

TRAINING FOR GoA OFFICERS

FINANCIAL RULES

A Presentation of:

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GENERAL PRINCIPLES

- Receipt and Custody of Govt. Money (R 53-61):
Government dues (Revenues & Others) are accepted against money receipt in Form No 1 are immediately entered in CB and remitted to Treasury on the same or next day. Money receipts to be serially numbered. Register of Money Receipt Books to be maintained. Only one Book to be used once the second book on closing accounting of the first
- Simple Receipt for Money Receipt through Cheque on Local Bank (R 57) & DD against Receipt for receipt of cheque and final money receipt on collection of cash only
- Drawing of money from the Treasury by bill by civil Deptt. and cheque by PW Deptt. and Local Govt.

CASH BOOK MAINTENANCE :

- ❑ DDOs receive Govt. dues, handle cash, and draw funds from the bank for incurring expenditure
- DDOs maintain a cash book in the prescribed form (Form No.2)
- All monetary transactions are entered in cash book as soon as they occur and recorded/attested by cashier/Head of Office daily
- Cash Book is to be closed monthly recording closing balance (CB) with Cash Analysis

FORM OF CASH BOOK

- Cash book has two sides (a) Receipt side and (b) Payment side
- Left side is used to write receipt and right side for writing payments
- Cash book is updated daily
- Totals of left hand side will show total cash receipts at the end of the day and payments side total will show total disbursements

CASH BOOK: HOW TO MAINTAIN

- Head of Office or an authorized gazetted officer to verify each entry in cash book
- Cash book should be closed, balanced and checked daily
- At the end of each month, Head of Office should physically verify cash balance in the cash book and record signed and dated certificate
- All monetary transactions to be entered in cash book and attested

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- All monies received in cash, by cheque or bank demand drafts should be promptly paid in the bank through the treasury
 - All entries relating to remittance of receipts should be verified daily and attested by Head of Office
 - All receipts to be reconciled with the bank scrolls or pass book monthly
 - DDOs are to carry out monthly reconciliation of drawls and deposits with record of treasury by 10th of the following month

Defalcation & Losses: Rule 103

- Report for loss of money, revenue, store & any public property is to be immediately reported to AG even if made good for it through Higher authority with preliminary report of circumstances of occurrence
- Then the matter is to be investigated for preliminary report followed by complete final report showing the extent and reason of loss and the person responsible for it
- The case is to be referred to Police authority if authority desire on the gravity of the case

Defalcation and Losses

- ◎ Any defalcation or loss of Govt. money/store, any financial irregularity, any misappropriation should be immediately reported to Higher Authority
- ◎ Preliminary investigation is to be made and a detailed report is to be followed
- ◎ If proved after DP action is to be taken to recover the loss and to punish the charged person

Restriction under FRBM Act 2005.

- Clause (2) of Article 7:
- Work or supply order shall issued after Administrative Approval and Financial Sanction where necessary.
- Accord of Financial Sanction is subject to availability of budgetary fund.
- Offences & Penalties: Rigorous punishment for a term which may be extend to three years.

Contd.

- Any case involving judicial proceedings to be discussed with legal adviser and vetted by Judicial Dept.
- For any loss for delinquencies of subordinate officer facilitated by laxity of supervision on the part of superior officer both shall be personally liable for the loss and responsibility to enforced accordingly
- Enforcing liability through DP for recovery and penalty
- Recovery full/part in money or recovery of pay without affecting livelihood and efficiency

STORES

■ Chapter X :

- Receipt and Issue of Stores (R 192-193)
- Stock Accounts and Stock Taking (R194-201)
- Disposal of Stores (R 203): 10% SC
Disposal of Unserviceable Store (R 204): Survey report, Public Auction

EXECUTION OF WORKS

- Administrative Approval (R 240 -241)
- Technical Sanction against plan and estimate by competent technical authority (R 240)
- Administrative Approval is concurrence by Administrative Department to any Proposal for Work against preliminary plan and estimate by the Department
- Financial Sanction (R 241)
- Demand by Civil Officer (R 244)
- Preparation of Projects (R 248)
- Contracts : Lump Sum & Schedule (R 249 -250)
- Tendering (R 254)
- Revision of AA & Estimate for > 10 % of cost
- Lapse of AA & TS after 2 yrs (R 272) if not provided fund in budget

Advances to Contractors

- Secured Advance against 70% of the value of materials brought to site on agreement with contractor to be recovered in running bill
- Advance for value of work actually executed and measured certified by SDO
- Supplementary estimate (R 277): For any change of original estimate
- Revised Estimate (R 278): When sanctioned estimate exceeds by 5%
- Completion Report (R 281): Completion report for all completed works for the month

WORKS ACCOUNT

■ Chapter XI :

- Labourers – MR (R 291-292)
- Measurements Book (R 293-297)
- Appendix 9 Rules for Deptt. Construction: Money on Con. Bill, Contract with contractor, MB & MR recording
- Payment to Labourer (R 299): WC & MR record of Muster Roll Part I II III
- Payment to Contractor/Supplier (R 303)
- Form of Bills (R 305)
- Examination of Work Bill: 10%/20%/7% by EE/SE/CE

POWER OF SANCTION

- Sanction to Expenditure against Budget provision and according to Financial power under DFPRule (R 517)
- Communication of Sanction (R 521-522)
- Date of effect of Sanction: Operative from date of issue (R 525)
- Lapse of Sanction: sanction not been acted on during FY must be held to lapse unless it is Renewed with necessary budget provision (R 526)

Local Fund in State Treasury

- Receipts & Payments (R 561)
- Revenue of LBs according to Act. (R 562)
- Budget GIA & Filling up posts with Govt. (R 562)
- LB Fund in Treasury in PL Account (R 563)
- Verification of Balances credit at Try at the End of Year & Report to AG (R 566)
- LF fund in Advance by Try pending recovery for Deposit Work of LB (R 567)

MISCELLANEOUS SUBJECTS

- **Chapter XVIII deals with the following:**
- Enforcement of responsibilities for losses through fraud or negligence of individuals (466)
- Departmental enquiry in cases of fraud and embezzlement of Govt. money (467)
- Prosecution for the embezzlement of Govt. money.
- Inspection of Treasuries & Departmental Offices by the Audit Department (468)
- Inspection of offices of the Forest Dept.
- Duties of Public Works Dept.
- Other miscellaneous subjects.

Departmental Inquiry for Financial Irregularity & Loss of Govt. money

- Preliminary Inquiry by internal Audit
- Detail enquiry for enforcement of responsibility and fixing liability
- For criminal or case involving judicial implication legal advice
- Loss due to delinquencies of subordinate official and facilitated by Laxity of supervision of Head of Office or any other higher authority
- Loss through fraud or embezzlement to be fully recovered alongwith penalty imposed
- Recovery for value of property less depreciation

Contd.

- Recovery by cash or reduction of pay in instalment considering the govt. servant's capacity
- recovery from retired person from gratuity, gratuity payment not to be made before conclusion of the case regarding culpability is determined and ordered
- When guilty Person have retired and escaped punishment under DP should not be made a justification for absolving others in service and also guilty in the same case

Contd.

- The Court of Law or appellate authority lead to the acquittal of the accused Govt. to review decision taken earlier on DP
- Such review should be whether the legal proceedings and dept. proceedings covered precisely the same ground
- If legal proceeding relate to one or two charges ie. not entire field of DP it may not be found necessary to review the DP order
- If facts may no trelated to offence under law, no review but hold for misdemeanour of accused ²⁰



ENDS: THANKS