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GOVERNMENT OF KERALA

Finance (Stream Lining) Department

CIRCULAR

*Dated, Thiruvananthapuram, 14th January, 1992.*

*Subj:—Maintenance of Personal Deposit Accounts and Treasury Public Accounts—Audit report from the Accountant General for the year 1996-97—Instructions issued.*

*Ref:—No. Report IV/DP.74/97-98/26 dated 2nd January, 1998 from the Accountant General (Audit), Thiruvananthapuram.*

Several cases of discrepancies by departmental officers in the maintenance of PD/TP Accounts were reported by the Accountant General, to be included in the report of Comptroller and Auditor General for the year 1996-97 (Civil). The discrepancies noticed are mentioned below.

2. *Non-Closure of P.D. Accounts annually.*—According to the provisions in Article 202(5) d of K.F.C., P.D. Accounts administered by Government Officials which are maintained by debit to consolidated fund should be closed at the end of each financial year by minus debit of their balances to the relevant service head of account and new P.D. Account opened next year, if necessary. It has come to the notice of Government that many of the departmental officers do not follow this provision and the P.D. Accounts are continued to be operated even after the close of the Financial year.

3. *Non-Maintenance of proper accounting records by Department.*—In majority of cases the departments are not maintaining proper Accounting records showing receipts and disbursements under PD/TP accounts.

4. *Non-reconciliation of balances between Treasury accounts and departmental accounts.*—A Number of instance have come to the notice of Government wherein the Departments have not reconciled their P.D./TP Accounts with those of treasury Accounts.

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*Dr. Drawal of funds in advance of requirement and depositing these in PD/TP Accounts.*—The Accountant General has pointed out that certain departmental officers are drawing funds by debiting the consolidated fund and depositing in PD/TP accounts for utilisation after the end of the financial year, which is against the provision in Article 40(c) 6&7 of Kerala Financial Code Vol. I.

6. *Central Assistance remaining unutilised in PD/TP Accounts.*  
The Accountant General (Audit) has also pointed out that certain Departmental Officers are following the practice of debiting money in respect of Centrally Sponsored Schemes and crediting it to PD/TP Account for implementing Centrally Sponsored Schemes. By it has been noticed that the amount remained partly or wholly unutilised. There are several such specific cases wherein those departments did not furnish the utilisation certificate due to Government of India.

7. *Dracal of funds and grant-in-aids in excess of Requirements.*—Instances have come to the notice of Government wherein some departmental officers draw funds in excess of their requirements, as against the existing provision under Article 209(2) of the Kerala Financial Code Vol. I.

8. *Non-reconciliation of unspent balance.*—It has also come to the notice of Government that certain departmental officers are retaining huge balance in PD/TP accounts, as against the provision in Article 202(5)d of Kerala Financial Code Vol.I. The Accountant General has also pointed out non-reconciliation of unspent balance by certain departmental officers.

9. *Discursion of funds.*—It has also come to the notice that a number of departmental officers have violated the financial rules and diverted the funds earmarked for a particular scheme and expended the same for meeting fuel charges, Agriculture fair etc. Government consider that the above discrepancies are clear violation of existing financial principles and rules and must be avoided in future. Accordingly following instructions are issued for strict compliance.

PD Accounts which are created by debiting the consolidated fund should be closed at the end of each financial year by minusdebit to the relevant service heads of accounts in the consolidated fund, as stipulated in rule 202(5)d of Kerala Financial Code Vol. I and new PD Account opened next year, if necessary. The departmental officers should follow the provisions in Kerala Financial Code strictly in this regard.

(iii) All Drawing & Disbursing Officers, who have TP/PD Accounts, should maintain registers in respect of PD and TP accounts, properly showing receipts and disbursements in respect of each schemes.

The balance in the individual (DIT) accounts maintained in departments should be reconciled with those of treasury accounts. All Drawing and Disbursing Officers will forward a monthly report of reconciliation of accounts to Finance Section on the 15th of every month. (S.O. 1952)

(X) All departments receiving grants-in-aid from the Government should furnish to the Controller General of Accounts, Government of India, during the year, a statement of the grant-in-aid for the year, it must be certified that the grant-in-aid has been credited to that office/department. Before releasing the grant-in-aid during the previous year, it was utilized in respect of Centrally Sponsored Schemes and crediting of funds against financial principles and auditing of expenditure without incurring expenditure for a petty long period. Provision of funds committed for a petty long period and expending the amount for meeting fuel charges, telephone charges etc. are violation of financial principles and such irregularities should be avoided in future. (S.O. 1952)

- All Heads of Departments, Officers, Drawing and Disbursing Officers and Controlling Officers are hereby directed to follow the above instructions and send provisions copy. Any deviation from the rules will be viewed seriously.
- The Principal Accountant General (Audit), Kerala, Thiruvananthapuram
- The Accountant General (AR), Kerala, Thiruvananthapuram
- All Administrators, Departments Public Service Undertakings, Autonomous Bodies
- All Heads of Departments
- The Director of Treasuries, Thiruvananthapuram
- All District Treasury/Sub-Treasury Officers

Viswanath  
Principal Secretary (Finance)

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