

**HAND BOOK OF PAYMENT AND ACCOUNTING**  
**INSTRUCTIONS**  
**CHAPTER-I**

**CHEQUE SECTION**

**DUTIES AND RESPONSIBILITIES:**

1. The work in this branch consists of the following items:
  - (i). Receipt of bills at the counters presented by departmental offices or other private parties and transmission of them to various Pre-check Section.
  - (ii). Preparation and issue of cheques for the passed bills and return of the unpassed bills to the concerned drawing officers and private parties.
  - (iii). Maintenance of initial records for the receipt and disposal of bills, the accounting of cheques drawn, issued and on hand to be used.
  - (iv). Correspondence relating to bills after payment.

**WORKING HOURS:**

2. The working hours for receipt of bills, delivery of cheques etc., will normally be from 10 A.M. to 1.30 P.M on all working days. On certain special occasions, the working hours may be extended to such hours as warranted by circumstances. The orders in this regard will be issued suo moto by the Chief Pay Accounts Officer/Deputy Chief Pay & Accounts Officer on the proposal submitted to either of them by the Accounts officer(Cheque Section) who will be primarily responsible for making adequate arrangements in this regard.

3. **ALLOCATION OF DUTIES:**

Accounts Officer (Cheque Section) will arrange for the proper distribution on work at the counters, preparation of slips for consolidation of bills for cheques to be drawn checking of slips, comparison and check of bills with cheques drawn, and other ancillary items of work according to the exigencies of work.

4. The number of counters to be opened for the receipt of bills or for the payment work will be determined according to the volume of transactions under direction of Accounts Officer (Cheque Section) who may, if necessary, obtain orders from the Chief Pay & Accounts Officer. On the days when heavy issues are anticipated e.g. last and the first working days of each month and during March when there will be influx o bills and issue of cheques additional counters may be opened for facilitating quick transactions.

5. The following are the usual records to be maintained by the Section:-

**NAMES OF REGISTERS**

**PURPOSE SERVED**

(i). Bill Register (Form 2)	To indicate the receipt Of bills and the Section to which the bills are sent, the date of payment of the bills or the date of return of the bills with objection.
ii). Register of Cheques Delivered (Form 10)	To indicate the date of issue of the cheque, the Nature of bills paid and The Messenger or the Payee to whom the Payment was made.
iii). Register of Cheques Drawn (Form 8)	To ensure that all the cheque-foils are properly Accounted for.
iv). Register of Bills Returned (Form 5)	To record the details of Bills returned unpassed.

6. **PROCEDURE FOR RECEIPT AND TRANSMISSION OF BILLS:**

When a bill is received, the receiving clerk should immediately affix thereon the rubber stamp of Cheque Section, enter the bill in the Bill register and then note the Bill Register number and date on the bill in red ink. The bill Register number and date on the bill in red ink. The bills received should be sorted at convenient intervals each day according to the Sections to which they should be sent.

7. The bills are to be sent at periodical intervals to the Pre-check Sections through the Transit Register of Bills (Form I). To facilitate quick transmission of bills and for their distributions to the Pre-check section, separate Transit Registers according to number of departments dealt with by each Section may be used, if necessary.

8. **DUE DATE FOR PRESENTATION OF MONTHLY SALARY BILLS:**

The salary bills with gazetted and non-gazetted) of all the offices located at Gangtok are to be presented for payment seven clear working days in advance of the last day of the month to which they relate. This is absolutely necessary to ensure payment of salary to the officers and staff on the first working day of the month.

9. If in any particular month the due date of bills is required to be changed due to any special circumstances (vis., Holidays taking place in the last week of the month etc.) the change will be notified in the notice board in this branch prominently a week in advance before that date for information of all concerned. The offices located outside Gangtok may be informed of the change suitably.

10. The cheque Section and the Pre-check Sections will bring to the notice of the Chief Pay & Accounts Officer, cases of officers/officers who are persistently presenting the bills belatedly after the due date, for remedial action.

Special procedure for dealing with the bills in March and On the eve of the Durga Puja and Lossang holidays .

11. In order to cope with heavy work in the month of March and on the eve of he Durga Puja and Lossang holidays the following instructions should be carefully observed-d:-
  - i). A circular letter is to be issued to all the Heads of Departments/ offices in the last week in the month of December of each year prescribing the due date for the presentation of various bills in the month of March so that the departmental officers may regulate evenly the bills to be presented.
  - ii). Bills presented beyond the date fixed should not be accepted directly at the counter except with the approval of the Accounts Officer of the Section concerned, who may, if necessary, take the approval of the Chief Pay & Accounts Officer.
  - iii). Requests for extension of due date fixed from individual departmental officers should not be normally entertained save under the special orders of Government of instructions from the Chief Pay & Accounts Officer.
  - iv). Cheque Section should submit at periodical intervals during March, statements showing bills received on each day, bills outstanding in the Pre-check Sections, analyzed Section- wise, to the Chief Pay & Accounts Officer.
  - v). Proposals for opening additional counters and for additional help required should be submitted to the Chief Pay & Accounts Officer in advance for approval.
  - vi). Proposal regarding the working hours of the Cheque Section for ensuring expeditious transactions of work necessitated by the volume of work are also to be submitted to the Chief Pay & Accounts Officer, immediately.
  - vii). In order to ensure that as many, bills as possible are paid and that the number of bills to be cancelled due to non-payment before 31<sup>st</sup> March is reduced to the minimum, special action will have to be taken by the Cheque Section to issued periodically during the months of February and March reminders to the departmental officers and to parties to take delivery of the cheques.
  - viii). Before the close of the Accounts for the transactions for 31<sup>st</sup> March of each year (or the last working day in the month of March, if 31<sup>st</sup> March falls on a holiday), the Accounts Officer (Cheque Section) will ensure that all bills drawn by departmental officers for payment by book-transfer are incorporated in the accounts without fail.
  - ix. In the first week of April of each year, Cheque Section should prepare a list of unpaid bills, on which payment cannot be made automatically vis., contingent bills endorsed to private parties,

bills for grants-in-aid etc. for each Section and send it to Pre-check Section concerned which dealt with them for intimating the departmental officers of the fact of the bills having ceased to be payable on account of the close of financial year. The Pre-check Section after making necessary corrections in the Pre-check Register, Grants-in-aid Register etc. for the cancellation of the payment covered by them should return the bills to cheque Section with the pass orders previously recorded being cancelled by Accounts Officers. The Cheque Section will cancel the relative cheques drawn previously in respect of such bills. A report regarding the completion of the work should be submitted by the Cheque Section to the Chief Pay & Accounts Officer (Cheque) before 25<sup>th</sup> April, of each year.

- x. If there are any bills of the category in subparagraph (viii) left out to be adjusted by cheque Section in the accounts of March, such bills should be transmitted immediately to the concerned Pre-check section for proposing transfer entries for carrying out the requisite book adjustments.

**RECEIPTS OF BILLS FROM PRE-CHECK SECTION:**

12. The bills passed and returned to Cheque Section by the Pre-check Section through the Transit Register (Form I) will be acknowledged by Cheque Section by the persons deputed for the purpose as provided in the register. The bills so received will be sorted by one of them into the following groups:-
  - i). Bills returned unpassed with objection.
  - ii). Bills for which consolidation slips have to be prepared for the drawal of a single cheque for the several bills passed for payment to a drawing Officer/payee in a day.
  
13. The bills for which payment has been marked as urgent by the Accounts officers and other bills like bills for advance of Traveling Allowance and advances to Government servants on important festivals, should be immediately separated and handed over to the cheque-writer for preparing the cheques. Other bills should be handed over to the cheque-writers at regulated intervals for preparing the cheques. Bills for which consolidated cheques have to be issued will have to be handed over to the persons for preparing cheque Memo (Form 3). The slip so prepared should be checked independently by a responsible person before handing over to the cheque-writers. Immediately on receipt of the passed bills from the Pre-check Section the Superintendent of the Cheque Section concerned shall examine the bills with reference to the following points and if in any bill, a defect is noticed in regard to any of these points, he shall return the bill to the Pre-check Section concerned for correction and/ or clarifications:-
  - a). that the pay order has been signed by the Accounts Officer of Pre-check Section and is genuine and that the amount is given both in words and figures and the two entries agree.

- b). that when the amount for which the bill has been passed for payment is less than the amount claimed, the bill is accompanied by a retrenchment slip (Form 4) stating the amount claimed the amount deducted and the net amount passed for payment with reasons for deductions;
- c). that when the bill bears any endorsement, the endorsement is made under a separate signature of the drawer of the bill and is certified by the Accounts Officer of the Pre-check Section concerned to be in order;
- d). whether more than one cheque has been asked for on a bill and if so, whether the request is made under a separate signature of the drawer of the bill and particulars for such charges are given on the bill, and the same is certified by the Accounts Officer concerned to be in order;

**Note-1-** An irregular endorsement on a bill cannot be ignored and cheque cannot be issued in favour of the drawer as a matter of course.

**Note 2-** The endorsement on a bill may be in the following two forms:-

- i). "Please issue cheque in favour of so and so"
- ii). "Please pay to so and so"

The endorsement made by a drawing Officer in form (ii) in favour of a Government servant or another drawing Officer is irregular. In such cases the endorsement should be in form(i). But when a bill is endorsed in favour of a banker, agent (Holding legally a valid power of attorney). Contractor or supplier/either of the forms may be used in case of endorsement in form (i) the acknowledgement of the receipt of the cheque should be furnished by the endorsee i.e. bank, agent, contractor etc.

- e). whether the cheque to be issued shall be open or crossed, should be stamped as such. Every cheque in favour of a drawing officer in settlement of claims of his establishment must be made payable to order only. All other cheques including those issued in favour of a Government officer by name in settlement of his personal claims shall be crossed and Account Payee. However, cheque for a sum not exceeding Rs. 200/- firm in refund of earnest money deposit or other Revenue Deposit may be crossed or open as requested by the drawer of the bill.

#### 14. **RETURN OF UNPASSED BILLS:**

The unpassed bills received from the Pre-check Section with Return Memo for return to the drawing officers should be handed over to the clerk of the return counter. The bills will be returned through that counter after noting the particulars of the bills and Bill Register (Form 2) number in the Register of bills Returned (Form 5).

15. All the payments should be made by cheque irrespective of the amount of the bills. However, contingent bills should be drawn only for sums above Rs. 10/-. Petty payments on account of contingent charges upto Rs. 10/- should be made from permanent advance of the drawing officer.

16. **DISTRIBUTION OF PASSED BILLS AND CHEQUE FORMS:**

After the bills have been received, marked and sorted, the Superintendent or the Cheque Section with the assistance of his senior assistant will enter them in the Register showing Distribution of Bills (Form 6) among the cheque-writers and make them over to the cheque-writers working under him. At the same time the Superintendent will distribute the cheque forms to the cheque-writer after noting the number of cheque form so handed over in a Note Book (Form 7) and take their initials. At the close of the day he will take an account from the cheque-writers to satisfy himself that he has received a full account of the cheque forms made over to them. The Superintendent of the cheque Section will be wholly responsible for the blank cheque forms handed over to him by the Accounts Officer (Cheque).

17. **PREPARATION OF CHEQUE:-**

In writing out a cheque the following instructions shall be observed by the cheque-writers:-

- a). All cheques shall be written by hand. Any correction in a cheque as regards name of the payee or amount should be authenticated by full signature of the Accounts Officer (Cheque).
- b). The name of the party in whose favour the cheque is to be drawn should be ascertained correctly from instructions and particulars given on the bill and entered first on the counterfoil by the cheque-writer, care being taken to ensure that the initials and names are correctly spelt, that the word Shri/Shrimati/Kumari/Sarvashri etc. is affixed and in case of Banks, the cheque is drawn in favour of the Manager, Agent or Secretary as the case may be.
- c). When several bills are consolidated in one cheque, the amount of each bill should be entered in detail on the counterfoil and then totaled.
- d). The Bill Register number borne on the bill/bills should be correctly entered on the counterfoil and on the reverse of the cheque for by the cheque-writer.
- e). The cheque-foil should then be correctly and legally written by the cheque-writer. In case of bills of parties endorsed in favour of a bank the same of the party should be given on the counterfoil but on the foil the entries will be in the following form:

“Pay to .....(Name of the Bank)

In Account of .....(Name of the Payee)”.

The cheque-writer shall initial at the left hand bottom of the foil and counter-foil and hand over the cheque and bill to the Superintendent, Cheque Section duly comparing the entries with reference to the bill.

- f). Stamp the cheque as "Crossed" or "A/C Payee only", where necessary, as per instructions contained on the bill in respect of which it is drawn, near the pay order.
  - g). When the cheques are thus completed the number of the cheques will be noted serially in one lot with amount by the cheque-writer in the Register of Cheques Drawn (Form 8) to be maintained in duplicate on a perforated sheet separately for each payment counter the page of it being machine numbered. The cheque-writer will then submit the register along with the bills and cheques to the superintendent of the cheque Section concerned. If any cheque to the lot has to be cancelled for any reason before it is placed for signature the number of the same should be entered in the Register of Cheque Drawn as usual but in the column for amount the work "cancelled" should be written against it.
18. The Superintendent will review the entries of the cheque with reference to the bill and see that it is properly marked with all necessary stamps and duly entered in the Register of Cheques Drawn and put his initial on the counter foil of the cheque. The register along with the cheques and bills should then be submitted to the Accounts Officer concerned. The Accounts Officer shall maintain a Note Book and enter in it the serial number and total number of cheques signed by him on each occasion in order that at the end of the day he may have ready means of checking up the total number of cheques signed by him as prepared by the Superintendent from the Register of Cheques Drawn and shown in the reconciliation statement.
19. The Superintendent will review the passed cheques to see that all cheques and all its corrections have been signed and the relevant entries in the Register of Cheques Drawn have been initially by the Accounts Officer. He will then send the Register with passed cheques and bills to the delivery counter clerk keeping a note of the total number of signed cheques thus sent along with the No. of the delivery counter. The superintendent will, however, detach the counter-foil before sending the cheques to the delivery counter and preserve them in his session in a bundle of 100 being arranged serially according to Book Number.
20. **DELIVERY OF CHEQUES:-**
- On receiving the passed bills along with the cheques drawn and Register of Cheques drawn in duplicate the counter clerk shall sign the original copy of the register and return it and retain the duplicate copy for record. Before delivering a cheque, the counter clerk shall-
- i). ensure that the passed bills and the cheques are arranged in serial order with reference to the Bill Register number;
  - ii). Verify the number with that affixed on the bill and collect the receipt (in Form 9);

- iii). Compare the signature on the receipt tendered by the payee with the signature on the bill and verify that the correction in the amounts specified in the receipt are attested by the payee;
- iv). Check the amount of each bill with the pass order recorded on it with the receipt and with the cheques drawn ;
- v). ensure that the payee has furnished a receipt duly affixed with revenue stamp or the payment itself is exempt from stamp duty ;
- vi). Enter legibly in the Register of Cheques Delivered (Form 10) in duplicate the details of payment in the various columns ;
- vii). Before a cheque is issued, ensure that-
  - a). the total of the cheque agrees with the details of pass order.
  - b). the cheque is signed by a gazetted officer and that all corrections are properly attested ;
  - c). in case a cheque is drawn for more than one bill, the total of the bills as entered in the inter columns of the register agrees with the amount of the cheque ;
  - d). the messenger mentioned in the receipt has signed and is identified ;
  - e). every cheque in favour of a Government officer in settlement of claims of his establishment must be made payable to order only. All other cheques including those issued in favour of Government officer name in settlement of his personal claims shall be crossed and "Account Payee" only.
  - f). the item number as given in the payment register is entered on the cheque ;
  - g). the date of issue is entered legibly on it and in case where the cheque is not encashable before first of the following month the stamp "Not payable before 1<sup>st</sup> proximo" is affixed on the cheque ;
  - h). the "paid" stamp indicating the date of payment and the "Cheque Delivered" stamp are affixed on the bill along with the initial of the counter clerk delivering the cheque ;
  - i). in the case of bills for which a consolidated cheque is issued and a single receipt is given, reference to the Bill Register number with date of the bill to which the receipt is attached is recorded on each of the vouchers covered by the payment ;
  - j). in the cases of bills, which are collected through Banks, the payment relating to which is not

exempt from Stamp Duty, stamp should be affixed on every one of the bills even though a single cheque may be issued for payment due on several such bills. This point will have to be particularly observed for payment to private parties by the departmental officer for supplies and/ on services rendered to Government which are collected through banker.

21. **CANCELLATION OF CHEQUE:**

A cheque may be cancelled at various stages for various reasons and the procedure and treatment will be different as indicated below ;

i). **CANCELLATION OF A CHEQUE FORM BEFORE IT IS WRITTEN:-**

A cheque torn, mutilated or otherwise unfit for use may be cancelled and the form destroyed by the Accounts Officer of the Cheque Section after keeping a note accordingly on the counterfoil of the same under his dated signature. The serial number of the cancelled cheque will be noted in the Register of Cheques Drawn (Form 8) as usual but against it the work "cancelled" will be written in the column for amount.

ii). **CANCELLATION OF A CHEQUE AFTER IT IS WRITTEN BUT BEFORE IT IS SIGNED:-**

A cheque after it is written but before signed may have to be cancelled for erroneous entry or if it is otherwise defaced, the procedure will be same as (i)above.

iii). **CANCELLATION OF A CHEQUE BEFORE DELIVERY:**

A cheque after it is written and signed may have to be cancelled before delivery either at the instance of the drawer of the bill or for some other reasons and the bill may have to be returned unpaid. In the cases where payment has not been made and entered in the accounts, the bill should first be sent to the Pre-check Section concerned for canceling the pay order on the bill and other entries previously made in their initial records for payment of the claim. On receiving back the cancelled bill the Accounts officer of the cheque Section shall stamp the foil and counterfoil of the cheque and near the pay order of the bill with the works "Cheque Cancelled".The cheque shall, thereafter be entered in the Register of Cheque Delivered with cheque no. and the works "Cheque Cancelled" being noted against it in column for amount and the bill returned to the party. The fact of cancellation of the cheque should be noted against the relevant entry in the Register of Cheque Drawn. The word "Cheque cancelled and bill returned" should be noted against the relevant entry in the concerned bill Register of the Pre-check Section. The cheque being passed with its counter-foil should be retained in the Cheque Section.

iv). **CANCELLATION OF A CHEQUE AFTER DELIVERY:**

a). when a cheque already delivered and accounted for is subsequently received back from a drawer of the bill

with a request to cancel the same for some stated reason or for its being time-barred and no fresh cheque is required to be issued in lieu thereof, the Accounts Officer, Cheque Section may cancel the cheque under his dated signature and he shall at the same time note the fact of the cancellation on the counter-foil of the cheque and also against the relevant original entry in the Register of Cheques Delivered along with the date of cancellation and a reference to the authority necessitating such cancellation. Now the expenditure already booked in the accounts is to be re-adjusted on account of the non-drawal of the claim originally preferred. For this purpose the cheque Section should forward the cancelled cheque with the letter of the drawer of the bill to the Pre-Check Section concerned for canceling the entries previously made in their initial records for payment of the claim. Thereafter, those documents should be sent by Pre-check Section to the Compilation Section who will record the necessary particulars in the following proforma for onward transmission to the Accountant General, Sikkim with cancelled cheques for writing back the expenditure in respect of the cancelled cheques already included in the accounts earlier:-

<b>STATEMENT OF CANCELLED CHEQUES OF THE PAY &amp; ACCOUNTS OFFICE FOR THE MONTH OF .....</b>			
<b>SL. No.</b>	<b>NAME OF THE DRAWING OFFICER</b>	<b>CHEQUE NO. &amp; DATE</b>	<b>AMOUNT OF CHEQUE</b>
1.	2.	3.	4.
Voucher	Month of Account	Head of Account	Remarks
5.	6.	7.	8.

All cheques cancelled as such during a month should be sent to the Accountant General along with the above statement by the 5<sup>th</sup> of the following month. The letter of the drawer of the bill should thereafter be returned to the Cheque Section along with the No. and date of the forwarding letter of the statement to the Accountant General, Sikkim. The letter will be filed in the Cheque Section.

- b). If the cheque cancelled is also simultaneously followed by the issue of a fresh cheque no adjustment in the account is necessary. It is sufficient if the issue of the fresh cheque with its number is noted against the entry previously made in the Register of Cheque Delivered for the cheque and in the counter-foil of the cheque originally drawn. The issue of the fresh cheque should, however, be entered in the Register of Cheques Drawn and in the Register of Cheque Delivered on the date of issue without the amount. In the space for amount in those registers there shall, however, be

written "Issued in lieu of cheque No.....dated..... The cancelled cheque may be pasted with the counter-foil thereof.

v). **CANCELLATION OF A CHEQUE AFTER DELIVERY FOR ITS BEING LOST OR WHICH IS NOT OTHERWISE AVAILABLE:**

On receipt of intimation of the cheque being lost the State Bank of Sikkim should be addressed immediately to stop payment there on and should be required to furnish a certificate of non-payment. On receipt of the certificate from the Bank, the lost cheque should be cancelled and the procedure laid down in sub-para (iv) (a) or (iv) (b) above should be followed according as a fresh cheque is not required or required to be issued respectively. If, however, a cheque remains unpaid for any cause for twelve months after the month of issue and no request along with the time-barred cheque is received from the payee for issue of a fresh cheque, a non payment certificate should be obtained from the Bank and the cheque cancelled as per sub-para (iv) (a) above. In cases where a cheque has been cancelled as per sub-para (iv) (a), if the payee subsequently requests for payments, he should be advised to present a fresh bill and action taken on that bill as on a fresh claim.

22. **DAILY CLOSING OF ACCOUNTS:**

At the end of each day's payment the total payment made on that day should be struck for each counter in the Register of Cheque Delivered by the counter clerk. He shall also agree the number of bills paid and cheques delivered, with the total of entries in the Register of Cheques Delivered. He shall write the total amount of cheques delivered in figures as well as in words in the Register of Cheques Delivered after the last entry made therein for the day. Each counter clerk shall also prepare at the end of each day an amount of cheques received at the beginning of the day (i.e. opening balance, cheques received during the course of the day, cheques delivered and the closing balance of cheques in hand) in a separate Note Book to be maintained for each counter. The closing balance of cheques should be verified by actual count of the cheques remaining undelivered and a certificate of such physical verification should be recorded in the Note Book under the signature of the counter clerk. He shall also arrange the unpaid bills with cheques according to the serial number of the Bill Register and prepare a list thereof in duplicate. Thereafter, he shall submit the Register of Cheques Delivered along with the paid vouchers and the Note Book containing account of cheques received, delivered and balance in hand along with a list in duplicate of unpaid bills with cheques arranged serially enclosing the bills themselves to the Superintendent of the Cheque Section concerned.

23. The Account of day's payment received from various counters will be checked and consolidated in a separate sheet of paper to arrive at the total payment of the Day for the section as a whole. The Register of cheques delivered of all counters along with the

consolidation statement duly signed by the Superintendent will be submitted to the Accounts Officer, Cheque Section for his approval and signature. The paid vouchers enclosed with the duplicate copies of the Register of Cheques delivered of various count as together with the covering consolidation statement duly signed by the Accounts officer shall be sent to the Compilation Section on the following morning.

24. The Superintendent of Cheque Section should also verify the accounts of undelivered cheques rendered in each counter clerk with the number of cheques in hand and prepare in a bound Note Book a consolidated account on undelivered cheques of the day for the whole section. The unpaid bills with cheques will be obtained under double lock until it is issued again to the counter clerk on the next working day.
25. The list of unpaid bills received from the counter clerk, arranged serially should also be reviewed and one copy posted on the notice board outside the counter of each Cheque Section for information of the payee. The consolidated account of undelivered cheques should be submitted to the Accounts Officer for scrutiny and signature. The figures of the fresh cheques drawn during the day and received by the counter clerk may be verified by him with that of his Note Book maintained as per para 23. On the consolidated account of undelivered cheques the Superintendent should also include an account of bills received from Pre-check counter, bills for which cheques have been drawn and the bills awaiting return of cheques to be drawn.

26. **PERIODICAL VERIFICATION OF OUTSTANDING BILLS:**

The Superintendent of Cheque Section entrusted for the purpose should arrange to prepare on 5<sup>th</sup>, 12<sup>th</sup> and 20<sup>th</sup> of a month, a list showing the details of bills pending disposal in each of the Pre-check Section for more than a week and forward them to the Accounts Officer in charge of the concerned section. The return of the list with the detailed explanation of the section for pendency of the bills through the Accounts Officer will be watched by the Cheque Section. The discrepancy in the non-receipt of the bill or the bills having been returned to the Cheque Section as pointed out by the Pre-check Sections in their remarks on the list sent should be investigated immediately by Cheque Section and further action taken to reconcile them. Periodically the lists of bills outstanding and the replies of the Pre-check Section thereon should be submitted by Cheques Section to the Chief Pay & Accounts Officer for information.

27. Procedure For Indenting, Safe-custody, Issued And Accountal Of Cheque Books:

The following procedure will be followed in regard to indenting, safe-custody, issue and accountal of cheques/ cheque book in the Pay & Accounts Office:

- a). Different varieties of cheques:-

Three varieties of cheques may be used by the Pay & Accounts office which are as follows :-

- I. Cheques for personal payments such as those issued to gazetted officers, contractors, suppliers, etc. will be "Negotiable".
- II. Cheques issued to drawing and disbursing officers for encashment and disbursement of pay and allowances etc. of staff and office contingencies will be inscribed as "Not transferable" and the word "only" will be added to the name of the payee. These will be drawn in favour of the drawing and disbursing officers by his official designation.
- III. Cheques for settling inter-departmental and inter-government transactions will be married as "Account Government- Not payable in cash".

The cheques of these three varieties may be printed in different colours to facilitate easy identification by the cheque issuing authorities and the banks.

- b). **ANNUAL INDENT**:- The supply of cheque books will be made by the State Bank of Sikkim. For this purpose, the Pay & Accounts Office will intimate its requirements of cheque books.
- c). **Assessing The Requirements**:- The annual requirement should be based on the average of the annual consumption of cheque forms during the preceding calendar year i.e. from January to December to the previous year. Additional provision may be made while preparing the indent for extra requirements which can be anticipated during the next financial year. The stock in hand as well as the requirement of cheque books for the remaining three months of the current financial year, should also be taken into account. To the requirements so sorted out, a reserve stock of cheque books equal to approximately three months requirements, would be added to meet unforeseen requirements and to safeguard against delay in supply by the bank.
- d). **VERIFICATION OF CHEQUE BOOKS ON RECEIPT OF SUPPLY AND THEIR SAFE-CUSTODY**:

The cheque books received from the State Bank of Sikkim will contain machine numbered cheque forms. On receipt of the bulk supply of cheque books, they should be carefully scrutinized under the supervision of the accounts Officer in-charge of cheque Section to see that each book contains the number of cheque forms specified therein, and that serial numbers printed thereon are in consecutive orders. The actual counting of the cheques may be done by the Accountants of the Section, who will sign each book in full in token of having conducted the check. The Superintendent of the Cheque Section and the Accounts Officer in-charge of Cheque Section will test check 20 percent and 10 percent respectively of the cheque books checked by the Accountants and should sign in the books so test checked by them.

- e). **CUSTODY AND STORAGE**:- The cheque books will remain in joint custody of the Deputy Chief Pay & Accounts Officer and the Accounts Officer in-charge of cheque Section. The stock of blank cheque books should be stirred in a steel almirah with double lock system of which one key should be kept by the Deputy Chief Pay & Accounts Officer and other by the Accounts Officer (Cheque). The duplicate set of keys will be kept in an envelopes, duly sealed by the Deputy Chief Pay & Accounts Officer and the Accounts Officer (Cheques), in the custody of the Chief Pay & Accounts Officer.
- f). **ACCOUNT OF CHEQUE BOOKS**:- A stock register of cheque books/forms should be maintained in Form 26 to keep an account of receipts, issues and balance of cheque books/forms. Each morning, the Superintendent, Cheque Section should take such cheque books from the Accounts Officer in-charge as are likely to be used during the course of the day and should remain responsible for the in use and return of the balance at the close of the day. Another register should be maintained by the Superintendent for showing the cheques received by him each day and those returned by him. The entries should be made by the Superintendent with high dated initials in this register.
28. An account of the cheque forms used daily should be maintained by the Superintendent in a register (Form 27) and submitted to the Accounts Officer (Cheque) at the time of closing of the accounts daily. In this register the cheque number used during the day should also be noted.
29. Every six months, in April and October, stock taking of the cheque book should be done by an officer other than the Accounts Officer (Cheque) and a certificate of physical count recorded by him in the Stock Register (Form 25). This stock taking should also be done whenever there is a change of the Accounts Officer (Cheque) and the relieving officer should initial the entry in respect of each of the cheque books noted in the Stock Register and record a certificate, under his dated signature, in the following form:-
- "Received the current cheque books as indicated by my initials in the register of account of cheque forms and the unused cheque books from .....to ..... as entered in the Stock Register".
30. Before the cheque books are actually brought into use, during a particular period, the Accounts Officer (Cheque) shall send an intimation in Form 28 to the State Bank of Sikkim upon which he draws the cheques notifying serial number of cheque books and the number of cheques contained therein.
31. **ADVICE TO BANK**:-
- All cheques will be drawn by the Accounts Officer (Cheque) on the State Bank of Sikkim, Gangtok. Although each cheque Section will be under immediate charge of an Accounts Officer, who will be mainly responsible for the signing of the cheques of his Section, other officers of this office, may also be authorized to

sign cheques by general or special orders issued from time to time by the Chief Pay & Accounts officer for ensuring promptness in the payment of bills. As matter of convention all officers of this office will assist the officer-in-charge of Cheques Section in signing the cheques during the rush of payments of salary bills at the end of each month as also during the month of March and before Durga Puja and Lossang holidays. The specimen signature of the officers so authorized to sign cheques will be transmitted to the Bank by the Pay & Accounts Officer and he will indicate the date from which the officers will commence signing cheques. It will not be necessary to send an advice of cheques drawn daily to the Bank. An intimation regarding the serial number of cheque books brought into use will, however, be sent to the Bank immediately.

32. In order to ensure the safety of cheques, bills etc, entry into Cheque Section of the messengers and parties calling at the Pay & Accounts Office should be prohibited. They should be required to take payment only at the counter. As a rule, no member of this office should act as a messenger and collect the cheque for bills of private parties and bills of their offices payable at this office. However, in genuine cases, where there is no doubt about the bonafides of a person acting as messenger, the member may be permitted to take payment with previous approval of Accounts Officer, Cheque Section.

33. **EXTRA HELP FOR CHEQUES SECTION:-**

In order to facilitate payment of bills promptly extra help may be required for each Cheque Section during the monthly salary, bill pressure as also on the eve of Durga Puja and Lossang Holidays and March pressure for writing out cheques and for opening additional cheque delivery counters. The Superintendent will maintain a register of persons drafted from other Sections for each Cheque Section and will ensure that the persons of each Section are requisitioned for duty by turn and that no more than two persons are taken from each Section in a month. The list of persons to be posted for duty in each Cheques Section should be drawn and submitted to the Chief Pay & Accounts Officer for approval. The list as approved should be circulated to all the staff concerned in advance.

34. The persons so posted, will attend to the work allotted to them by the superintendent (Cheque Section) with the same formality and details as prescribed for work in Cheque Section, as any other regular member of the Section.

## **CHAPTER -2**

### **PRE-CHECK-SECTION**

#### **RECEIPT OF BILLS FROM BILLS RECEIVING:**

**35. COUNTER OF CHEQUE SECTION:-**

Separate Transit Register of bills (Form 1) should be maintained by each Pre-check Section. The number of registers to be opened for each Section will be determined by the Pre-check Section concerned with reference to the number of bills of each department or groups of departments for the transmission of which they are intended. The bills should be made over by the receiving counter of Cheque Section to the Pre-check Section counter periodically through the Transit Register of Bills. The Transit Register should be subjected regularly to a thorough check by the Superintendent of each Pre-check Section. As soon as it is received with bills from bills receiving counter of cheque Section, a clerk nominated by the Superintendent for this purpose should count the number of bills received, check them against the bill Register number in the register and record a certificate to this effect after the last entry in the Transit Register of Bills over his dated initial.

36. The Superintendent should then conduct a general examination of the bills to see that they all relate to his Section and give where necessary, suitable instructions to the dealing Accountants for their immediate disposal or on other points. The bills should then be distributed among the Accountants of the same Section and their acknowledgement obtained in the register itself. The superintendent should also see, after the bills have been distributed, that each Accountants has put his dated initial against the bills pertaining to his seat in the Transit Register of Bills. Thereafter, he should note the total number of bills received by his Section in works under the last entry in the Transit Register of bills and should also put down his dated initial in token of having exercised the necessary checks. It should be seen particular that no entries are made by interpolation on any account and that no lines in the register are left blank between two entries.
37. On receipt back of the Transit Register in the bills as receiving counter and before any fresh bills are entered. The Superintendent -in-charge of the bills received counter should satisfy himself that the bills have all been received by the Section concerned and that no bill has been removed from the register

without putting there an acknowledgement for the same. The Transit Register of Bills should also be examined periodically by the Accounts Officer of the Pre-check Section concerned.

38. **RETURN OF BILLS NOT RELATING TO THE SECTION:-**

The Section dealing with the head of account to which the claim is debitible will have to deal normally with all the bills pertaining to that head of account even, though the drawing office be drawing bills debitible to head of account other than that to which the bills drawn by the will be normally debited. If necessary, the Section required to deal with the bill will consult other Section concerned to verify the signature of the drawing officer and detail of pay drawn, for check of average pay in case of leave salary, etc. In such case a cross reference that the leave salary or a part of a salary was debited to a different head of account should also be noted in the records by giving reference to the Bill Register number of the bill, period of claim and the Section which dealt with it. In doubtful cases the orders of the Chief Pay & Accounts Officer should be obtained.

39. If it is found that any of the bills sent by the Cheque Section does not relate to the Section, it should be returned to the Cheque Section through the Transit Register of Bill of the Section specifying that the bill does not relate to that Section against the entry of the same bill in the Transit Register; the relevant entry in the Transit Register should be acknowledged by a member of the Cheque Section. A fresh entry should be made in the Transit Register of Bills of the Section to which it relates. In cases of doubt, however, the Section to which the bill has been marked should receive it and specific orders of the accounts Officer should be obtained before transferring the bill to the Section concerned through the bill receiving counter so that may not on any account be tossed about from Section to Section.

40. **ENTRY OF BILLS RECEIVED IN THE REGISTER OF FINAL POST CHECK OF PRE CHECK BILLS:-**

The bills on receipt in Pre-check section will be examined as aforesaid and then distributed among the Accountants responsible for pre-checking of those bills. The Accountants will immediately enter those bills in the Register of Final-Post-check of Pre-check Bills (Form 11) of this seat (column 1 to 4). After pre-checking of the bills, whether passed or returned with objection those will be marked as each against the existing entries in the Register of Final-Post check of Pre-check Bills (Columns 5 to 7) which date of return to Cheque Section. The Register along with the pre-checked bills will be submitted to the Superintendent who will examine the entries and initial against each of them in the register. The vouchers on receipt from Compilation Section will be subjected to pre-check with entries in columns 8 to 10 of the Register of Final Post-check of Pre-check Bills. During post-check the following points should be seen-

- a). that the pay order is genuine
- b). that the endorsement on the bills are in order
- c). that the final receipt for the full amount passed in pre-check has been received from the drawer of the bill in prescribed form

- d). that the messenger has signed the final receipt; and
  - e). That the Cheque Section has signed the certificate of payment.
41. The Superintendent of the Section should also conduct a check of the post-check in respect of vouchers not less than ten per cent. He will record both on the voucher and in the register that such a check was conducted by his initials in the prescribed column. The register should be closed on the second of each month and the vouchers which have not been admitted (due either to the final receipt not having been produced or not being in proper form though received) will be detailed at the foot of the register under a certificate of the superintendent and submitted to the Accounts Officer, who will scrutinize the outstanding cases.
42. **PROVISIONAL PAYMENT:-**
- Normally no payment should be made on the basis of attested copies of sanctioning order, if the original order addressed to the chief Pay & Accounts Officer signed in ink by the sanctioning authority has not been received in this office. However, in urgent cases on the written request of the departmental officers provisional payments may be made on the specific orders of the Chief Pay & Accounts officer. But no provisional payment should be made to private parties where recovery of over-payment, if any, would be difficult. All provisional payments made should be noted in a register (Form 32d) to be maintained by each pre-check Section.
43. **RETURN OF BILLS WITH OBJECTIONS:-**
- If any objection is founding in a bill in course of pre-check, the bill will be returned with objection detailed in a half-margin Return Memo (Form 12) duly approved by the Accounts Officer. Such bills should be sent to the Cheques Section through the Bill Register for return to the drawing officer/ private party. The fact that the bill has been returned should also be indicated in the Register of Final Post-check of Pre-check Bills.
44. **RETRENCHMENT OF A PORTION OF THE AMOUNT CLAIMED IN A BILL:**
- If it is found in course of pre-check of a bill that the claim contained in it is mostly admissible excepting a small portion which is controversial or for which there are some objections, the bill may be passed retrenching the controversial amount. In such cases a retrenchment slips (Form 4) showing the amount passed for payment with reasons for deduction duly approved by the Accounts Officer should be attached with the bill. Each retrenchment slip will be handed over to the messenger of the drawing officer/party along with the cheque for the amount passed for payment by the clerk of the cheque delivery counter.
45. If found convenient, a prior intimation that the bill has been returned or it has been passed deducting a p9rtion claimed in it may be sent to the drawing officer for his information.

**PRINCIPLES AND PROCEDURES OF CHECK CONDUCTED BY THE PAY & ACCOUNTS OFFICE**

**CHAPTER-3**

**CHECK OF EXPENDITURE**

46. It is the duty of the Pay & Accounts Office to see that the incurring of expenditure from the consolidated Fund of the State is governed by the following essential conditions:-
- 1). that there should be provision of funds authorized by competent authority fixing the limits within which expenditure can be incurred.
  - 2). That the expenditure incurred should conform to the relevant provisions of the act, Constitution and of the laws made there under and should also be in accordance with the financial rules and regulations framed by competent authority ; and
  - 3). That there should exist sanction, either special or general, accorded by competent authority, authorizing expenditure.
47. Thus, one of the important functions of the Pay and Accounts Office in relation to check of expenditure is to see that each item of expenditure is covered by the sanction of the authority competent to sanction it. Here the Pay and Accounts Office has not only to see that the expenditure is covered by a sanction, whether general or special, but has also to satisfy itself(1) that the authority sanctioning it is competent to do so by virtue of powers vested in it by the provisions of the Constitution and of the laws, rules or orders made there under of by rules of delegation of financial authority made by a competent authority and (2) that the sanction is definite and this needs no reference either to sanctioning authority itself or to any higher authority. When a sanction to expenditure has been examined and admitted as regular and correct the check of expenditure against the sanction becomes a simple matter as the Pay and Accounts Office has merely to see that the expenditure conforms to the prevision of the sanction.

48. **CHECK OF SANCTIONS TO EXPENDITURE:-**

In the check of sanctions to expenditure, the guiding principles enunciated below should be observed:-

- i). If the sanctioning authority is vested with full powers in respect of certain class of expenditure, a sanction accorded under these powers can be objected to by the Pay and Accounts office only on grounds of propriety.
- ii). If it is vested with powers which may be exercised provided due regard is paid to certain criteria which are expressed in a general form, sanctions accorded under these powers can be objected by the Pay & Accounts office.
  - a). if the disregard of the criteria is considered to be so serious as to make the sanction perverse ; or
  - b). if the facts of the case are such as to make the Pay & Accounts Officer confident that one or more of the criteria have been disregarded
- iii). If it is vested with powers which are expressed in precise terms, the Pay & Accounts Office is bound to ascertain that the order defining its powers is obeyed exactly in every instance.;
- iv). If any one item of scheme required sanction of a higher authority, the Pay & Accounts Office should hold under objection any expenditure on that item until sanction to it is obtained and in determining whether objection should be raised on any other portion of the scheme prior to the receipt of such sanction, it should be seen that the expenditure is not likely to exceed at a later date, the limit upto which sanction can be accorded by the original sanctioning authority.

49. Besides the question of competence of the authority sanctioning the expenditure the scrutiny of sanctions would also include the following points:-

- i). whether the expenditure is a legitimate charge on the provision from which it is proposed to be met;
- ii). whether the expenditure conforms to the statutory provisions as well as the relevant financial rules, regulations and orders;
- iii). whether it fulfils the standards of financial propriety; and
- iv). whether in the case of sanctions to new schemes of expenditure, a satisfactory accounts procedure has been evolved.

50. Copies of all sanctions and orders to be enforced by the Pay & Accounts Office should be endorsed to him through Finance Department/ accredited department as may be necessary by the authority competent to accord sanction. The sanction should be noted by the Pay & Accounts Office in the relevant Payment Register after proper scrutiny on the terms indicated above.
51. The general position of the Pay & Accounts Office in the matter of scrutiny of and payment against sanctions and orders is as follows:-
- i). In respect of sanctions endorsed by the Finance Department, the Pay and Accounts Office has no direct responsibility for their "Vires" or propriety ;
  - ii). A payment that is illegal can neither be ordered not paid,
  - iii). The Pay and Account officer has a direct responsibility to refuse a payment from the consolidated fund of the State, which is not covered by appropriation made by law or by an advance from the contingency Fund ;
  - iv). If a sanction or order goes against the principle or policy laid down by the Accountant General, Sikkim or by the Finance Department, and the sanctioning authority is not agreeable to accept the advice of the Pay & Accounts Officer, the latter will not be required to act on such a sanction without consultation with the Accountant General, Sikkim or the Finance Department as the case may be:-
  - v). In the case of sanctions not received through the Finance Department i.e. those accorded under delegated authority, the Pay & Accounts office is responsible for their general scrutiny and should act on sanctions only where they are from the competent authority.
52. In practice there should be no dispute as to the competence of a sanction. In case where the Pay and Accounts Officer doubts the 'propriety' of a sanction or order, he should place his views, before the sanctioning authority and if the sanctioning authority is not agreeable to revise the sanction or order according to Pay & Accounts officer' advice, the latter should act on the sanction or order and should report the facts of the case to the next higher authority giving a copy of such report t the Finance Department.
53. It is imperative that the utmost care and attention should be devoted to the work connected with the check of sanctions to expenditure as once a sanction has been accepted, expenditure may have to be passed against it for a length of time.
54. It is an important part of the functions of the Pay & Accounts Office that no payment is made in excess of the budget allotment. In order to exercise an effective check in this behalf, separate register should be maintained in the Pay & Accounts Office for each Drawing Officer by sub-heads and by units of appropriation so as to ensure at the time of passing each bill that the amount of the bill under check is covered by the budget allotment. If the amount of the bill is not covered by appropriation or by an

advance from the contingency fund, the Pay & Accounts Office should decline payment under advice to the authority controlling the grant. It would then devolve upon the latter to arrange for additional funds.

55. **SCRUTINY OF RULES AND ORDERS:**

In relation to check of expenditure against regularity it is the duty of the Pay & Accounts Office to examine all financial rules and orders affecting expenditures and other transactions subjected to check issued by the executive authorities to see that the rules etc are themselves intra vires and that the check of transactions which they govern may be effectively conducted against them.

56. In the scrutiny of these rules and orders it should be seen that-

1). they are not inconsistent with any provision of the Constitution or of any laws are there under;

2). They are consistent with the essential requirement of audit and accounts as determined by the Accountant General ;

3). They do not conflict with the orders of rules made by any higher authority and

4). In case they have not been separately approved by competent authority, the issuing authority possesses the necessary rule-making power.

57. In applying the second check prescribed in the preceding paragraph, the Pay & Accounts Office should be guided by any subsidiary instructions which may be issued by the Accountant General, Sikkim. All doubtful points unless they are trivial should be referred to him.

58. In applying the third check prescribed in the preceding paragraph, the guiding principles enunciated in (i), (ii) and (iii) of paragraph/48 should be observed. Further, if the Pay & Accounts Officer has reasons to think that undue advantage is taken or the provisions of any orders under which the rule is issued, he may bring the case to the notice of the appropriate authority.

59. All orders of delegation of financial authority should be scrutinized carefully, as once they have been accepted, check of sanctions as well as of expenditure or other transactions may be conducted against them for any indefinite length of time. They should accordingly receive the personal attention of the officers of the Pay & Accounts Office and should be formally accepted by them before they are admitted.

60. It should, however, be borne in mind that Pay & Accounts Office should not practice a meticulous type of examination as the Finance Department and other departments of Government have their respective responsibilities also.

61. **CHECK AGAINST PROPRIETY:-**

It is an essential function of the Pay and Accounts Office to bring to light not only cases of clear irregularity but also every matter which in its judgement appears to involve improper expenditure

or waste of public money or store, even though the accounts themselves may be in order and no obvious irregularity has occurred. It is not sufficient to see that sundry rules or orders of competent authority have been observed. It is of equal importance to see that the broad principles or orthodox finance are borne in mind not only by disbursing officers but also by sanctioning authorities.

62. No precise rules can be laid down for regulating the course of check against propriety. Its object is to support a reasonably high standard of public financial morality, of sound financial administration, and devotion to the financial interests of Government. The Pay & Accounts Office in the performance of its duty should in any case apply the following general principles which have for long been recognized as standards of financial propriety.

- 1). The expenditure should not prima facie be more than the occasion demands. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- 2). No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- 3). Public money should not be utilized for the benefit of a particular person or section of the community unless-
  - i). the amount of expenditure involved is insignificant ; or
  - ii). A claim for the amount could be enforced in a court of law; or
  - iii). The expenditure is in pursuance of a recognized policy or custom.
- 4). The amount of allowances, such as traveling allowances, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole sources of profit to the recipients.

#### **CHECK OF PAY AND ALLOWANCE ETC. OF GAZETTED GOVERNMENT SERVANTS.**

63. The check in the Pay & Accounts Office of pay, leave salary and other allowances admissible to various classes of gazetted Government servants is mainly conducted with reference to the rules and regulations made by competent authority governing their conditions of service. The essential point to be observed in the check of pay bills drawn by gazetted officers is to check the title of the Government servants to the pay drawn by him namely, that there is a duly sanctioned post and that the pay claimed is admissible in respect of the post to which he has been duly appointed and of which he is actually in charge.

64. No pay should be passed for a Government servant beyond the date of attaining the age of superannuation or on the expiry of a term of extension of service sanctioned by competent authority.
65. The payment of pay and allowances of gazetted officers will also be controlled through the Establishment payment Register (Form 14) in the same way a payment to Non-gazetted employees.

66. **DUTIES OF ACCOUNTANTS:-**

The following instructions cover the more important points requiring the special attention of the Accountants checking the gazetted officer's pay bills-

1. see that payees are legally entitled to the pay claimed.
2. see that, except in cases of first appointment, every first payment total an individual whether on account of pay and allowances or as leave salary is supported by a last pay certificate as the case may be;
3. see that, in the case of a Government servant appointed to the service in Sikkim, a health certificate is given;
4. examine and check that income-tax and undeductions are strictly according to rules
5. in the case of a gazetted officer on leave, see that-
  - a). leave has been granted ;
  - b). it has not been exceeded; and
  - c). the leave salary claimed is covered by rules applicable to the case;
6. note all advances and excess or unauthorized payments in the Payment Register and intimate the officer concerned and also the office to which he belongs for necessary recovery;
7. enforce the bill as with classification to facilitate the booking of the amounts to the correct heads; and
8. record the pay order on the bill for the signature of the Accounts officer.

67. **Check Of Establishment Expenditure**

**Payment Register:**

The register will be in (Form-14). This form can be used both for permanent and temporary establishments. The Register is intended to be a record for four years. Particulars regarding number of posts sanctioned, period for which sanctioned etc. will be noted in the Register in the column provided for the purpose. In the case of sanctions which include posts carrying special pay, fixed traveling

68. In March every year details of each sanction as finally recorded in respect of the previous year should be brought forward on fresh

payee. If any fresh sanction involving variation in strength, scale etc. is received during the course of the year, it should similarly be noted in the register and details of each sanction suitably modified to incorporate the changes. All such entries should be attested over the signature of the Accounts officer of the Pre-check Section.

69. Checks to be exercised while scrutinizing the Pay Bill:

The following checks should be exercised while scrutinizing the establishment bill-

- a). On receipt of an establishment bill, it should be seen that it is in the prescribed form and is complete in all respects. Arithmetical calculations should be checked carefully.
- b). The Accountant will check all items in the bill corresponding to the name in the increment certificate and make the necessary entries in the fly-leaf (Form 13). Then the remaining items in the bill should be checked and any change affecting the fly-leaf incorporated therein.
- c). Increment certificate or office orders sanctioning increment, attached to establishment bills (or submitted separately), for pre-check should be examined to see that the increment claimed is according to rules and supported by facts stated and has actually accrued. The reasons why the increment is considered to be due, as stated in the increment certificate, should be examined with reference to fly-leave of the Register.
- d). The admissibility of various allowances claimed in an establishment bill should be scrutinized with reference to the rules/orders in force.

70. **DUTIES OF ACCOUNTANTS:**

The main points to be observed in the Establishment bills besides those mentioned in paragraph 69 are to see that-

- 1). The arithmetical calculations of the bills are correct;
- 2). A last pay certificate is furnished for Government servant transferred from another establishment;
- 3). In the case of Government servants appointed for the first time, a health certificate is furnished;
- 4). The increment drawn is supported by an increment certificate or order and if the increment carries a Government servant over an efficiency bar, the declaration of fitness to cross the bar is furnished;
- 5). Relevant note of the bill is made in the Establishment Payment Register (Form 14);
- 6). The number of persons for whom pay or leave salary has been drawn does not exceed sanctioned strength of the establishment and

- 7). That the dates of making over and receiving charge are stated and joining time is in accordance with relevant rules.

## **CHAPTER 36**

### **CHECK OF TRAVELING ALLOWANCE:**

71. As enjoined in Rules 62,63,64 and 65 of the Sikkim Government TA Rules the Heads of Department/Offices as personally responsible to the Government for the correctness of the traveling allowance bills signed or counter signed by them as Controlling Officers. In the pre-check of the traveling allowance bills, the pay & Accounts Office should, however, see that:-
- i). appropriate column has been filled in;
  - ii). The bill has been countersigned by the drawing and disbursing officer or controlling officer as the case may be;
  - iii). The rates claimed are in order and the amount claimed is correct;
  - iv). The prescribed certificate have been furnished by the Government servant and by the drawing and disbursing officer;
  - v). the prescribed certificates have been furnished by the controlling officer countersigning the TA bill; and
  - vi). The purpose of the journey has been indicated.

72. **CHECK OF CONTINGENT EXPENDITURE.**

The responsibility for the effective control of contingent expenditure rests primarily upon the heads of offices and departments. The Pay & Accounts Office merely examines the fulfillment of that responsibility by their check of such expenditure, the extent of which varies greatly with the different classes of contingent charges. The Pay & Accounts Office has, however, the following minimum responsibilities which should be exercised the respect of all contingent bills. It must be seen that-

- i). each expenditure-
  - a). is a proper charge against the Grant or Appropriation concerned;
  - b). has received such sanction as is necessary.

- c). has been incurred by Government servant competent to incur it;
  - ii). such vouchers as are required by the Pay & Accounts Office have been submitted;
  - iii). Any certificate required under the financial rules of the Government have been furnished;
  - iv). The rates are apparently not extravagant;
  - v). the bill is in proper form and the classification is correctly recorded thereon;
  - vi). The follow of expenditure is not too rapid this check will be applied in the case of those bills for which a separate register is maintained ; and
  - vii). If the expenditure in the month of March is unusually large, it does not lead to irregularities.
73. When the Accountant has completed his check and has ticked off each item supported by a voucher in token of his having seen and passed the bill, he should record his enforcement, passing the bill or objecting to it, on the body of the bill itself.
74. Contingent charges whether recurring or non-recurring which cannot be incurred without special sanction in each case of 'superior authority, are termed as Special Contingencies'. In respect of these contingencies the principal duty of the Pay & Accounts Office is to watch the expenditure against the necessary sanction of such authority. For this purpose, a Register should be opened (Form 19) in which every order sanctioning special expenditure, should be entered as soon as it is received and, as each charge comes up for check a note of the bill in which it is included and of the fact that it has been checked, should be made in the final columns. Where expenditure against a lump sum sanction is incurred in installments, the progressive expenditure must be watched against the sanctioned total.
75. In preparing the Register of Special Charges the following instructions should be followed:-
- 1) separate pages should be set apart for different classes of expenditure and, if the entries are likely to be numerous, for different officer incurring expenditure; and
  - 2) when opening a new register, orders which are still in force should be carried forward into it from the old register.

**Note: 1.** The sanctions entered in the Register of Special Charges will not be confined to sanctions of contingent charges proper, Special sanctions of refunds, advances, and traveling allowances and the like also will be recorded in this register and the charge admitted according to the method prescribed in this paragraph.

**Note:2** The entries of payments made in the Register of Special Charges should be attested by the Accounts Officer as he passes each bill for payments.

76. In case of periodical charges, necessary entries should be made similarly in the Register of Periodical Charges (Form 18).

## **CHAPTER -8**

### **CHECK OF PAYMENT OF GRANTS-IN-AID:**

77. In the case of grant-in-aid, the check can be applied (i) to the original grant itself, and (ii) to the expenditure which is subsequently incurred from it by the grantee.

78. The check of the grant itself will be conducted according to the general principles and rules laid down for the check of expenditure, with the particular reference to the following provision-

a). In checking sanctions to grants-in-aid, the general principles enunciated in paragraph 47 should be followed. It frequently happens, however, that the power of sanctioning grants is delegated to subordinate authorities subject to the previous fulfillment by the grantees of certain conditions. Thus, grants may be made to educational institutions which reach specified standards in respect of number of scholars, methods of instruction and the like. In such cases, if the order sanctioning the grant quotes the relevant rules, the Pay & Accounts Office should ordinarily accept the expressed or implied certificate of the sanctioning authority that the prescribed conditions have been fulfilled.

It should be watched that grants are not, except in special circumstances, paid in excess of actual requirements of the grantee for the financial year or, say, for the period of one year from the date of issue of the letter sanctioning the grant and that any general or special orders for releasing a particular grant in installments are complied with.

79. The extent of the check of expenditure from a grant-in-aid by the grantee depends on whether the grant is conditional or unconditional, where no conditions are attached to a grant, the Pay & Accounts Office is in no way concerned with the manner in which the grant is utilized by the grantee.

80. Where conditions are attached to the utilization of the grant, these usually take the shape of specifications of the particular objects on, or the time within which the money must be spent. In such cases a formal utilization certificate about the proper utilization of the grant from the administration, technical and financial point of view would be furnished by the sanctioning authority concerned.

81. Unless it is otherwise ruled by Government, every grant made for a specified object is subject to the conditions-

- i). that if no time limit has been fixed by the sanctioning authority, the grant will be spent upon that object within a reasonable time (normally within one year from the date of issue of the letter sanctioning the grant) ; and
  - ii). That any portion of the amount which is not ultimately required for expenditure upon that object will be surrendered. The pay and Accounts office should pay due attention to these points.
- 82. In the present day context the large amount disbursed as grants-in-aid in connection with the development schemes by the State Government to Cooperative Societies, private institutions, etc. it is important to watch-
  - i). that there is no tendency on the part of government to go on disbursing fresh grants to a grantee when substantial amounts out of the earlier grants remain unutilized by him; and
  - ii). That the concerned Executive authorities have adequate machinery to keep a continual watch over the progress of expenditure from the grant and on the continued solvency of the grantee and the safety of the funds entrusted to him.
- 83. **PAYMENT REGISTER OF GRANTS-IN-AID:**

A payment Register of Grants-in-aid (Form 22) should be maintained in respect of each department. Immediately on receipt of a sanction to a grant, it should be checked as laid down in paragraph 78. If accepted by the Accounts officer, it should be entered in the relevant portion of the register and entry attested by a member of the Superintending staff.
- 84. When bill comes up for payment it should be checked against the relevant sanction, as recorded in the Payment Register, and note of payment made in the register.
- 85. If conditions are attached to a grant, a reference to any document furnishing information as to their fulfillment should be recorded in the appropriate column of the register and attested by the dated initials of the Accountant.
- 86. The register should be reviewed and submitted to the Accounts Officer once in every quarter and reminders issued where submission of utilization certificate from sanctioning authority etc. have been delayed.

## **CHAPTER-9**

### **CHECK OF THE SCHOLARSHIPS**

87. In case of stipends and scholarships which are few in number and are considered to be important in view of their value of governing conditions or other similar considerations, the check should be conducted by number only.
88. **Check by numbers will consist in seeing that-**
- 1). The sanctioned scale is not exceeded;
  - 2). There is no excess over the total amount sanctioned for the scholarships; and
  - 3). The scholarships are drawn only for the period for which they are sanctioned.
89. The bills for educational scholarships, stipends, etc., should be checked with a view to see that they have been drawn in accordance with the procedure laid down in the relevant rules, etc. and that necessary certificates showing that the prescribed conditions have been fulfilled, are furnished along with the bill or separately, as may be necessary.
90. Scholarship bills should be posted in a register in Form 23 for recording regular payments and watching the terms and conditions of each scholarship.

## **CHAPTER -10**

### **CHECK OF THE PROVIDENT FUND**

91. The check of transactions pertaining to Provident Fund mainly consists in seeing that the transactions conform to the rules and regulations governing the administration of the Fund and subsidiary instructions issued there under. Subscription to Fund can be received only from such government servants as are either required or permitted by the rules of the Fund to subscribe it. Having satisfied itself on this score the Pay & Accounts Office must watch that the subscription and pay other dues recoverable under the rules of the Fund are clearly and regularly recovered

from the Government servant concerned. Finally the Pay and Accounts office must verify that the accounts of the Fund are correct both in total and in the detailed accounts of the subscribers.

92. **ADMISSION:**

On receipt of an application in Form GPF 2, the eligibility of a new subscriber should be tested in the Fund Section (in consultation, if necessary, with the section concerned with the check of pay and allowances of the subscriber) with reference to the relevant rules. If he is found eligible, an account number should be assigned to him in the General Index Register and communicated to him direct or through the head of his office according as he is a gazetted or non-gazetted Government servant. If a particular Government servant belongs to the class of compulsory subscriber to the Fund, the Pay & Accounts Office should see that subscriptions are recovered from him as required by the rules of the Fund.

93. The General Index Register should be maintained separately for each department and each such register should have an alphabetical index prefixed to it. There should be a distinct series for each with distinctive letters prefixed to them e.g. "Agri/512" or "Medical/397".

94. **NOMINATIONS:**

As soon as a Government servant starts subscribing to the Fund, the Pay & Accounts office should endeavor to secure that the subscriber furnishes a nomination GPF I as required by the rules of the Fund.

95. The nominations should be kept under the lock and key in the personal custody of the gazetted officer in-charge of the Fund Section. A physical verification of the nomination should be made once in a year by a gazetted officer, other than the officer-in-charge of the Fund Section, to be selected by the Chief Pay & Accounts officer. A certificate indicating the results of the annual verification should be recorded by the gazetted officer deputed for the purpose under his dated signature in each of the General Index Register maintained under paragraph 93. When a revised nomination is received, the superseded one should be cancelled and returned to the subscriber.

96. **SUBSCRIPTIONS:**

When a subscription is paid for the first time or a revised rate is adopted, it should be seen that the amount of subscription is within the minimum and maximum rates prescribed by the rules of Fund. In the case of subscriptions paid subsequently, it should be seen that the amount paid agrees with the rate adopted in the

first month of the year except when a variation of rate is allowed during the course of the year under the rules of the Fund. Whenever a subscription is discontinued by a subscriber, it should be seen that the discontinuance is permissible.

97. **TEMPORARY WITHDRAWALS:**

The check of temporary withdrawals consists in seeing the following points among others-

- i). that the advance has been sanctioned by a competent authority;
- ii). That the amount sanctioned is covered by the balance at the credit of the subscriber;
- iii). That the conditions under which the advance can be granted under the rules of the Fund are fulfilled ; and
- iv). That recoveries on account of principal are being made regularly.

98. Sanctions to temporary withdrawals from the Fund should be recorded in the register (GPF 3) The register should contain details of old account number, new account number receipt and acceptance of nomination, rate of interest, details of advance outstanding at the beginning of the year, amount payable for policies if any, financed from Provident Fund etc. The register being the original record should be kept in locked cabinets, the duplicate keys of which will be in the possession of the Accounts Officer or any other person nominated by him for this purpose. When a new account is opened, the same should be attested by the Accounts Officer with his full signature in token of its genuineness.

99. The following are the sources from which the ledger accounts should be posted:-

- a). Provident Fund schedules attached to pay bills paid by pay and Accounts Office.
- b). Schedules for cash deposits made by the subscriber at the banks.
- c). Schedules supported by vouchers of withdrawals from Provident Fund.
- d). Details of debits and credits of Provident Fund appearing otherwise in accounts, for example, transfer adjustment, inward accounts, etc.

100. The Schedules and debit vouchers should be made over by the Compilation Section to the Fund Section along with a covering statement, after (i) verifying that the subscriptions, refunds shown in the schedules agree with those shown in the bills, (ii)

effecting an agreement of the total credits and debits as per the covering statement, with the figures in the classified Abstract, if maintained. The fact of this verification and agreement having been effected should be certified at the foot of the covering statement.

101. It should be the duty of the ledger poster in the Fund Section to ensure that-
- i). the amount of subscription is not less than the minimum prescribed under the rules. The rate of pay shown in the schedule attached to the salary bill for March should be verified from the bill and a certificate to this effect recorded in schedule by the Accountants responsible for forwarding the schedules to the Fund Section with reference to the verified rate of pay shown in the schedule. Fund section should check whether the rate of subscription is not less than the minimum prescribed. In the case of subscription paid in subscribed agrees with the rate adopted in the first month of the year except when a variation of rate is allowed during the course of the year and under the rules of the Fund.
  - ii). The check of temporary withdrawals should be conducted in accordance with instructions contained in paragraph 97. On receipt of sanction the full particulars thereof should be noted in the Remarks Column of the ledger folio and a watch should be kept on the appearance on the debit through accounts.
  - iii). In case credits on account of recovery are not received the attention of the drawing and disbursing officer should be drawn to the fact and details of bills from which recoveries were made called for. Similarly if the debit has not appeared, the details of the bill in which the amount was drawn should be ascertained and posting made.
  - iv). Registers of missing credits and debits should be maintained and the items entered there in should be systematically pursued. Every attempt should be made to link up the missing items with the entries in the Register of Unposted Items and clear them.
  - v). Final withdrawal of the entire balance in the account at the time of quitting of service and final withdrawals of part of the balance for specific purposes should be authorized for specific purposes should be authorized by the Pay & Accounts Office and paid only after pre-check by him. In the latter case, the sanctions will be scrutinized and entered in the Remarks column and the ledger folio. The relevant debit vouchers should be kept carefully and the receipt of disbursement certificates from the Heads of Offices should also be

watched. A record of part-final withdrawals should also be kept in a separate register.

102. The progress of settlement of final payment cases should be watched through suitable registers. The detailed procedure to be followed in regard to final payments will be prescribed by the Chief Pay & Accounts Officer.
103. The posting of March transactions into the individual accounts of the subscribers should be taken up about the middle of April and completed within a month. The interest due during the year should be computed on the monthly balances in accordance with the rules of the subject. The work of calculation of interest should be commenced soon after completion of March postings and completed expeditiously. The interest calculation made by each Accountant with the help of interest table should be checked independently by another Accountant and test checked by Superintendent and the Accounts Officer to the extent prescribed by the Chief pay & Accounts Officer. The amount of interest for the year as well as total deposits, refunds and withdrawals should be posted and the closing balance for the year worked out in respect of every ledger folio. The calculation should be checked in detail by the superintendent and the Accounts Officer to the extent that may be prescribed..
104. The balance at the credit of each subscriber as on 31<sup>st</sup> March, including interest for the year should be worked out in the ledger. The totals of closing balance shown in the ledger should be reconciled with total figures under concerned head of account shown in the accounts of the year. The individual closing balance in the ledger should be checked carefully before they are carried over to the next years as ledger as opening balance. The balance so carried forward should be attested by the Superintendent in-charge.
105. Statements of subscribers annual accounts should be prepared in Form GPF 5 and dispatched to the subscribers not later than 31<sup>st</sup> May each year. The statement should be sent to the respective Heads of Offices, who should be called upon to send a certificate that all the account statements received by them have been delivered to the subscribers strict watch should be kept over the receipt of acknowledgement of balance by the subscribers.
106. In annual review of Provident Fund account should also be conducted after the dispatch of annual accounts mainly to see that there are no cases of omission to open ledger accounts of maintenance of duplicate accounts for the same subscriber; to examine generally that credits appear in all the month sand reasons for non-recovery of irregular recovery of advances and subscription are properly recorded in the ledger and that the balances are correctly carried forward from year to year. A detailed re-check of the postings, specially the debits should also be conducted in such a way that at least one month's credit postings are checked fully. The review should be got done by the staff independent of those responsible for the posting of the ledger accounts.

## **CHAPTER-11**

### **CHECK OF LOANS AND ADVANCES BY GOVERNMENT:-**

#### **LOANS AND ADVANCES TO PUBLIC AND QUASI-PUBLIC BODIES, ETC.:-**

107. Government occasionally makes loans and advances to public and quasi-public bodies and to individuals. Some of these loans, and advances are made under special laws, and others for special reasons or as a matter of recognized policy. The detailed accounts of such loans and advances will continue to be maintained by the concerned departments as at present till such time as the State Government may decide to entrust the work to the Pay & Accounts Office.
108. If and when the detailed accounts would be kept by it, the Pay & Accounts Office would repost without delay any default in payment either of principal or interest to the authority which sanctioned the loan or the advance. If that authority enforces any penal interest upon the overdue installments of interest or principal and interest, it shall be the duty of the pay & Accounts office to watch its recovery.
109. In order to protect the financial interest of Government the Pay & Accounts office should also communicate to Government any information which comes to its notice in the course of official business in respect of the financial position of a debtor with such comments as may be considered appropriate. This duty should be performed by the Chief Pay & Accounts Officer personally with utmost care and discretion, and communication of this kind should invariably be confidential.
110. The Pay & Accounts office will maintain as and when necessary, a Loan Register in the form to be prescribed for the purpose for the check of all such loans made by the Government.
111. A record of interest bearing advances to Government servants viz. , House Building, Motor Car, etc. , advances and other advances recoverable in large number of installments sanctioned and paid under proper authority should be kept in a register in Form 17 and should be regulated with reference to the rules governing such advances. A separate page should be allotted to each individual. The recoveries of installments through the pay bills should be watched by the Pay & Accounts office closely at the time of conducting pre-check of the bills. In case recovery is not shown in any bill by a department, the bill may be returned un-passed with advice to effect the recovery or the amount recovered by the Pay & Accounts office itself under the intimation to the drawing officer.
112. Festival advances are adjustable against the Pay of subsequent months, their recovery should be watched through a separate register (Form 33) to be maintained department wise.

113. Recovery of advances of pay and traveling allowances made under proper sanction to a Government servant on transfer and also advance of traveling allowance on tour will be watched through the Objection Book.
114. In the case of a Government servant taking advance of pay and traveling allowance on reversion to the lending Government the procedure will be as given in No 38/Fin dated 16-12-86 (copy enclosed).
115. In the case of Central Government servants temporarily lent by the Central Government to the Government of Sikkim, the credits for the recoveries of House Building Advance, Motor Car Advance or advances for purchase of any other conveyance, sanctioned by the lending Government will be passed on to the Accounts Officer of that Government.

**FINANCE DEPARTMENT**

**GANGTOK**

**48-A**

**CIRCULAR**

No. 38/Fin

Dated: 16.12.86

**SUBJECT:- SIMPLIFICATION OF ADJUSTMENT ON ACCOUNT OF PAY AND  
T.A. ADVANCE ON TRANSFER – AVOIDANCE OF INTER GOVT.  
SETTLEMENT.**

Under the provisions of Article 36(b) (ii) of Accounts Code Volume I, in cases of transfer of Government servants from the Government to another, traveling allowances (both ways) are borne by the borrowing Government and the advance of pay, if drawn, is accounted for in the books of the Government to which the official proceeds on transfer.

2. The existing procedure involves settlement of inter-state transactions with its attendant complication of operation of suspense heads, issuance of cheques, bank reconciliation etc. In order to avoid such inter-governmental settlement, the Government of India, in consultation with State Government, has now decided that in case of transfer of a Government servant from one Government to another, any advance towards pay/TA paid by lending Government would be finally booked as revenue expenditure in its own books. Recovery/ adjustment of these advance from the Government servant's pay/TA bills will be watched through last pay certificate and credit net debit would be accounted for in the books of the borrowing Government. The same drill will operate in reverse when the Government servant reverts to the parent Government.
3. In all cases of transfer of Government servants between two Governments, whether for proceeding on deputation or on reversion taking place or on after 1.1.1987, settlement of advance of pay and TA will be in accordance with these order, (Based of Ministry of Finance, Department of Expenditure, Controller General of Accounts O.M. No. 14(6)/TA dated 17.11.(86).

**SD/-K.C. Pradhan,**

**Secretary, Finance.**

## **CHAPTER-12**

### **CHECK OF CONTRACTS**

116. It is an important function of the Pay & Accounts Office to examine contracts and agreements for works or supplies entered into by Government servants on behalf of Government.
117. The responsibility for the placing and fulfillment of contracts for works to be done or supplies to be made rests entirely with the concerned Executive authorities but this case not preclude the pay & Accounts Officer's criticism where the action or procedure of any administrative department result in loss or waste of public money, or where its regulation do no afford reasonable security against malpractice.
118. The Governments of India and some of the State Governments have laid down the following fundamental principles for the guidance of authorities authorized to enter into contracts or agreements involving expenditure from consolidated Fund. These principles will be equally applicable to contracts or agreements involving expenditure from the Consolidated Fund of this State. These are financial rules but they state principles which should be kept in mind by the Pay & Accounts Office also in scrutinizing contracts and agreements.
- 1). The terms of a contract must be precise and definite, and there must be no room for ambiguity or misconstruction therein.
  - 2). As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
  - 3). Standard forms of contracts should be adopted wherever possible, the terms to be subject to adequate prior scrutiny.
  - 4). The terms of a contract once entered into should not be materially varied without the previous consent of the competent financial authority.
  - 5). No contract involving and uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent financial authority.
  - 6). Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited, and in cases where the lowest tender is not accepted, reason should be recorded.
  - 7). In selecting the tender to be accepted, the financial status of the individuals and firm tendering must be taken into consideration in addition to all other relevant factors.

- 8). Even in cases where a formal written contract is not made, no order for supplies, etc, should be placed without at least a written agreement as to price.
  - 9). Provision must be made in contracts for safeguarding Government property entrusted to a contractor.
  - 10). When a contract is likely to endure for a period of more than five years, it should, wherever feasible include a provision for an unconditional power of revocation or cancellation by Government at any time after the expiry of six month's notice to that effect.
  - 11). The pay and Accounts office has power to examine contracts, and to bring to the notice of the proper authority any cases where competitive tenders have not been sought or where high tenders have been accepted, or where other irregularities in procedures have come to light.
119. Deviation from contracts require authority not inferior to that required for the original contracts. The Pay & Accounts Office should also see that any payments outside the strict terms of the contract or in excess of contract rates are not made without the consent of the competent financial authority.
  120. Cases in which there is evident that an officer or agent of a contracting department has an undue common interest with the other contracting party should be brought to the notice of the competent higher authority for such action as it may be deemed necessary.
  121. Standing contract should be reviewed occasionally and if the Pay & Accounts officer has reason to believe that the rates accepted in those contracts are considerably higher than the rates prevailing at the time of review such variation should be brought to the notice of competent authority.
  122. Copies of all contracts and agreements for purchase beyond a monetary limit as may be prescribed by the State Government should invariably be obtained and examined, and the payments regulated in accordance with them.
  123. When payments included in contingent bills are made at certain contract rates which are not required to be communicated to the Pay & Accounts office, a certificate should be obtained from the competent authority to the effect that the claim is correct with reference to such contract rates.
  124. Detailed procedural instructions for the checking of contracts and agreements and local check of purchase bills, contracts, etc., are given in the following paragraphs. These, however, should not be taken as exhaustive and may be adopted to suit the requirements of the Pay & Accounts office in regard to the particular types of cases or types of contracts in the light of the departmental rules and regulations.

125. **Check of contracts and contractor's bills generally fail under the generally fail under the following head:-**

- A. Check of contracts and agreement by themselves and with reference to indents and tenders.
- B. Check of payment of contractors bills against contracts, purchase orders and agreements.
- C. Check of accounting of stores, equipments, etc. purchase against such contracts.

126. **Audit of Contracts And Agreements tenders, etc.**

The general checks to be exercised are indicated in paragraphs 117-122 others checks are detailed below-

- A). In scrutinizing and acceptance of tender it should be seen that-
  - i). the particulars regarding quantity and rates are furnished and the prices stipulated are firm. Particulars of the contracts providing price<sup>4</sup> variation clause or provisional rates, should be further examined ;
  - ii). There is no omission or any important clause e.g. inspection of stores, date and place of delivery, dispatch instructions, name of consignee etc.;
  - iii). It is signed by an authority which is competent to enter into the contract. In case the signature on the order is that of an authority who is not competent to enter into the contract, a certificate to the effect that the purchase has been approved by the competent authority is recorded thereon mentioning also the designation of the authority whose approval has been obtained;

**Note:-** In the copies of Acceptance of Tender, Supply orders, etc., all the sheets containing rates, prices and other important conditions should be signed in ink by the purchasing officer concerned and the Contractor.

- iv). If the acceptance of tender provides for payment to a party other than the contracting firm, a power of attorney deeds of assignment or other legal authority is already registered on the books of the office.
- v). the provision for the payment of sales tax, excise duty, etc; should be checked with reference to the instructions issued by the Government from time to time. Vague provisions, such as, "Sales tax will be paid, legally leviable" should be objected to and the contracting officers asked to state in definite terms whether sales tax, excise duty etc,. on payable and if so, at what rate and on what amount;

- vi). Acceptance of tenders placed in the latter part of a financial year is specially scrutinized, and any tendency to rush of expenditure brought to notice. Requests for dispatch of heavy goods by passenger train, at a cost of (in freight) which is disproportionate to the value of the materials, should be closely examined. In such cases, it should be seen whether a higher rate was also paid for urgent delivery and whether the circumstances really justified the extra expenditure.

2. **It should further be seen that-**

- a). all requirements pointed out at the time of pre-scrutiny (if carried out) have been complied with or replied to satisfactorily.
  - b). the contract has not been made by or on behalf of a minor;
  - c). the security deposit in the appropriate form and of correct amount has been lodged within the period stipulated in the contract and that in the event of default, penalties leviable under the conditions of the contract have been enforced;
  - d). that the contract has been signed for and on behalf Governor of State or Chairman etc, of a quasi-public body as the case may be;
  - e). that all the conditions and requirements printed on the contract form have been complied with.
3. All contracts and agreements required to be checked should be reviewed by the Superintendent and submitted to the Gazatted Officer for further review. Before checking purchase bills, the Accounts Officer should satisfy himself that the sanctions and agreements were properly checked and bear suitable endorsement of check and review.
4. Cases of the type mentioned below, may if necessary, be scrutinized carefully-
- i). inclusion of any new item of expenditure not originally contemplated in a contract ;
  - ii). Extension in the date of delivery in contract where higher prices have been allowed on account of delivery of stores;
  - iii). Compensation allowed to firms in respect of contracts;
  - iv). Any extraordinary stipulation in a contract even if it is sanctioned by the competent authority ;
  - v). any special and apparently objectionable procedure of purchase, inspection and payment sanctioned by Government etc;
  - vi). All sanctions to ex-gratia payments.

**B. Check of Bills for the Supply of Stores;**

It should be seen in checking bills of contractors that-

- i). the purchase of the stores has been sanctioned by the competent authority;
  - ii). All purchase of stores are made in accordance with the rules, if any, prescribed by the Government and that no purchase which requires the sanction of a superior financial authority is sanctioned by lower authority in installment;
  - iii). The rates charged for in the bills agree with those in the agreements;
  - iv). When the contract stipulates inspection in stages e.g. at the time of manufactures or after erection at site, the necessary inspection certificates are furnished with the bills.
  - v). a claim for railway freight, insurance charges, etc, when the order is F.O.R. place of dispatch, is duly supported by Cash Receipts, irrespective of their amounts.
  - vi). The stores have been delivered within the delivery period and the late delivery if any, has been regularized by the competent authority.
127. Accounting of the stores, equipments etc. purchased against contracts, agreements etc., should be checked in accordance with the rules, if any, prescribed by the Government.

## **CHAPTER-13**

### **RAISING AND PURSUANCE OF OBJECTIONS**

#### **GENERAL PRINCIPLES AND PROCEDURE;**

128. It is an important duty of the Pay & Accounts Office to report results of his checking to the proper authority so that appropriate action may be taken to rectify the irregularity, where possible, or to prevent a recurrence of it. This authority may be a departmental authority or Government t itself.
129. An Accounts Clerk must develop and instinct for assessing the importance of an individual irregularity. The Accounts Clerk must keep before him his primary functions of securing the substantial correctness of accounts, and the regularity of individual financial transaction. He must decide, therefore, when the detailed check of accounts and transactions has been completed and all infractions of rules and orders noticed, whether to demand regularization or correction in an individual case, or whether to be satisfied with prevention of the error or irregularity for the future. In particular it will be remembered that, while financial rules and orders must be observed, mere rigid and literal enforcement of such rules and orders may degenerate into a wholly unintelligent check. As a general rule undue insistence on trifling errors and technical irregularities should be avoided, and more time and attention devoted to the investigation of really important and substantial irregularities with the object not only of securing rectification of the p0articular irregularity but also of ensuring regularity in similar cases for the future. At the same time failure to appreciate the significance to what appears to be a trifling irregularity may lead to failure to discover an important fraud or defalcation. Again, notice my be taken of the cumulative effect or numerous petty errors or irregularities as indicting carelessness and inefficiency in the maintenance of accounts or in financial administration generally.
130. Ordinarily, where a transaction requires the authorization of a higher authority the Pay & Accounts Office must insist that such authorization be obtained, or where a sum of money is recoverable, the Pay & Accounts office must insist on recovery save where authority to waive recovery has been delegated, or the competent authority has directed that recovery should be forgone. But all objections are no more equal importance and discretion should be exercised in pressing an individual objection when the Pay & Accounts Office is satisfied that the aim to secure regularity is safeguarded for the future.
131. All observations and objections must be conveyed in courteous and impersonal terms and must be clear and intelligible.
132. Objections and observations a relation to any accounts or transactions subjected to check by the Pay and Accounts Office or those objections and observations of Statutory Audit which need a reference to the authorities concerned should be communicated to the disbursing and, where necessary, to the controlling authorities at the earliest opportunity. It is important that before they are communicated objections should, unless otherwise provided in

any case, be registered in detail in the Objection Book (Form 20) maintained in the Pay & Accounts Office. Clearance of these objections should be made through the adjustment Register (Form 21).

133. Reports of individual cases of serious financial irregularity should, in the first instance, be addressed to the controlling authority concerned or to such other authority as may be specified by Government, though copies may be sent to higher authority simultaneously for information in cases which are regarded to be so serious that they will eventually have to be brought to the notice of that authority.

134. **PURSUANCE AND CLEARANCE OF OBJECTIONS:**

The responsibility for the removal of objections and the settlement of other points raised by the Pay & Accounts Office, devolves primarily upon disbursing officers, heads of offices, and controlling authorities. To assist the Finance Department in the maintenance of financial regularity and of a proper system of accounts, the Pay & Accounts Office is expected to maintain a constant and careful watch over objections and to keep controlling authorities fully acquainted not only with individual cases of serious disregard of financial rules, but also generally with the progress of the clearance of objections. The procedure to be observed should be determined by the Pay & Accounts office in consultation with the Finance Department.

135. When an amount is outstanding for recovery against a Government servant and money is also due to him by Government, but has remained undrawn for a considerable period owing to the death or resignation of the Government servant or any similar cause, the Pay & Accounts Office may adjust the amount due by the Government servant against the amount due to him by Governments, and thus clear the objection. A bill from the head of the office should be called for in the case of Government servants who do not prepare their own bills and note of payment and adjustment should be made in the relevant records.

