers relating to draws from the accounts of individual subscribers consists in examining *inter alia* the following.

- i) The competent authority has sanctioned the advance or withdrawal to which the voucher pertains.
- ii) The amount sanctioned is in conformity with the rules governing the admissibility of such advances or withdrawals and is not in excess of the balance at the credit of the subscriber.
- iii) Advances from the Fund are recovered regularly in terms of the sanctions.
- iv) Payment of the advances or amount withdrawn has been posted in the subscriber's ledger account.

(Para 3.12.6 of MSO (Audit))

6.03 Audit of Provident Fund Accounts by Local Audit Party

Local audit of the Provident Fund Accounts maintained by departmental officers will involve the following:

- i) Selection of representative sample for test check, keeping in view the efficiency of the internal control mechanism in the department concerned.
- ii) Tracing of the entries in the selected accounts from the recovery schedules, payment vouchers, personal ledger cards and broadsheets and verification of the correctness of the debits/credits as reflected in the broadsheets with reference to the corresponding details appearing in the monthly accounts.
- iii) Examination of the efficacy of system followed by the departmental officers for the periodical reconciliation of the debits and credits with the accounts maintained by the A&E Office.
- iv) Scrutiny of system and procedures in force for enrolment of subscribers and maintenance of Index Registers.
- v) Verification of annual closure of accounts and despatch of annual account statements to subscribers on the scheduled dates.
- vi) Analysis of un-posted debits and credits and missing credits, particular attention being paid to minus balances in the ledger accounts to ascertain the reasons for the minus balances.
- vii) Scrutiny of ledger accounts to verify that sanctions to advances or withdrawals and acceptance of balances have been noted therein.
- viii) Examination of the adequacy of the action taken to locate missing debits.
- ix) Verification of (a) the correctness of carry forward of closing balances at the end of the financial year as opening balances of the subsequent year and of the interest calculations with reference of the applicable rates; and (b) the reporting of adjustment of interest afforded to individual accounts to the A&E Office before closure of accounts for the year.

(Para 3.12.7 of M.S.O. (Audit))

NOTE: In States where the Accountant General (A&E) is responsible for maintaining the provident Fund accounts of State Government employees, the

Central Audit Branch of the Audit Office will look in the aspects mentioned in paragraphs 3.12.6 and 3.12.7 of M.S.O (Audit).

Utilisation/investment of accumulation

After closure of the accounts in the A&E Office, the utilization/investment of the funds accumulated in the Provident Fund should be analysed in the course of audit of the Finance Accounts to ensure that this has been done in accordance with the Provident Fund Rules.

(Para 3.12.8 of M.S.O (Audit))

6.04 Audit Approach

Responsibility for audit

(i) Central Audit will be carried out every month by Central Audit Parties of the Audit Office in the Accounts and Entitlement office. Integrated Audit Unit Sections in the Audit Offices will co-ordinate and pursue the work of the Central audit parties and perform all support functions, such as preparation of audit programmes, audit of sanctions etc. and discharge follow-up responsibilities like maintenance of objection books, selection of potential material for Audit Reports etc. Generally, an Audit Officer will be in charge of each IAU Section, while an Assistant Audit officer will be responsible for two Central Audit Parties

(Para 3.1.6 of M.S.O (Audit))

(ii) An IAU Section will be responsible for the audit of vouchers in the Loan, Book, Deposit and Account Current Sections in the Accounts Office. With a view to ensuring control over unauthorised and excess expenditure and to enabling the State Administration to exercise adequate control over their Annual budget, the Monthly Appropriation Accounts and Finance Accounts prepared by the Accountant General (A&E) should also be checked by the IAU Section. This should be included in the Annual Audit Plan of Audit Offices.

(Para 3.1.7 of M.S.O. (Audit))

(iii) Central Audit may be supplemented by local audit and inspections to such extent as may be prescribed by the Comptroller and Auditor General. However, in cases where the accounting functions have been departmentalized, the audit will be conducted only locally.

Time Schedule for Audit

6.05 As a general rule, Central Audit of vouchers pertaining to a month should be conducted as soon as the monthly accounts are closed and the posting of the vouchers in the registers prescribed is completed by the Accounts and Entitlement office. Any departure from this general instruction is permissible only in special circumstances and with the express sanction of the Principal Accountant General (Audit).

(Para 3.1.9 of MSO (Audit))

6.06 Audit of Sanctions

Copies of sanctions issued by the Central and State Governments and their subordinate authorities will be received by the IAU Sections concerned where they will be examined in accordance with the relevant instructions in this Manual before admission in Audit. The Principal Accountant General (Audit) will make arrangements for the receipt, scrutiny and processing of sanctions and maintenance of files/ folders in a regular and systematic manner. The IAU Sections shall communicate objection arising out of audit of sanctions to the departments concerned with copies thereof to the Accountant General (A&E) and closely watch their settlement.

(Para 3.1.25 of MSO(Audit))

There should be close coordination between each IAU Section and the related Central Audit Parties. The results of scrutiny of all sanctions should be made readily available to the latter before the Central audit of the relevant transaction takes place, It is the duty of the IAU Section to supply the relevant sanction files along with important points to the Central Audit Parties. Suitable procedures for ensuring this should be evolved by the Principal Accountant General (Audit).

(Paragraph 3.1.26 of MSO(Audit))

Review of Audit

The Audit encasement on the voucher (vide paragraph 3.1.21 of MSO (Audit)) should indicate the amount admitted/objected to in audit. Immediately on completion of audit, the Assistant Audit Officer will undertake the current

review of the audited vouchers to the prescribed extent. He will authenticate the admittance/ passing of each voucher by placing his initials or other distinctive mark below the audit enfacement. The review in Central Audit of vouchers by the Assistant Audit Officers should not be limited merely to those audited by Auditors or Senior Auditors, but should also extend to vouchers for amount in excess of a certain monetary value to be decided by the Principal Accountant General in an objective manner. The extent of review so conducted should also be certified in the Selection Register.

(Paragraph 3.1.29 of MSO (Audit))

6.07 Venue of Central Audit

Transmission of vouchers from one office to another is likely to result in their being lost or misplaced. The vouchers should not, therefore, be taken to the office of the Principal Accountant General (Audit) for the purpose of Central Audit.

(Para 3.1.6 of MSO(Audit) and Para 2.1 of MICA)

6.08 Co-ordination with Accountant General (A&E)

The Accountant General (A&E) and Principal Accountant General (Audit) are expected to work in close co-ordination and co-operate mutually in conducting the Central Audit work entrusted to the latter, having regard to the common objective of improving the efficiency, effectiveness and timely performance of the functions entrusted to them. A similar approach is also called for while interpreting and adopting the systems and procedures by each officer in the discharge of their designated responsibilities. In case of any doubt or difference of opinion, the matter should be promptly referred to the Comptroller and Auditor General for a decision.

(Para 3.1.13 of MSO(Audit))

In those offices of Accountants General (A&E) in which Voucher Level Computerisation (VLC) has been introduced, the output data available in various packages satisfying the requirements of audit scrutiny should be made use of fully. This will also help in analyzing the nature of payments and in identifying the broad areas or irregularities. Based on such analysis, further decisions could be taken in regard to the sample size of vouchers under the respective categories

for detailed audit scrutiny. Wherever possible, statistical sampling techniques should be adopted to facilitate an objective approach in audit.

(Paragraph 3.1.14 of MSO(Audit))

NOTE: Following the introduction of VLC in the A&E offices, many of the routine checks that are presently being manually exercised in Central Audit can instead be done through computer generated reports. Annexure VI to the Headquarters letter No. 97/Rep (S)/NE.VLC dated 28th January,2000 may be referred to for more details in this connection.

As a rule, heads of offices and other government servants who are called upon to make disbursements on behalf of Government draw money for the purpose from treasuries or banks in accordance with the provisions of the Treasury Rules made under Article 283 of the constitution and the audit conducted in respect of these transactions is *post facto* in character.

NOTE: Pre-check of pay fixation and claims relating thereto, where entrusted to the Accountant General under any rules or orders, will be the responsibility of the A&E Office.

6.09 Duties and responsibilities of Central Audit Personnel

i) The duties and responsibilities of various members of the IAU Sections and Central Audit Parties are broadly indicated in Paragraphs 1.04 and 1.05 of this Manual. The Principal Accountant General (Audit) may, however, entrust any other item of work to any member of the section or party or authorize the Group Officer, the Audit Officer in charge of the IAU Section or the Assistant Audit Officer in charge of the Central Audit party to make such changes as may be necessary from time to time in the distribution of work having regard to the availability of personnel and their expertise and suitability. Such changes should be ordered in writing so as to ensure the clear demarcation of duties and responsibilities of different personnel and their accountability as well as to facilitate evaluation of their performance and personal contribution.

ii) Each member of the Central Audit Party, including the Assistant Audit Officer, will be individually responsible for the duties entrusted to him. Normally, Auditors should be able to finalise audit memos on their own,

however, they may seek the guidance of the Assistant Audit Officer on important or doubtful questions.

Note: The Assistant Audit Officer should determine the extent of independence to be allowed to each member of the party with reference to his experience, qualities and capacity to act independently. Final audit memos will be sent to the IAU Section only after the Assistant Audit Officer has vetted them.

(Para 3.1.17 of MSO(Audit))

iii) The Assistant Audit Officer will ensure that all members of the Central Audit party perform their duties promptly, regularly and efficiently. Besides selecting, on the spot, the vouchers and records to be audited and reviewed, he will be responsible for the audit as a whole, guiding the staff under him and always keeping himself posted with the progress of audit.

(Para 3.1.18 of MSO(Audit))

iv) It is desirable that auditors and others employed on audit duties should not be at liberty to relax, of their own accord, any of the audit requirements. It is also of considerable importance that the prescribed checks are observed in spirit and not merely in letter.

(Para 3.1.19 of MSO(Audit))

v) **Completion Certificate**

The selection of vouchers and records to be audited and reviewed will be made by the Assistant Audit Officer in charge of the Central Audit Party on the spot in the same manner and form as was required to be done before bifurcation. The selection Register may be sent to the relevant Integrated Audit Unit along with completion certificates (in the form given below) and the audit memos/notes.

(Para 2.7 of MICA)

FORM OF COMPLETION CERTIFICATE				
Treasury/ Deptt.....				
Division.....				
Name of Month.....				
Certificate of completion of Audit and Review				
Name of AAO/Sr.Auditor/Auditor	Vouchers audited	Vouchers reviewed	No. of audit memos prepared and sent to IAU	Full Signature
1	2	3	4	5

Note: (1) IAU should watch the receipt of completion reports by maintaining a register

(2) Selection of vouchers for audit and review by AAO need not be approved by the Group Officer

6.10 Submission of vouchers for review

The vouchers after audit should be submitted to the Assistant Audit Officer who will review all the vouchers required to be reviewed and pass the objections on the vouchers.

The Assistant Audit Officer while reviewing the audited vouchers should note the particulars of the documents reviewed in the columns “documents” and enter against each item important errors, serious omissions, irregularities etc. noticed during the review. It is the duty of the reviewing officer to make sure that all the documents are submitted to him for review. In addition to the prescribed quantum of review, all vouchers on which objections have been raised must also be reviewed by the reviewing officer. In the review register the reviewing officer should record whether in his opinion audit done is satisfactory or not.

The auditors’ replies to the remarks in the review register with the further remarks of the reviewing officer should be submitted to the Integrated Audit Unit.

After audit and review are over, the Central Audit Party will forward the Selection Register, the completion certificate and the Audit notes/memos (in triplicate) to the Integrated Audit Unit Section who will thereafter deal with the audit notes/memos and all subsequent correspondence. After scrutiny and editing of the audit notes/memos where necessary, the Integrated Audit Unit Section will send them in convenient batches every month to the Officers/departments concerned, with a copy to the Accountant General (A&E).

6.11 Raising and pursuance of objection

Audit depends, for its effectiveness, on its right and duty to report the results of its scrutiny to the proper authority so that appropriate action may be taken where possible to rectify the irregularity or impropriety, or to prevent its recurrence. This authority may be a departmental authority, Government itself or, in the last resort, the legislature, through the Public Accounts Committee and Committee on Public undertakings

(Para 7.1.1 of MSO(Audit)).

6.12. Objection Book

The Objection Books (of which there must be one for each treasury. departmental account, major head or any other group as is convenient) are the permanent office record of entries which have been made in the objection statements prepared upon the examination of each voucher or other document audited. Besides these objections, they also contain items adjusted but not cleared, even though not under objection. In the Objection Book (Form MSO (A)-9) the objections should be detailed separately under the following heads:

1. Items adjusted, but awaiting final clearance.
2. Service payments for recovery.

It is imperative that entries pertaining to two different months accounts should not be entered on the same page.

The Objection Book should be kept in Form MSO (Audit)- 10, which provides separate columns for keeping a record of the objections under the following categories:

1. Misappropriation, fraud, defalcation etc.

2. Excess payment
3. Advances pending recovery/adjustment beyond a reasonable period (to be fixed by the Principal Accountant General).
4. Miscellaneous.

NOTE: Items in respect of which there is delay in recovery beyond a reasonable period should, however, be segregated and commented upon in the Inspection Report for being recorded in the objection Book for further pursuance.

6.12.1. Registration of objections

Objections and observations arising out of audit should be communicated at the earliest opportunity. These should, however, be registered at first in detail in the prescribed records maintained in the Audit Office.

6.12.2. All records of audit objections maintained in the Audit Office should be written up with care and watched closely by the Assistant Audit Officer and the Audit Officer. Even where the Objection Statements have not actually been despatched an objection once raised can be removed from the records of objections only after an Audit Officer or Assistant Audit Officer has examined that due authority exists for its removal and initialed the item concerned in token of his having done so.

6.12.3. As far as possible, the entry of an objection, whether in the Objection Book or in the Objection Statement or the Audit Note, should be fully descriptive so that there should ordinarily be no necessity to refer again to the connected voucher or account.

6.12.4. Money value of objections such as those relating to excess recoveries on account of provident fund subscriptions or income tax, that do not require any specific action on the part of the Treasury Officer and are intended only for his future guidance, should not be entered in any of the money columns and that under 'Details of adjustment' may be scored through.

(Para 7.2.10 of MSO (Audit))

6.13 Objection Statement

In most cases, audit objections should be communicated directly to the disbursing or other responsible authority in specially printed audit memoranda

and other half margin forms. The Treasury Officers should be addressed only in respect of objections for the removal of which they are directly responsible. These intimations, together with important treasury irregularities and directions or enquiries arising out of the audit of treasury vouchers, should be sent to them through Objection Statements in Form MSO (Audit) - 8. At the time of dealing with the vouchers, the Assistant Audit Officer, Senior Auditor, and Auditor should have before them the requisite objection statements specially printed audit memoranda and other half margin forms, and should write these up as each point to which attention is required to be drawn becomes evident in the course of audit of the vouchers. All objections, whether communicated directly to the responsible authorities or to the Treasury Officers, should be entered in the objection Book. A Register of Objection Statement and Half Margins should be maintained in each IAU Section containing details of the issue, return and disposal of the Objection Statements, audit memoranda and half margins.

Note: Printed audit memoranda and other half margin forms should be dealt with in the same manner as the Objection Statements.

i) There should be one Objection Statement for each month and it should be sent expeditiously by the IAU Section to the Treasury Officer so as to guide him in making payments in the subsequent months. The Assistant Audit Officer will be responsible for ensuring that all objections that arise as a result of audit and which have to be communicated to the Treasury Office are duly entered in the Objection Statement before it is sent to the IAU Section.

(Para 7.2.19 of MSO (Audit))

ii) On completion of audit and review by the Central Audit Party and after being vetted by the IAU Section, the audit notes/memos will be issued in original over the signature of an Audit Officer in convenient batches every month to the departments concerned with copies being sent to the Accountant General (A&E). The IAU Section will thereafter deal with the audit notes, memos and all related correspondence.

(Para 7.2.20 of MSO(Audit))

iii) Before despatch (which must not be delayed), the objection must be neatly posted in the Objection Book (Form MSO (Audit) -9) by the Auditor in the IAU Section. Each Assistant Audit Officer should maintain a memorandum book

for keeping a note of the objection Statements passed by him, and should ascertain daily that all the objection statements have been dispatched. He should also ensure that all items in the passed statements have been entered in the Objection Book, irrespective of whether or not their money value has been quantified and recorded in any money column.

(Para 7.2.21 of MSO(Audit))

iv) Return of the Objection Statements must be watched with equal care. They are due to be returned by the Treasury Officer within the time prescribed for the purpose and should not be allowed to be retained by him on the ground that one or two of the objections require further examination. These can be extracted for separate disposal while the other items are replied to.

(Para 7.2.22 of MSO(Audit))

v) The Auditor is responsible for the prompt disposal of the objection Statement on its return. If any recovery is ordered, he will be responsible for watching the recovery. Though the government servant concerned may have been transferred to another department, the objection will not be removed from the Objection Book of the old department but will be transferred to that of government servant's new department, a note of the transfer being made simultaneously against the relevant item in the former Objection Book. The recovery due will, of course, be noted in the Last Pay Certificate by the officer-in charge of the Treasury from which he last drew his entitlements and may also be intimated, with advantage, to the one who will pay him in future.

(Para 7.2.23 of MSO(Audit))

6.14 Clearing of objections

For clearance of objection, review of objection, closing of objection books etc. the directions contained in paragraphs 7.2.29 to 7.2.39 of MSO (Audit) should be observed.

CHAPTER –VII
QUANTUM OF CENTRAL AUDIT AND REVIEW

7.01 The extent of audit required to be conducted by Central Audit Parties was fixed as 100 *per cent* audit only of debit vouchers.

AUDIT CHECKS

7.02 Integrated Audit Unit Section shall maintain a register of sanctions to advances, both permanent and temporary, from G.P.F received from sanctioning authorities. The register will be maintained separately for each series.

A list of sanctions issued during the period under audit shall be given to the Central Audit Parties undertaking the audit of the relevant series. The concerned Central Audit Party shall, during the course of audit, check to ensure that debits corresponding to each sanction listed by Integrated Audit Unit Section have been received and booked in to the concerned subscriber's G.P.F accounts. All sanctions against which corresponding debits have not appeared in the subscriber's accounts within a period of two months from the date of issue, should be listed out and communicated to the concerned Group/Branch Officer in the A&E Office, in the form of an audit note, for initiating urgent action to locate the missing debits and bring the same to account. This should be pursued till all the debits are located and accounted for or a definite information regarding the cancellation or supersession of the corresponding sanctions is received from the Drawing and Disbursing Officers.

The debit vouchers already available with the funds sections of A&E Office should be related to the corresponding sanctions both of which should then be examined as a unit in Audit. Broad outlines of the checks to be applied are indicated in the following paragraphs.

The debit vouchers may relate to the payment of temporary advance, non-refundable withdrawals and final payment of G.P.F. In Central audit the following checks are to be exercised:

(A) Temporary advance

It shall be seen in audit that –

- i) The advance has been sanctioned by the competent authority, name and account number of the subscriber is mentioned in the sanction and it is in proper form. The voucher bears the seal and signature of the Drawing and Disbursing Officer.
- ii) The amount sanctioned is covered by the balance at the credit of the subscriber and the limits prescribed under G.P.F rules are not exceeded.
- iii) The advance is sanctioned for the purposes admissible under rules and the conditions under which advance can be granted are fulfilled.
- iv) In the sanction order, the number of instalments of recovery and its amount are mentioned and do not exceed the prescribed limits fixed under rules.
- v) The outstanding balance of the last advance taken is mentioned in the sanction checked with the present advance and the instalment of recovery refixed accordingly.
- vi) If advance is granted as a special case, reasons therefor are recorded.
- vii) The fact of noting the debit in the ledger of the subscriber is recorded on the voucher by the Office of the A.G (A&E).

B) Final Withdrawal/Payment

a) Part final withdrawal is allowed for specific purposes stated in the G.P.F. Rules and is non-refundable. Final payment of the entire accumulation in G.P Fund of the subscriber is allowed on his death or quitting service on account of retirement, resignation, dismissal, removal from service. A record of final payment is kept by the office of the A.G. (A&E) in the register of part final withdrawals in form 70-A.

b) Audit check

i) The checks mentioned for the temporary advance vouchers should *inter alia* be exercised in respect of final withdrawals/payments.

ii) In the final payment cases, correct calculation of interest and its credit to the subscribers account is important since the account will be finally closed. It should accordingly, be checked with reference to the current rules to ensure that the rates of interest applied from time to time are correct and the period upto which interest has been allowed is covered by rules.

7.03 Standards for items of works relating to central audit of Provident Fund

The standard of work is fixed vide CAG's circular No. 64-TA-II/1984 circulated with letter No. 1450 TA 11/24 J-84 dated 20.10.1984 as under.

1. Audit of part final payment/ Temporary/Vouchers/5 minutes per vouchers.
2. Audit of final payment voucher/5 minutes per voucher.

CHAPTER –VIII

MISCELLANEOUS

8.01 Special Recovery Register

A combined register and broadsheet should be maintained to enter all amounts to be recovered, which do not find a place in the objection books or in some other prescribed register and which not being recoveries of amounts charged to special head 'Advances' will not come under review in the Annual Balance sheet. The recovery of amounts of a miscellaneous nature such as contributions from Municipalities, recoveries on account of services rendered to private parties and other recoveries, arising from special orders, etc., should be watched through this register. The register should be submitted to the Branch Officer on the 5th of each month for scrutiny. The Assistant Audit Officer and Audit Officer should see that the register is properly maintained and prompt action is taken for the recovery of the amounts.

8.02 Register of insufficient and irregular sanctions

Two registers in Form M.S.O (Audit)-7 should be maintained to record insufficient or otherwise irregular sanction accorded by (i) Government: and (ii) other authorities as required in paragraph 7.2.3 of M.S.O (Audit). These registers should be submitted to the Branch Officers on the 15th of each month. The register should be submitted to the Principal Accountant General quarterly on the 15th of April/July/October/January.

8.03 Register of Financial Irregularities

A register in form S.Y 286-A should be maintained to record cases of financial irregularities which are of sufficient importance for possible mention in the Audit Report. The Branch Officer should take a special interest and direct the sections to include all the important cases in the register at the earliest opportunity. The several stages of progress in regard to the removal of irregularities such as report to Government, preparation of the preliminary and final draft paragraphs etc. should be submitted to the Branch Officer on the 15th of each month.

Draft paras for inclusion in the Audit Report should be prepared by the Integrated Audit Unit Section with due regards to the principles enunciated in the M.S.O (Audit). All draft paras, after approval by the Deputy Accountant General should be sent to the Report (Civil) Section for further action.

8.04 Treasury Irregularities

A review on the working of the treasuries has to be submitted annually to the State Government. For this purpose the errors and defects noticed in the course of audit and review should be recorded in a register, which should be written up from an error list maintained for the purpose by each Auditor. Full details of the irregularities and the action taken until final settlement of the irregularities should be noted in the register. The register should be submitted to the Branch Officer every month on the 15th and should be sent to Co-ordination Section on the 16th to enable that Section to make a note of the important irregularities, defects etc. which deserve inclusion in the annual review.

The award of the treasury irregularity should be communicated to the District Treasury Officer as well as to Co-ordination Section. In case this award is subsequently cancelled on receipt of explanation from the Treasury Officer, this fact should also be communicated to Co-ordination Section.

8.05 Double claims

All double claims detected in audit should be brought to the notice of the Principal Accountant General.

8.06 Volume of work done in the Audit Office

A report giving the volume of work is required to be sent to CAG by August every year in respect of the preceding financial year. A statement containing the statistics of work done during January to May is also to be furnished to Co-ordination Section in June every year for fixing the staff strength, For this purpose Integrated Audit Unit Section will maintain a register showing month-wise details of the various items of work done.

The details should be entered in the register department-wise monthly. The details of vouchers, etc. required for this purpose should be made available to Integrated Audit Unit Section by Central Audit Parties. The register should be submitted to the Branch Officer on the 10th of each month.

8.07 Report on arrears (monthly arrear Report)

A report detailing the state of work and extent of arrears in the Section in a month should be submitted in the prescribed form to the Deputy Accountant General (Inspection II) and the Principal Accountant General on the 7th of the following month. The instruction contained in the M.G.P should be followed for the preparation of this report.

8.08 Calendar of returns

The receipt and despatch of returns on the due dates and the disposal of various items of work in the Integrated Audit Unit Section are watched through the calendar of return prescribed in the M.S.O (Admn). The calendar of Returns to be maintained by Integrated Audit Unit Section is given in Appendix.

APPENDIX
CALENDAR OF RETURNS

Name of return	To whom due	When due
Section I –		
Returns to outside office	NIL	
Section II		
A. Annual	Returns to other sections within the office	
1. Report of write off with statement of sanctions	Rep(Civil)	30 June
2. Statement of mis-appropriation and losses	-do-	31 August
3. Statement of objections over six months	-do-	15 October
4. Statement of unsettled objections in respect of check of classification of vouchers	FAA	15 July
5. Target and Achievements	AG Sectt	5 th March 3 rd April
B. Half yearly		
1. Material for the digest of important and interesting cases	Co-ordn & AG Sectt	1 st April 1 st October
2. Register of good work done by auditors	DAG	1 st June 1 st December
3. Report on Results of audit and registration of objection	FAA	15 April 15 October
4. Report on cases relating to fraud & corruption	Co-ordn	25 th April 25 th October
5. Half yearly arrear report	DAG/Co-ordn	5 th April 5 th October
6. Statement of objections over six months	Co-ordn	15 April 15 October
7. Objections statement showing results of Audit and objections	Co-ordn & AG Sectt	15 April 15 October
C. Quarterly		
1. QAR regarding use of Hindi	Hindi Cell	7 April 7 July 7 October 7 January
2. Review of defalcation and losses register	ITA	5 April 5 July 5 October 5 January
3. Report on Target and achievements	DAG/Co-ordn	13 April 13 July 13 October 13 January
4. Report on Quality of Central Audit	DAG/Co-ordn	5 April 5 July 5 October 5 January
5. Report on No. of units/vouchers audited in a quarter	Co-ordn AG Sectt	15 April 15 July 15 October 15 January
6. Register of programme	DAG	5 April 5 July 5 October 5 January

Name of return	To whom due	When due
7. PDP Register	AG Sectt	5 April 5 July 5 October 5 January
8. Ranking the performance of audit offices	DAG(AB)	7 April 7 July 7 October 7 January
D. Monthly		
1. SO Note Book	BO	1
2. Incumbent Register	-do-	5
3. Closing of attendance register	-do-	5
4. Calendar of returns	DAG	7
5. Monthly arrear report	-do-	7
6. Pending list	-do-	7
7. Closing of objections book	BO	5
8. Closing of Half margin register	-do-	5
9. CAP Control Register	DAG	5
10. Register of wanting vouchers from A&E	DAG	7
11. Progress Report on supply of vouchers	Co-ordn	5
12. Progress Report on functioning of IAUs/CAPs	Co-ord	5
13. Register of volume of work done	BO	10
14. Register for noting important audit points for local verification	BO	10
15. Register for irregular and insufficient sanction	BO	15
16. PDP Register	DAG	15
17. Register of GOs on delegation of powers	BO	15
18. Register of Disciplinary proceedings	BO	15
19. Special Recovery Register	BO	15
20. Register of Defalcation and losses	BO	15
21. Register of write off	BO	15
22. Register of treasury irregularities and other irregularities (Financial irregularities)	BO	15
23. Register of important and interesting cases	BO	15
24. Sanctions issued in relaxation of rules	BO	15
25. Despatch Register	BO	18
26. Register of codes and manuals	BO	15
27. Progress Report on functioning of CAP and IAU II	Co-ordn	15
E. Weekly		
1. Purport Register	BO	7 14 21 28
2. Transit Register Urgent Transit Register	BO	7 14 21

Name of return	To whom due	When due
		28
3. Register of urgent letters	BO	7 14 21 28
4. Register of complaint to DAG	BO	7 14 21 28
5. Calendar of returns	BO	TUESDAY
6. Register of Reports	BO	7 14 21 28
7. Register of inspection of auditor's table	BO	MONDAY