

IMMEDIATE

No. F. 11(14)-CD/78
GOVERNMENT OF INDIA
Ministry of Finance
Department of Economic Affairs
(CD---Special Cell)

New Delhi, the 23rd January, 1979.

To

The Finance Secretary to the Government of Kerala, Trivandrum.

Subject:- Additional Emoluments (Compulsory Deposit) Act,1974,and the scheme there under—Implementation of.

As you may be aware, officers of this Ministry have been occasionally visiting the state capitals and a few neighbouring towns in the state to review with the concerned authorities (e.g.the representatives of the Finance Department, the State Directorate of Treasuries and Accounts and selected DDOS and treasury officers/Pay &Accounts Officers) the progress of the implementation of the Compulsory Deposit Scheme and instructions issued thereunder with particular reference to—

- (a) the progress of implementation of repayment of the current year's instalments of compulsory deposits ;and
- (b) the state of maintenance of compulsory deposit accounts at various levels.

2. During the last 5 or 6 months we have been able to go round about a dozen states and see for ourselves the compulsory deposit accounts and connected records maintained by them. Our general impression,based on what we saw and discussed, is that the state of maintenance of CD accounts in many Government offices and treasuries/ Pay &Accounts Officers leaves much to be desired. While the specific deficiencies noticed have been communicated to the concerned authorities, certain weaknesses, which in our opinion require urgent attention and time -bound programme for their removal, are mentioned below. The following minimum programme of action by the concerned authorities is accordingly suggested for your consideration.

A—Action by DDOs.

1. Employees ledger accounts (Annexure 6 to the Handbook of Detailed Instructions), particularly Part B thereof, should be brought up-to-date and entries made thereunder attested by a member of the supervisory staff. This task, if in arrears, should be completed, say by the end of March 1979.

2. Annual statement of account for the year ended 30th June, 1978 should be supplied to the employees (where this has not already been done) by the 15th April, 1979.

3. Monthly proof sheets of deductions, repayments and transfers should be got verified from the concerned Treasury /Pay & Accounts Office regularly. Arrears, if any, in this respect should be got cleared by the end of April, 1979.

4. Broad sheets of the employees ledger account (Annexure 16 of the Handbook) for the year ended 30th June, 1978 should be completed and its abstract (Annexure 17) forwarded to the concerned Treasury / Pay &Accounts Office (where this has not already been done) by the 15th May, 1979. Similar exercise in respect of the year ending 30th June, 1979 should be completed by the first week of July 1979, i.e., before claiming repayment for the annual instalments due on 6th July, 1979.

B—Action by Treasuries /Pay & Accounts Officers.

5. Postings in the Register of DDO-wise accounts (Annexure 3 of the Handbook), should be made as and when an event occurs, with reference to the corresponding schedules of deductions and repayments and abstracts of transfers. Abstract of DDO wise account (Annexure 4 of the Handbook) should be posted regularly and interest credited every month. Where this work is in arrears, the backlog may be cleared by the end of April 1979.

6. Monthly proof sheets of deductions, repayments and transfers received from the DDOs should be reconciled with the DDO-wise accounts and a certified copy returned to the DDOs. If in any case proof sheets are still awaited, concerted efforts should be made to obtain them and clear the backlog before the end of 1979.

7. The balances shown in the abstract of broad sheets (Annexure 17 of the Handbook) received from the DDOs should be reconciled with the corresponding balances in the abstract of DDO-wise account (Annexure 4 of the Handbook) before annual instalment of compulsory deposits is released. Where repayment of the past instalments has been authorised before undertaking such reconciliation, the reconciliation should be undertaken immediately and completed before the end of May 1979. Such abstract showing the balances as on 30th June, 1979 should be obtained from the DDOs and reconciled before repayment of July 1979 instalment is authorised.

8. The abstract of DDO-wise account maintained by the Treasury /PAO (Annexure 4 of the Handbook) should be reconciled with the cash accounts and lists of payments in the manner indicated in para 3.3.1 of the Handbook. Where this task is arrears, the backlog should be cleared before the end of June 1979.

9. If, in any case, the Treasury/ PAO is still holding any OD balances in respect of any Central Government DDOs the same should be immediately transferred to the concerned Pay & Accounts Office under intimation to all concerned in the manner prescribed. Should there be any difficulty in affecting such transfers, the matter should be reported to the superior of the DDO and , in the event of difficulty still persisting, to the Finance Ministry for necessary action

10. The ledger accounts and other connected records maintained by the DDOs should be inspected by the Treasury Officers /Pay & Accounts Officers in the capacity as the nominated authority in terms of para 12(c) of the scheme to ensure that the instructions are properly understood and correctly followed. Priority for this purpose should be given to officers of DDOs which have not so far been inspected even once. The first round of inspections may be completed by the end of June 1979.

Yours faithfully,
(Sd.)
R.N. HINGORANI,
*Deputy Secretary to the
Government of India.*