

ICAR

AUDIT MANUAL



2015

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

KRISHI BHAVAN NEW DELHI: 110 001



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DEPARTMENT OF AGRICULTURAL RESEARCH & EDUCATION
AND

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FOREWORD

I am pleased to know that the revised (third) edition of Audit Manual of ICAR has been prepared for release. The second edition of Audit Manual was brought out in 1996. Nineteen years is a long time for any organization and more so, for an organization like the ICAR which has grown in strength and spread its network to different parts of the country during this period. Consequently, there have been many changes. Since the Audit Manual of ICAR is an effective guideline and a ready reference to be used/ referred by Finance & Accounts Officers, Administrative Officers and other stakeholders etc. at different levels and very essential for smooth and efficient running of the organization, the changes made in this direction have been incorporated and brought out in this revised edition. The Audit Manual of ICAR will help to ensure financial propriety, adherence to policies, prevention of frauds & errors and ensure better maintenance of financial records. It is a tool to improve the discrepancies in the financial matters which consequently helps in avoiding Audit objections by the C& AG, and finally establishing improved financial management in the Council. All instructions issued by Ministry of Finance and the Department having a bearing on Audit functioning, have been incorporated in this handbook. I congratulate Shri S.K. Singh, Additional Secretary & Financial Advisor, DARE/ICAR and his team for this excellent effort.

(S. Ayyappan)

Dated the 21st December, 2015
New Delhi

Govt. of India
Ministry of Agriculture
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S.K. SINGH,
ADDITIONAL SECRETARY &
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PREFACE

I am happy to be associated in bringing out this third edition of the Audit Manual of Indian Council of Agricultural Research. Coming as it does, after more than 19 years from the release of its second edition in 1996, this manual has been suitably revised and updated and prepared for the guidance of Audit and Accounts as well as Administrative Units functioning both at the Headquarters of the ICAR and its Research Institutes, etc.

The Manual has been arranged in five sections, forms, glossary and four appendixes as under:

Section I	-	Organizational Set-up
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I place on record my deep sense of appreciation for the excellent work done in updating and compiling this edition by the entire finance team of ICAR Headquarters.

Suggestions for improving quality and contents of this handbook, including those relating to elimination of efforts, if any, are welcome. These could be addressed to Director (Fin.), ICAR, Krishi Bhavan, New Delhi-110 001.

New Delhi
Dec 2015.


(S. K. SINGH)

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Organizational Features

1. Introduction

- 1.1 This manual is specifically meant for the guidance of Finance & Accounts Officers functioning at the Headquarters of the ICAR and at its Research Institutes, Project Directorates, National Bureaus, National Research Centers, Zonal Project Directorates and Regional Stations, etc. However, this Manual can also be used as reference book by Head of Office/DDOs/Store Officers etc. who deal with contracts, purchases and drawl of bills, etc.
- 1.2 Instructions in this Manual are generally based on the principles and rules as well as detailed procedures of audit, prescribed by the Comptroller and Auditor General of India for Audit Officers. It also incorporates necessary changes to suit the functioning of the Audit and Accounts Wing of the ICAR as well as any special procedure prescribed for the Audit and Accounts Branches functioning at the headquarters and Research Institutes etc. of the Indian Council of Agricultural Research.
- 1.3 The primary function of Finance & Accounts Officer is to ensure the accuracy and completeness of accounts for securing that all revenues and receipts collected are brought to account under the proper head, that all expenditure and disbursements are authorized, vouched and correctly classified, and that the final accounts represents a complete and true statement of financial transactions it purports to exhibit.
- 1.4 The check of Finance & Accounts Officer is a financial and not an administrative check. The Finance & Accounts Officer and other officers/staff in the Audit and Accounts should therefore recognize the clear distinction between audit checks and administrative functions and restrict themselves only to verifying that financial sanctions and orders issued by the administrative authorities confirm to the provisions of the Rules and Bye-laws of the ICAR Society and decision of its Governing Body.
- 1.5 The Finance & Accounts Officer in the ICAR institutes etc. functions as the Head of the Audit and Accounts Branch and should take every effort to settle the objections raised by the Auditors of the Society in terms of Rule 76 and Bye Law 19 of the ICAR Society, as speedy as possible. They should also afford necessary facilities including prompt production of requisite records, for the conduct of audit by the “Auditors”.
- 1.6 Although Finance and Accounts Officers are bound to ascertain that the prescribed rules and orders are obeyed, it is not to be understood that the mere application of those rules and orders in their minutest detail serves the purpose of their check. The prescribed checks should therefore be observed in the spirit and not the letters as opposed to the spirit. As a rule, trifling matters which are of no consequence to the finance of the ICAR

need not be given much attention.

- 1.7 'Rules' and 'Bye-laws' wherever quoted in this Manual refer to Rules and Bye-laws of the ICAR Society, until otherwise specifically mentioned.
- 1.8 'President', 'Vice-President', 'Governing Body', 'Director General', 'Secretary', 'Financial Advisor', 'Directors of Institutes' etc., and 'Director (Finance)' appearing in this Manual refer to the authorities and officers of the ICAR Society. The term 'Finance & Accounts Officer' mentioned in the Manual refers to Comptroller, Deputy Director (Finance), Chief Finance & Accounts Officer, Senior Finance & Accounts Officer, Finance & Accounts Officer, Assistant Finance & Accounts Officer and Junior Accounts Officer, as the case may be.

General Set-up of Organization

2.1 General Set-Up

The Indian Council of Agricultural Research is a Society registered under the Societies Registration Act, 1860 and is financed by the Government of India for the furtherance of its objects through lump sum and recurring grants.

2.2 According to Rule 13 of the ICAR Rules and Bye-laws, the following are the authorities and officers of the Society:

- (i) President.
- (ii) Vice-President.
- (iii) Governing Body.
- (iv) Director General.
- (v) Secretary.
- (vi) Chairman, Agricultural Scientists Recruitment Board.
- (vii) Director (DARE)
- (viii) Such other persons/bodies, committees or panels as may/shall be constituted or appointed by the Government of India or the Society or the Governing Body.

The financial powers are vested in the Governing Body and the President, the Vice-President, the Director General, the Secretary and various other officers at the Council's Secretariat and at the Research Institutes etc. exercise such powers under the Rules and Bye-laws of the Council. A separate book titled as 'Delegation of Financial Powers' in ICAR has been compiled for this purpose and may be referred to.

2.3 President

The President shall exercise such powers for the conduct of the business of the Society as may be vested in him by the Society. In addition, the President shall have powers to:

- (i) Review periodically the work and progress of the Society; and
- (ii) Appoint Committees or Commissions to enquire into and report on the affairs of the Society and pass such orders thereon as he considers proper.

The President may, in writing, delegate such of his powers as he may consider necessary to the Vice-President, the Director General, the Secretary and Directors of the Institutes or to any other officer of the Council.

2.3.1 Vice-President

Besides the powers, as per Rules & Bye-laws of the Society, the Vice-President shall exercise those powers which may be specifically delegated to him by the President.

2.3.2 Governing Body

The Governing Body shall generally pursue and carry out the objects of the Society as set forth in the Memorandum of Association and in doing so shall follow and implement the policy directions and guidelines laid down by the Society.

The affairs and funds of the Society shall be managed, administered, directed and controlled, subject to Rules, Bye-laws and orders of the Society or by the Governing Body.

- (a) The Governing Body shall exercise all executive and financial powers of the Society including those vested in or conferred or to be conferred on it by or under any statute subject nevertheless in respect of expenditure of such limitations as the Government of India from time to time may impose.
- (b) In particular and without prejudice to the generality of the foregoing provisions, the Governing Body shall have the powers, subject to the provisions of these Rules and Bye-laws framed there under to:
 - (i) consider the annual and supplementary budgets placed before it by the Secretary, from time to time, and pass them with such modifications as may be deemed necessary;
 - (ii) establish, maintain, amalgamate and/or close institutions, laboratories, offices and/or hostels, etc.;
 - (iii) encourage the pursuit of learning particularly relating to agriculture and animal sciences and for the purpose of scholarships, prizes, medals, etc. and certificates and other academic titles;
 - (iv) create posts with the approval and sanction of ministry of Finance, categorize posts and personnel in the Council;
 - (v) determine the conditions of service of the employees of the Council, fix their remuneration and define their duties;
 - (vi) prescribe the cadre strength of scientists for the Council as a whole with the appointment for individual or group of disciplines for each Institute for a period of five years at a time;
 - (vii) prescribe the ratio of posts in different grades or groups of grades in scientific

and technical posts;

- (viii) constitute with the approval of the President an Agricultural Research Service;
- (ix) lay-down the principles and procedures whereby in the initial constitution of the cadre the existing scientists of the Council may be en-cadre having due regard to the necessity for maintaining a high standard of efficiency commensurate with better pay scales and prospects of advancement;
- (x) enter into arrangements with the Government of India and through the Government with foreign and international agencies and organizations, the State Governments and other public or private bodies or organizations or individuals for securing and/or accepting grants-in-aid, endowments, or donations or gifts to the Society on mutually agreed terms and conditions provided that such terms and conditions shall not be contrary to or inconsistent with the objects of the Society or the policy of the Government of India;
- (xi) takeover, acquire by purchase, gift, exchange, lease or hire or otherwise from Government of India and through the Government from foreign and International agencies and organizations, the State Governments and other public or private bodies or organizations, or individuals, institutions, libraries, laboratories, museums, collections, immovable properties, endowments or other funds together with any attendant obligations so that neither the transaction nor the terms and conditions where under it is concluded, is inconsistent with the objects of the Society or the policy of the Government of India;
- (xii) appoint Boards, Committees, Sub-Committees and Panels consisting of persons who may or may not be members of the Governing Body or employees of the Council, for such purposes and periods and with such powers and on such terms as it may deem fit;
- (xiii) dissolve and/or substitute all or any Board, Committee, Sub-Committee or Panel functioning or set up under Sub-Rule (xii) above under the Society and to issue such direction to them as it may deem fit and necessary; and
- (xiv) Delegate such administrative, financial and other powers to the Director General, Secretary and any other Officer of the Council, as it may consider necessary and proper.

2.3.3 Administrative/Establishment Sub-Committee of the Governing Body

In exercise of power conferred upon it under Rule 38(b) (12) to “appoint boards Committees, sub-committees panel consisting of persons who may or may not be the

members of the Governing Body or employees of the Council, for such purposes and periods and on such terms as it may deem fit”, the Governing Body in its 226th meeting approved for constituting an Administrative/Establishment Sub-Committee of the Governing Body of the ICAR Society to consider and recommend all issues and matters pertaining to administration and establishment matters before any issue related to these aspects is placed for consideration and approval of the Governing Body.

The following shall be the members of the Administrative/Establishment Sub-Committee of Governing Body:

- | | | |
|--|---|--------------|
| (1) AS (DARE) and Secretary (ICAR) | : | Chairman. |
| (2) One non-official member from amongst the members of GB | : | Member. |
| (3) One of the Vice-chancellors from amongst the members of GB | : | Member. |
| (4) One of the Directors from amongst the members of GB | : | Member. |
| (5) Director (Administration) | : | Member Secy. |

The term of reference of the Administrative/Establishment Sub-Committee is as follows:

- (1) Consideration of Administrative and establishment matters.

The Sub-Committee may meet as often as necessary, and in any event at least four (4) times in a year.

Three members of the Sub-Committee shall constitute quorum.

The minutes/recommendations of the Administrative/Establishment Sub-Committee may be put up for information, consideration and approval of the Governing Body.

2.3.4 Sub-Committee on Finance & Accounts of the Governing Body

In exercise of power conferred upon it under Rule 38(b) (12) to “appoint Boards Committees, Sub-Committees, Panel consisting of persons who may or may not be the members of the Governing Body or employees of the Council, for such purposes and periods and on such terms as it may deem fit”, the Governing Body in its 226th meeting approved for constituting a Finance Sub-Committee of the Governing Body of the ICAR Society to consider and recommend all issues and matters pertaining to Finance and Accounts matters before any issue related to these aspects is placed for consideration and approval of the Governing Body.

The following shall be the members of the Finance Sub-Committee of Governing Body:

- | | | |
|----------------------------------|---|-----------|
| (1) AS & FA, DARE/ICAR | : | Chairman. |
| (2) One non-official member from | : | |

- | | | |
|--|---|--------------|
| amongst the members of GB | : | Member. |
| (3) One of the Vice-chancellors from amongst the members of GB | : | Member. |
| (4) One of the Directors from amongst the members of GB | : | Member. |
| (5) Director (Finance) | : | Member Secy. |

The terms of reference of the Finance Sub-Committee are as follows:

- (1) Consideration of Annual BE & RE and recommendations thereon;
- (2) Consideration and approval on Annual Financial Statement of the Council;
- (3) Advice and acceptance on Audit Reports of the Council; and
- (4) Such other functions in respect of financial matters as may from time to time be assigned to the Committee by the Governing body.

The Sub-Committee may meet as often as necessary, and in any event at least four (4) times in a year.

Three members of the Sub-Committee shall constitute quorum.

The minutes/recommendations of the Finance Sub-Committee may be put up for information, consideration and approval of the Governing Body.

2.4 Director-General

- (a) Subject to any order that may be passed by the Government of India, the President, the Vice-President and decisions of the Governing body, the Director-General as the Principal Executive Officer of the Society shall be responsible for:-
 - (i) the proper administration of the affairs and funds of the Society;
 - (ii) prescribing the duties of all employees of the Council;
 - (iii) exercising supervision and disciplinary control over the work and conduct of all employees of the Council;
 - (iv) coordinating and exercising general supervision over all research activities in Agriculture and Animal Husbandry and other activities of the Council; and
 - (v) Advising the Government of India, State Governments and the Administrations of the Union Territories on all matters connected with agriculture and animal husbandry referred to him.
- (b) Subject to the Rules and Bye-laws, the Director General shall, in respect of matters under his charge, have the same powers as a Secretary to the Government of India;
- (c) The Director General may, in writing, delegate such of his powers as he may consider necessary to any officer of the Council.

2.5 Secretary

- (a) The Secretary shall exercise all administrative and financial powers as have been conferred on him under the Rules of the Indian Council of Agricultural Research, those of the Head of the Department, under the various rules and regulations of the Government of India and such of the powers as may be delegated to him from time to time.
- (b) The Secretary, shall or any member of the Governing Body, if so authorized by a resolution passed in that behalf by the Governing Body, may execute all contract deeds and other instruments on behalf of the Society or the Governing Body.
- (c) For the purpose of Section 6 of the Societies Registration Act (xxi of 1860) the Secretary shall be considered the Principal Secretary of the Society. The Secretary may authorize any other officer of the Society in writing to sign and verify pleading on his behalf.
- (d) The Secretary may in writing, delegate such of his powers as he may consider necessary to any officer subordinate to him.
- (e) The Secretary shall function under the directions of the Society, the Governing Body, the President, the Vice-President and the Director-General.
- (f) The Secretary shall keep or cause to be kept minutes of the proceedings of the Society and the Governing body and take necessary action in connection therewith.
- (g) The Secretary shall keep or cause to be kept all records of the Society at its office or any other place to be determined by the Governing Body.
- (h) In respect of the ICAR Headquarters and the Institutes/NRCs/PDs, etc., the Secretary shall exercise all the powers of the 'Head of the Department' for the purpose of various Rules and Regulations of the Government of India as amended from time to time and applicable mutatis-mutandis to the Council till such time the Council frames and enforces its own Rules and Regulations in this behalf.

2.6 Financial Advisor

There shall be at the Council's Headquarters a Financial Advisor, who shall be responsible for the budget of the Society, control of its finances, and in addition may be required to be responsible for the proper maintenance of accounts and internal audit. The Financial Adviser shall advise the Director General on all financial matters. The Director General shall have the power to overrule his advice by recording in writing reasons thereof. All such sanction order should record that *"This sanction issues with the approval of the Chief Accounting Authority. The advice of the Internal Finance/Integrated Finance was conveyed vide Dy No. / IUD No.: ____ dated: ____."*, in accordance with the instructions of MoF. (F. No.: 1(34)/E. II (A)/201, dated: 7th October

2010). A report of all such cases shall be submitted to the Governing Body/Ministry of Finance for information.

2.7 Director (Finance)

The Director (Finance) supervises the work of the Audit and Accounts Branches set up at the Headquarters of the Council and various Research Institutes etc., and functions as the Budget and Accounts Officer of the Council.

2.8 Other Officers

The Deputy Directors General, Directors of Research Institutes etc. and other officers of and under the Council exercise such powers as have been delegated to them with the approval of the Governing Body or otherwise.

Audit & Accounts Set-up

3.1 Introduction

The Director (Finance) is responsible for the coordination of the audit, accounts and budget work of the Council. Finance & Accounts Officers posted at the Council's headquarters, Institutes, National Research Centers, Project Directorates, etc. assist him in discharging this responsibility. While the Finance & Accounts Officers of the Institutes, National Bureaus, National Research Centers, Project Directorates etc. work directly under the administrative control of the Directors of their Institutes, National Research Centers, Project Directorates etc., they are required to discharge their audit and accounting responsibilities under the technical control of the Director (Finance). It is the duty of the Audit and Accounts Wing to provide the Administrative Wing with all possible assistance within the sphere of its functions in financial matters.

- 3.1.1 In the case of a difference of opinion on the financial or accounting matter, the Finance & Accounts Officer will carry out the orders of the Director of Institute after obtaining the order in writing. In such cases, where Director overrules concerned Accounts Officer or the Accounts Officer in charge, the Sanction Order should record that: *“The Sanction issues with the approval of the Director. The advice of the Chief Accounts Officer/Accounts Officer in charge of Audit & Accounts Section was conveyed vide Diary No.: _____ dated _____. (F. No.: 22(33)/2010-CDN (A&A), dated: 23rd December 2010.)*

The Finance & Accounts Officer shall, however, maintain a register wherein he will keep a note of all such cases and this will be produced to the Council's Inspection Party for further necessary action. A six monthly report will also be submitted to the Director (Finance) by 10th January and 10th July every year. The issue shall be examined in the Finance Division of Council and will be placed before the Sub- Committee on Finance & Accounts of the Governing Body. Even if there is no case of difference of opinion, the Finance & Accounts Officer has to submit a 'NIL' report to the Director (Finance).

- 3.1.2 to settle The primary function of Finance & Accounts Officers is to ensure the accuracy and completeness of accounts for securing that all revenue and receipts collected are brought to account under the proper head, that all expenditure and disbursements are correctly classified, vouched and authorized and that the final accounts represents a complete and true statement of the financial transactions it purports to exhibit.
- 3.1.3 The check of Finance & Accounts Officers is a financial and not an administrative check. All those employed in the audit and accounts wing should therefore recognize the clear distinction between financial and administrative functions and restrict themselves only to verifying the financial sanctions and orders issued by the administrative authorities conform to the provisions of Rules and Bye-laws of the ICAR, decisions of its Governing Body and Government of India rules and orders as applicable.

- 3.1.4 The Finance & Accounts Officers in the ICAR institutes etc. function as the Head of the Audit and Accounts Branch and should therefore make every effort the objections raised by the Auditors of the Society, in terms of Rules and Bye-laws of the ICAR, as speedily as possible. They should also afford necessary facilities, including prompt production of requisite records by the Head of Department/Head of Office/DDO etc. for the conduct of audit by the 'Auditors'.
- 3.1.5 Although Finance & Accounts Officers are bound to ascertain that the prescribed rules and orders are obeyed, it is not to be understood that the mere application of those rules and orders in their minutest detail serves the purpose of their check. The prescribed checks should therefore be observed in the spirit and not in the letters as opposed to the spirit.

3.2 Main Features of the Set-up

The important features of the Audit and Accounts set up of the Council are as follows:

- (i) Payments in respect of the Headquarters Office and various Institutes etc. are arranged locally and are subjected to cent per cent pre-check by the respective Finance & Accounts Officer (s).
- (ii) Sufficient funds are placed periodically at the disposal of the Head of the Institute for necessary expenditure in a bank current account opened in the name of the ICAR with the local Branch of the State Bank of India or its subsidiary or any other Nationalized Bank_which can be jointly operated by any two of the 3-5 Officers viz. Director, Finance & Accounts Officer and Administrative Officer of the Institute nominated for that purpose. Finance & Accounts Officer being the custodian of cash back, vouchers and cheque book act as the first signatory.
- (iii) All inter-departmental transactions wherein two Finance & Accounts Officers are involved are settled through online transfer of funds using RTGS/NEFT. This results in avoidance of the mechanism of Exchange and Settlement of Accounts. Wherever e-payment has come in place, cheque or drafts are to be avoided and cheque or draft can be entertained in case of non-availability of e-payment.
- (iv) Detailed accounts of provident funds and advances etc. in respect of all officers and staff attached to an Institute are kept at the Institute.
- (v) The work regarding the verification and authorization of Pension and Gratuity payments have been decentralized and presently there are 19 Pension Paying Offices at ICAR Research Institutes in each zone. The payments in respect of pension and gratuity are, however, arranged through the Finance & Accounts Officers of the respective ICAR Institutes from which the employee superannuates, based on the authorization communicated by the Pension

Authorizing unit.

- (vi) The Finance & Accounts Officers are also responsible for the internal test check of the initial accounts records maintained by other wings at the Hqrs. office and various institutes etc.
- (vii) The Director (Finance) arranges for periodical inspection and internal test audit of the various institutes and the decentralized accounting units attached to the Institutes etc.

NOTE: The responsibility for the maintenance of service records, preparation of bills, disbursement of salaries and handling of other cash transactions in respect of the Headquarters office & Institutes and providing required information for compilation of Annual Accounts to Finance & Accounts Officer, etc. rests with the Administrative Wing. Since ICAR has been following accrual accounting, information pertaining to liabilities and assets the outstanding liabilities, outstanding advances, accrual interest, prepaid expenses, value of closing stock, disposal/write off of assets, depreciation, etc. are to be provided by the Head of the Office in consultation with all concerned sections.

3.3 Nature of Audit

The Director (Finance) is responsible under the overall supervision of the Director General/Secretary/ Financial Advisor for watching in audit due compliance of directions issued by the Government of India to the Council and implementation of the decisions of the Governing Body which are of financial or quasi-financial in character. The checks exercised under his supervision in respect of the Council's transactions are mainly in the nature of pre-audit and post-audit conducted at the following stages:-

(a) Pre-audit

Pre-check of bills by the respective Finance & Accounts Officers;

(b) Internal Audit/Inspection

Internal test-check of the initial accounts/records maintained in the Administrative wing of the Institute etc., and at the Regional Offices/Sub-Stations etc. by the respective Finance & Accounts Officers; and Internal Inspection of the accounts/records by the Finance & Accounts Officer (s) (Inspection)/ Inspection Team of the Council/ IPAI/Empanelled Chartered Accountant firms. (*Approved by Governing Body in its 225th Meeting and communicated vide: F. No.: 7(1)/2012-IU*)

(c) Statutory Audit

1. Compliance/Certification Audit:

The Accounts of the various constituent units of the Council and consolidated annual accounts compiled by the Headquarters' office are audited under Bye-law 19 of ICAR Society by the Auditors of the Society and the results of audit communicated by them to the Governing Body of the Society. The Council submits a copy of the audit report to the Government of India for being laid on the Tables of the Parliament.

The Comptroller & Auditor General of India is functioning as the 'Auditor' of the ICAR in terms of Bye-law 19. He discharges this function through the Director General of Audit (Central Expenditure) in this regard.

The Director (Finance) is responsible for processing and settlement of the audit objections raised by the Audit Officer with the respective authorities in the Council and arranges the submission of the audited accounts to the Governing Body for taking such action as they may deem appropriate.

2. Transaction Audit:

After the close of Financial Year, in addition to certification of Accounts, C&AG will also carry out the audit of transactions to check the applicability of Government of India rules and guidelines and the procedures followed in procurements, execution of works and other various expenditures of recurring and non-recurring in nature incurred by the ICAR institute/Hqrs. during the financial year.

3. Performance Audit:

C&AG will also carry out performance audit which is concerned with the audit of economy, efficiency and effectiveness in the receipt and application of public funds.

3.4 Compilation/Consolidation of Accounts

In terms of Bye law 20(a), on behalf of the Secretary, ICAR, Director (Finance) will compile the Annual Accounts of the funds of the Society soon after the close of the financial year in the prescribed form. For accounting purposes, each Audit and Accounts Branch functioning at the Hqrs. of the Council and at the Hqrs. of each Research Institute/NRC/PD etc. for which a separate Bank Account has been opened, functions as a separate Accounting Unit. Each Finance & Accounts Officer is accordingly responsible for rendering a monthly statement of expenditure and Annual Account in the prescribed formats pertaining to his unit to the Council. These accounts are consolidated in the headquarters office under the supervision of Director (Finance).

3.5 Audit and Accounting Units

The following Audit and Accounting Units are functioning at the headquarters of the Council and Research Institutes etc. under the overall control of Director (Finance):-

(A) Headquarters Office

Coordination (A&A)	Clarification/advice on financial and accounting matters referred to for policy decision by the Institutes and administrative Sections at the Headquarter technical advice in respect of cases of doubts raised on the application and interpretation of rules and orders regarding allowances and other matters affecting remuneration of the employees, determination of Audit and Accounts procedures etc.
Audit I	Audit and payment of contingent bills and Deposit Schemes etc
Audit II	Audit and payment of establishment bills and personal claims.
Audit III	Maintenance of provident fund accounts of Headquarters staff, consolidation of P.F. Accounts of ICAR Institutes and investment of PF accumulation of the Council.
Accounts I	Opening of current bank accounts for ICAR Hqrs. /Research Institutes/ NRCs/ PDs/Stations/Regional Stations/Centers in the branches of the State Bank of India and other nationalized banks. Maintenance of Main Cash Book of the Council's Plan and Non-Plan General Accounts, ICAR Hqrs. Account and reconciliation thereof, A.P. Cess Fund Accounts, preparation of cheques for all passed and pre-audited bills, arranging remittance of funds to Research Institutes/ NRCs/ PDs/ Regional Stations/Centers/Agricultural Universities etc. Preparation of Annual Account of Council Headquarter and ICAR (Plan & Non-Plan) General Account.
Accounts II	Consolidation of Monthly and Annual Accounts of the ICAR Hqrs. and institutes NRCs/PDs etc., monitoring and scrutiny of the Bank Reconciliation Statements of the Institutes.
Pension	Examination of Pension and other retirement benefit claims and authorization of Pension and other retirement benefits to Council's employees and all work relating to pension and retirement benefits pertaining to the period prior to decentralization of the pension work, coordinating the pension work of the various designated Finance & Accounts Officers.
Budget	To prepare budget proposals of ICAR (Plan & Non-Plan) including the Institutes and submit the same to Ministry of Finance for

	approval. To allocate the Non- Plan Budget to all the Institutes/NRCs/PDs, etc. including ICAR Hqrs. and obtain approval of Governing Body, allocation of interest bearing advances release of funds to the Institutes.
Internal Finance	All cases regarding financial concurrence in respect of sanctions to be accorded by the DG/Secretary/DDGs etc., scrutiny of Plan schemes, etc.
Inspection Unit	To coordinate the audit of the Accounts of the Council conducted by DGA (Central Expenditure), New Delhi; to deal with the Separate Audit Report on the consolidated accounts of the Council, C&AG Report/PAC Report/Draft Paras, Monitoring outstanding advances, monitoring of AUCs and Internal Inspection of Institute.
Grants-in-Aid Section	Release of grants in aid sanctioned by the Council and pursuance of clearance of Audited Utilization Certificates.
F&A Unit of Education & Extension Division	i) Same as in the case of GA ii) Release of payments to all SAUs/ZPDs/Others

(B) Research Institutes of ICAR

- 3.5.1 Finance & Accounts Officers and staff employed under them shall, under such special and general instructions as may be given by the Director (Finance) from time to time, perform all such duties as are imposed on or undertaken by them under the Rules and Bye-laws or of any directive issued by the Council.
- 3.5.2 It is essential that the Finance & Accounts Officer should work in close consultation with the executive authority concerned in order to enforce propriety and secure regularity in the public expenditure. He should render all legitimate assistance to the Administrative Wing in regard to interpretation of financial rules or orders concerning which there may be a doubt. The Finance & Accounts Officer may, wherever necessary, seek the guidance of Director (Finance) regarding the interpretation of rules and procedures.
- 3.5.3 The Director (Finance) working under the guidance and supervision of the Financial Advisor shall take the advice/approval of the Financial Advisor in all important policy matters involving substantial financial implications.
- 3.5.4 The Finance & Accounts Officer at ICAR Headquarters and in Institutes may refer to the following rule books/reference books and manuals for reference in discharge of their day to day duty:

- i. ICAR Book of Rules & Bye-Laws.
- ii. General Financial Rules (Amended) 2005 with its subsequent revisions.
- iii. Manual on Policy and Procedures for Purchase of Goods.
- iv. Manual on Policy and Procedures for Procurement of Works.
- v. Manual on Policy and Procedures for Outsourcing of Services.
- vi. Delegation of Financial Powers to Authorities in ICAR.
- vii. ICAR Audit Manual.
- viii. ICAR Rules & Guidelines for Professional Services Functions (Training, Consultancy, Contract Research, Contract Services)
- ix. ICAR Guidelines of Intellectual Property Management and Technology Transfer/ Commercialization.
- x. ICAR Establishment and Administration Manual.
- xi. ICAR guidelines on Operation and Management of AICRP/Revolving Funds/ A. P. Cess with all subsequent instructions issued from time to time.
- xii. Operational Guidelines for Revolving Fund Schemes, including on-going A.P. Cess Revolving Fund Schemes (*F. No.: Fin/21/01/2015-CDN (A&A), dated: 23rd February 2015*)
- xiii. Instructions issued and hoisted on ICAR website from time to time.
- xiv. Swamy's compilation of Rule Books and Reference Books on various subjects.

Duties and Responsibilities of Heads of Office

4.1 General

- 4.1.1. Under Article 53 of the Constitution of India, the executive powers vest with the President. The Council of Ministers headed by the Prime Minister advises the President on the exercise of these powers. Various Ministries/ Departments functioning under the charge of Ministers are assisted by Heads of Departments. But all these authorities either take decisions or convey Government's decisions to the lower formations. It is only the individual offices/ units functioning throughout the country which ultimately implement these decisions and orders. Such offices are numerous. Each of these offices is headed by a senior officer declared as Head of Office for that particular office. In ICAR, Director of the institutes may declare an officer to function as Head of Office.
- 4.1.2. Director of ICAR Institute as Heads of Departments may (vide Rule 14 of Delegation of Financial Powers Rules, 1978) declare as the Head of Office any Officer subordinate to him. Provided that not more than one Officer shall be declared as Head of Office in respect to the same office or establishment, unless such office or establishment is distinctly separate from one another.
- 4.1.3. The Head of Office or any other Officer designated as Disbursing Officer by a Director of ICAR institute [vide Rule 2 (xii) of GFRs] functions as the Drawing & Disbursing Officer for drawing bills and making payments on behalf of the institute and is responsible for all moneys received or disbursed in his office and the maintenance of accounts thereof. In accordance with Rule 35(2) of Central Government Account (Receipts and Payments) Rules, the Head of Office may, however, authorize any Officer serving under him to sign a bill or order for him. This does not however, confer on the Officer so authorized any powers of the Head of Office, nor does it relieve the Head of Office in any way of his responsibility for the accuracy of the bill or for the disposal of the money received in payment.
- 4.1.4. An office is primarily intended to carry out its main function, whether it is of scientific nature, or of engineering/ educational / cultural subject, or collection of Government revenue, etc. the Head of Office in charge of a particular office is responsible to carry out the main function as per the directions of the Council. But his responsibility is not limited to this function alone.
- 4.1.5. As will be seen from various Rules and orders issued by Government/ICAR the primary responsibility for preparation of Budget Estimates, Control of Expenditure, Maintenance of Accounts, looking after Recruitment and other staff matters, maintenance of discipline and decorum in the office, purchase of stores, etc., is entrusted to the Head of Office.

- 4.1.6. Under the provisions contained in Central Treasury Rules/ Receipts and Payments Rules, the Heads of Office authorizes a junior officer to carry out his functions of drawl of money from Council and payments. This officer is called the Drawing & Disbursing Officer whose main functions are to look after the regulation of receipt of Council money and incurring expenditure and also keeping the accounts of the office on behalf of the Head of Office. In most of the offices, the DDOs are also authorized to look after the duties concerning establishment and administration e.g., maintenance of service records including attestation of Service Book entries, purchase of office equipment/ stores, etc.
- 4.1.7. The responsibility of running the office in an institute efficiently lies with the Head of Office, assisted by the DDO on financial/ accounting matters and in some of the establishment/ administrative functions. If all the Rules and Regulations framed by the Council/Government on regulation of expenditure, maintenance of accounts, staff matters and general administration are followed strictly in accordance with various provisions contained therein, by the Head of Office/ DDO in an office, that particular office is considered as efficiently run. When all the offices are run likewise, the entire Council set up can be taken as efficient and strong at least in so far as the finance and administration subjects are concerned. The Heads of Offices and the Drawing and Disbursing Officers thus play a vital role in the efficient functioning of the Institute.
- 4.1.8. In order to carry out these functions in an effective manner, the Head of Office is given the required powers, both financial and administrative. Apart from appointing a junior officer to function as Drawing and Disbursing Officer, the Head of Office authorizes him to exercise some of his administrative powers. The Head of Office and the DDO should first acquaint themselves with their powers. There are rules on financial and service matters which are available in different books, viz., General Financial Rules, Delegation of Financial Powers Rules, Central Treasury Rules (since brought out in the form of Receipts and Payments Rules consequent on the Departmentalization of Accounting System in Civil Departments), Fundamental and Supplementary Rules, CCS (CCA) Rules, CCS (Leave) rules, CCS (Pension) Rules, etc. there are also other Rules framed for service benefits, viz, GPF Rules, T.A. /LTC Rules, House Building Advance Rules, etc. it will be practically difficult for Heads of Offices / DDOs (more particularly when most of them are from a cadre other than Accounts/ administration)to go through all these books independently and become conversant with various provisions contained therein. No doubt, they are assisted by junior staff on these subjects. But it is essential that the Heads of Offices/ DDOs become conversant with at least the basic provisions of these rules as they are expected to take independent decisions on such subjects within their powers.

4.2 Service Book

- 4.2.1 A service book should be maintained by the Head of Office for every Council servant holding a substantive post or a temporary post likely to last for more than one year and every step in a Council servant's official life should be recorded in the service book and attested by Head of Office.

- 4.2.2 In the beginning of each year, all the service books should be taken up for verification of service and a certificate of verification of service recorded therein.
- 4.2.3 A note should be kept in the service book regarding the receipt of nominations for DCRG and family pension and related notices from the Council servants and also indicating as to where they have been lodged for safe custody.
- 4.2.4 A note regarding the membership of the CGEGIS should also be made in the service book of the Council servant concerned and the relevant nomination(s), in prescribed form as obtained from him and duly countersigned by Head of Office also pasted in his Service book.
- 4.2.5 Custody of Service Books: A service book shall be maintained for a Council servant from the date of his first appointment to Council service. It must be kept in the custody of the Head of the Office in which he is serving and transferred with him from office to office. [SR 198].
- 4.2.6 Attestation of Entries in Service Books: The Head of Office can delegate, to a subordinate officer under him, powers to attest entries in the service books of all officers (except his own) for the maintenance of which he is responsible. The Head of Office should however scrutinize at least ten per cent of these documents every year and initial the same.
- 4.2.7 Leave Account: A leave account shall be maintained for each Council servant by the Head of Office. Entries regarding leave in the leave account and the service book should be made distinctly and attested. [Rule 15 of CCS (Leave) Rules].
- 4.2.8 Nature of Entries in Service Books: Every step in a Council servant's official life should be recorded in his service book and each entry must be attested by the Head of Office or if he himself is the Head of Office, by his immediate superior. The Head of Office must see that all entries are duly made and attested and that the service book contain no erasure or over-writing, all corrections being neatly made and properly attested. [SR 199].
- 4.2.9 The entries regarding increments, and fixation of pay should be based on the Increment Certificates, and Pay fixation statements. The declaration of the Council servant electing the new scale of Pay and the statement showing the fixation of his initial pay in the relevant scale in support of the entry in the service book should be pasted in the service book. [Government of India Orders (1) below SR 199 of the "Swamy's Compilation of FR & SRs (Part 1) (7th Edition)"].
- 4.2.10 The declaration of Home-Town for purpose of Leave Travel Concession duly accepted by the competent authority should be pasted in the service book. [Rule 4 of the LTC Rules].

- 4.2.11 Every period of suspension from employment and every other interruption in service must be noted promptly with full details of its duration and be properly attested. (SR 200].
- 4.2.12 Periodical Inspection of Service Books by the Council Servant Concerned: The Head of Office should show the service book to each Council servant under his administrative control every year, and obtain his signature therein in token of his having inspected the service book. A certificate to the effect that he has done so in respect of the preceding financial year should be submitted by him to his next superior by the end of every September. [SR 202].
- 4.2.13 Entries regarding Date of Birth: As per the provisions of Rules 79 and 80 of GFRs, the Head of Office should ensure that necessary note of the membership of GSLIS Scheme has been made in respect of Council Servants who were in service on 1st November, 1980 and who did not exercise the option to opt out of the scheme and those who joined the Government Service later. [Para 4.2 of M/F OM No. F. 15(3)/78 WIP dated 30-10-80, read with OM No. 15(3)/78 WIP, dated 20-2-82].
- 4.2.14 The Head of Office should obtain from every Council servant who is a member of GSLIS Scheme a nomination in Form 7/Form 8 as the case may be, countersign it and paste it in the Service Book. Whenever the nomination is revised by the Council servant, the fresh nomination should be similarly counter-signed and pasted. [Para 9 of the M/F O.M. No. F. 15(3)/78 WIP, dated 31-12-80].
- 4.2.15 The Head of Office should obtain Nomination(s) in Form 7 or Form 8, as the case may be, from all members without delay, and after counter signature, have them pasted in their service books.
- 4.2.16 The Head of Office should ensure that Group-wise register of members is maintained in Form 9 and kept up-to-date. This register shall be sent to the DDO concerned once a year to verify whether appropriate subscription are being recovered from all employees who have joined the Insurance Fund or both the Insurance Fund and the Savings Fund under the Scheme and to record a certificate to this effect.
- 4.2.17 The Head of Office of Institute should obtain from every Council servant their Annual Immovable Property Returns (AIPR) of a particular calendar year (i.e. as on 31st December) by 31st January of the following year. The Head of the Office will be responsible for compliance of these instructions. (*F. No.: 39-8/2011-Vig, dated: 18th June 2015*)

4.3 Procedure for finalization of Pension/Commutation Cases

- 4.3.1 The Head of Office, or other authority responsible for preparing the pension papers should initiate work of preparation of pension case two years before the retirement of the Council servant. At this stage the essential information necessary for working out the qualifying service should be collected, and the entire service book should be examined

with a view to remove deficiencies and imperfections, if any, in the service book/records. This process should be completed not later than eight months in advance of the date of retirement of the Council servant. [Rules 58 & 59 of CCS (Pension) Rules].

- 4.3.2 It is one of the important functions of Heads of Offices to see that pension cases of their retiring employees are finalized expeditiously and that there is no delay in the payment of pension and DCRG. The rules and procedure for finalization of pension cases are laid down in Chapter VIII of the CCS (Pension) Rules, 1972 as amended from time to time. Some important provisions in this regard are mentioned in the ensuing paragraphs.
- 4.3.3 **Time Table for the Work:** The Head of Office, or other authority responsible for preparing the pension papers should initiate work of preparation of pension case two years before the retirement of the Council servant. At this stage the essential information necessary for working out the qualifying service should be collected, and the entire service book should be examined with a view to remove deficiencies and imperfections, if any, in the service book/records. This process should be completed not later than eight months in advance of the date of retirement of the Council servant. [Rules 58 & 59 of CCS (Pension) Rules].
- 4.3.4 Particulars as required in Form 5 of the Pension Rules should be obtained from the Council servant and the actual work of preparation of pension papers, viz., the reckoning of qualifying service and the calculation of average emoluments should also be taken up not later than 8 months before the retirement date. Any deficiency or imperfection, or omissions which still remain in the service records should be ignored, and the determination of qualifying service should be proceeded with on the basis of entries in the service records whatever the degree of perfection to which it might have been possible to bring them by that time. [Rule 59 of CCS (Pension) Rules]
- 4.3.5 **Calculation of Average emoluments:** The average emoluments should be determined with reference to emoluments drawn during the last 10 months of his service, after taking into account other provisions of Rule 34 of the CCS (Pension) Rules, 1972. This work involves not merely an arithmetical calculation of the average emoluments but also a check of the correctness of the emoluments which enter into that calculation. To ensure that emoluments drawn during the last ten months of service have been correctly shown in the service book, the Head of Office may verify the correctness of emoluments for the period of 24 months only preceding the date of retirement and not for any earlier period. [Rule 59(i)(b)(iii) of CCS (Pension) Rules]
- 4.3.6 **Completion & forwarding of Pension papers to Pension Paying Authority of ICAR for arranging payments:** The process of determining the qualifying service and the average emoluments and the admissible pension and gratuity should be completed positively within a period of 2 months and the pension papers sent to the concerned Pension Paying Authority of ICAR not later than 6 months before the date of retirement. That Office will issue the pension payment order (including the order for the payment of the death-cum-retirement gratuity) not later than one month in advance of date of retirement. [Rule 61 to 65 of CCS (Pension) Rules].

It should be seen that the regular payment of superannuation pension commences from the first day of the following month. [Rule 83(2) of CCS (Pension) Rules].

- 4.3.7 Finalization of Pre-mature retirement cases: Pension cases of Council servants retiring earlier than their normal date of compulsory retirement [either in pursuance of the provisions of FR 56(J) or (K) and the corresponding provisions in the CCS (Pension) Rules, 1972 or because of the deemed retirement in terms of Rule 37 of the CCS (Pension) Rules, 1972 on the grounds of permanent absorption in a public sector undertaking/autonomous body] should also be processed and finalized expeditiously, even though because of the nature of retirement, advance action on the above lines cannot be taken. [Rule 36 of CCS (Pension) Rules].
- 4.3.8 Qualifying service Calculation: The following important provisions should be kept in view:-
- (i) Under Rule 21 of the CCS (Pension) Rules, 1972, extraordinary leave granted on medical certificate qualifies for pension. The appointing authority may, at the time to granting extra-ordinary leave, also allow the period of such leave to count as qualifying for pension if the leave is granted due to inability of the Council servant to join or rejoin duty on account of civil commotion or for prosecuting higher scientific and technical studies.
 - (ii) Rule 23 of the CCS (Pension) Rules, 1972 requires that in cases other than those in which suspension has been held to be wholly unjustified, the competent authority should at the appropriate time, declare whether, and so what extent, the period of suspension will count towards the qualifying service. Specific entries in this regard in the service book /records should be taken note of at the time of reckoning qualifying service. In the absence of any specific entry, the period of suspension shall be taken as counting as qualifying service. [Rule 21 of CCS (Pension) Rules]
 - (iii) In the absence of a specific indication to the contrary in the service records, as interruption between two spells of civil service rendered under the Central Government including service paid out of Defence Estimates or Railway Estimates will be [Rule 28 of CCS (Pension) Rules] treated as automatically condoned and the pre-interruption service treated as qualifying service for pension, except where it is otherwise known that the interruption was caused by resignation, dismissal or removal from service or due to participation in a strike. The period of interruption itself shall not count as qualifying service for pension.
 - (iv) In cases of deputation/Foreign Service, where the Council servant himself is to make payment of pension contributions, it is necessary to ascertain whether such recoveries have been made, before the period of Foreign Service is reckoned as qualifying service. However, the Council servant should not be put to considerable difficulty because of any defective or incomplete record maintenance by the Administrative/Accounts Offices. In such cases, the Council servant could be asked to produce

- evidence to show that he had indeed made the contribution. In cases of deputation/Foreign Service where the responsibility for making pension contributions is that of the borrowing organization and where either some of the contributions have not been recovered or the records in respect of the recoveries of contributions are incomplete, while the authorities concerned should pursue the matter with the borrowing organization separately for appropriate action, this should have no bearing on the processing and finalization of pension papers. [Government of India Decision under Rule 67 of CCS (Pension) Rules].
- 4.3.9 Administrative sanction to pension and the concept of approved Service- Dispensation thereof: The requirement of an administrative sanction to pension has been dispensed with and as such the pension papers need not be submitted to the Head of the Department or the Appointing Authority for obtaining administrative sanctions.
- 4.3.10 Payment of Provisional Pension & Gratuity: Where departmental or judicial proceedings instituted during the service of the Council servant are not likely to be finalized by the date of retirement, action to grant provisional pension in terms of Rule 69 of the CCS (Pension) Rules, 1972 should be taken so that the retiring Council servant may not be put to undue hardship. [Rule 9 & 9(4) of CCS (Pension) Rules].
- 4.3.11 If, after the submission of pension papers to the Accounts Officer responsible for issuing the Pension Payment Order, any event occurs which has a bearing on the amount of pension admissible, the fact should be promptly reported to him by the Head of Office. [Rule 62 of CCS (Pension) Rules].
- 4.3.12 In exceptional cases where for any special reasons it has not been found possible to complete and forward the pension papers to the [Rule 64 of CCS (Pension) Rules] 40 Accounts Officer responsible for issuing the PPO within the prescribed time-schedule, or if the Accounts Officer has returned the papers to the Head of Office for eliciting further information before issue of PPO/GPO, and the Head of Office is of the opinion that the council servant is likely to retire before his pension and gratuity are finally assessed, he should, without delay take steps to determine the amount of pension and gratuity and sanction their payment as provisional pension and provisional gratuity, which shall be drawn in the same manner as pay and allowances and paid to the Council servant, on retirement. (Pension) Rules]
- 4.3.13 The provisional pension is not intended to be continued on a provisional basis beyond a period of six months from the date of retirement. [Rules 64(6) & 72 of CCS (Pension) Rules].
- 4.3.14 The issue of a Last Pay Certificate should not be insisted upon before the payment of provisional pension. During the period of six months after retirement which has been provided for various purposes, it should be possible for the Head of Office or other office concerned to issue the Last Pay Certificate. In cases in which the last Pay Certificate has not been issued by the time the formal pension/gratuity payment orders are received (whether this happens prior to the retirement of the Council servant or after his retirement

and after the grant of a provisional pension), the gratuity payment order will in any case include a provision for the withholding of 10 per cent of the gratuity from the retiring Council servant on the basis of an order to this effect from the Head of Office on ground of outstanding licence fee and intimate the same to the Estate Officer/Director of Estates pending the production of the Last Pay Certificate. [*M/F O. M. F. 11(3) EV (A) 76 dt.29-2-76 and subsequent amendments*].

- 4.3.15 Adjustment of Council dues: In order to ensure timely finalization of pension cases, suitable action should be taken to ascertain the Council dues well in time and to adjust them in accordance with the prescribed procedures. In this connection, the following instructions should be observed: - [Rule 71 of CCS (Pension) Rules]

(A) Dues pertaining to Government accommodation under the Directorate of Estates.

- (i) The Head of Office should write to the Estate Officer/Directorate of Estates at least two years before the retirement of the Council servant in occupation of a Govt. accommodation for issue of 'No Demand Certificate'. The Directorate of Estates should scrutinize its records and inform the Head of Office 8 months before the date of retirement, if any, outstanding dues are recoverable from the Council servant on that date. If no intimation regarding such dues is received by the Head of Office, he should presume that nothing is recoverable from the Council servant in respect of any past period. If the Directorate of Estates intimates the amount of Council dues recoverable in respect of any past period, the Head of Office should ensure that these dues are recovered from the current pay and allowances/gratuity as the [Rules 57 & 72(1)(3) of CCS(Pension) Rules] case may be.
- (ii) The Head of Office should ensure that licence fee for the next 8 months i.e. up to the date of retirement is recovered every month from the pay and allowances of the Council servant. [Rule 72(2) of CCS (Pension) Rules].
- (iii) The Directorate of Estates will also intimate to the Head of Office the amount of licence fee for the period of two months beyond the date of retirement and the same should also be recovered from the gratuity, where the Council servant is to retain Government accommodation beyond his date of retirement. [Rule 72(4) of CCS (Pension) Rules].

(B) Dues other than those pertaining to Government accommodation.

- (i) For ascertaining other Council dues, action should be initiated simultaneously with the processing of the pension papers i.e. two years prior to the retirement on superannuation or on the date of proceeding on leave preparatory to retirement, whichever is earlier and by the time the next stage of the actual preparation of pension papers is reached, it should be possible to know all Council dues outstanding against the Council servant. This information should

be updated with reference to the records of the subsequent period till the Council servant retires.

- (ii) The Head of Office should mention clearly in the pension papers, the outstanding Council dues which should be recovered from the death-cum-retirement gratuity, and if after submission of the pension papers, additional recoveries to be made from the gratuity come to notice, these should be promptly reported to the Accounts Office. [Rule 73 of CCS (Pension) Rules].

NOTE:

- (a) *The arrears of water and electricity charges recoverable by local bodies and cooperative society's dues cannot be treated as dues to Council. No recovery of such dues should be made from the DCRG. [Government of India Decision 1 below Rule 73 of CCS (Pension) Rules, 1972].*
- (b) *Family pension is like any other pension and recoveries of dues whether Government or Non-Government are not permissible from it without obtaining the consent of the pensioner. [Government of India Decision 1 below Rule 73 of CCS (Pension) Rules, 1972].*
- (c) *The term 'Council dues' covers only the dues payable to the Council and does not include dues while on deputation to other organization. The latter can, however, be recovered from the gratuity if the Council servant has given his consent in writing. [Government of India Decision 2 below Rule 73 of CCS (Pension) Rules, 1972].*

4.3.16 **Commutation of Pension:** Commutation of Pension is governed by the Central Civil Services (Commutation of Pension) Rules, 1981 which came into force from 01.07.1981. These apply to all Council servants entitled to pension under C.C.S. (Pension) Rules, 1972.

4.3.17 **Restriction, limits etc. on commutation of Pension:** Commutation of Pension is allowed either on medical examination and also without medical examination in certain cases as specified in the rules. However, Council servant against whom departmental or judicial proceedings have been instituted, cannot avail of commutation benefits during pendency of such proceedings. [Rule 4, 5&8] of commutation of Pension Rules 1981]

4.3.18 A fraction not exceeding one third of the pension is allowed to be commuted by a Council servant. If the fraction of pension to be commuted results in a fraction of rupees, such fraction should be ignored. The commuted value of pension shall be worked out with reference to the Table of the values, prescribed from time to time and applicable to the applicant on the date on which the commutation becomes absolute. The commuted value shall be expressed and paid in whole rupees.

4.3.19 Commutation of Pension to become absolute

- (i) The Commutation of pension becomes absolute when the application in the prescribed form is received by the Head of Office where commutation is without medical

examination and on the date on which the medical authority signs the medical report when commutation of pension is sanctioned on the basis of medical examination. Rule 6 of commutation of Pension Rules 1981.

- (ii) In the case of a Council servant retiring on superannuation who desires payment of commuted value of pension being authorized at the time of issue of pension payment order and applies for commutation of a fraction of pension along with pension papers prior to the date of retirement in accordance with sub rule (3) of Rule 13, the commutation of pension becomes absolute on the date following the date of his retirement. [Authority – DPAR: Notification No. 34/1/81-Pension unit dt. 8-7- 83]Rule 6(i) (a)].

4.3.20 The Commutation of pension becomes absolute when the application in the prescribed form is received by the Head of Office where commutation is without medical examination and on the date on which the medical authority signs the medical report when commutation of pension is sanctioned on the basis of medical examination. Rule 6 of commutation of Pension Rules 1981.

4.3.21 In the case of a Council servant retiring on superannuation who desires payment of commuted value of pension being authorized at the time of issue of pension payment order and applies for commutation of a fraction of pension along with pension papers prior to the date of retirement in accordance with sub rule (3) of Rule 13, the commutation of pension becomes absolute on the date following the date of his retirement. [Authority – DPAR: Notification No. 34/1/81-Pension unit dt. 8-7- 83]Rule 6(i) (a)].

4.3.22 **Commutation of Pension without medical examination:** A Council servant who has been authorized superannuation, retiring, compensation pension or pension after finalization of departmental or judicial proceedings, or pension on absorption in public sector undertaking (with option to receive monthly pension) is entitled to commutation benefits without medical examination. Rule 12 of CCS (Commutation of Pension) Rules 1981.

4.3.23 **Authorization & Payment of Commuted value of Pension:** In the type of cases referred to in sub-para (ii) of para 6.19, the Head of Office, after obtaining authorization from the Accounts Officer, would draw the amount of commuted value of pension and disburse it i.e. hand over the cheque not payable before the first day after the date following the date of retirement of the Council servant. In other cases, the Head of Office should initial the form in token of timely receipt and should acknowledge immediately its receipt to the applicant.

After verifying the particulars in the application including the commuted value worked out, the Head of Office should forward it to the Accounts Officer for issue of authority to the pension disbursing authority with a copy to the applicant.

4.3.24 **Commutation of Pension after medical Examination:** The benefit of commutation is also admissible to a Council servant who is sanctioned provisional pension, and the procedure

for making such payment by Head of Office applies. The provisional commuted value is subject to final assessment. Commutation of pension after medical examination is admissible to Council servant retired on invalid pension, on absorption in public sector undertaking with an option for the alternative of receiving a lump sum in lieu of pension, on compulsory retirement, on applying for it after the expiry of one year of retirement etc. On receipt of the prescribed application form, the Head of Office would acknowledge it and forward the same immediately to the Accounts Office. The Accounts Office shall then fill in the relevant particulars and return to Head of Office for onward transmission, along with other particulars, to the designated medical authority for medical examination under advice to the applicant himself. (Rule 18 *ibid*). On receipt of report from the designated Medical authority, the Accounts Office will issue the authorization to the pension disbursing authority under advice to the applicant/Head of Office.

4.3.25 Nomination etc for Payment of arrears of deceased Pensions: The Payment of arrears of Pension (Nomination) Rules, 1983 which came into force with effect from 10th September 1983, extend the facility of "nomination" for payment of arrears of pension to "nominees" of the deceased Council pensioners. Nomination includes fresh nomination, modifications of the existing one, etc. [DPAR's Notification No. 26(3)/Pension- Units/82, dated 26.08.1983].

4.3.26 The Head of Office should obtain, in triplicate, nominations in prescribed forms, within 3 months before or after the date of retirement from the retiring/retired Council servant. After verification of particulars, the Head of Office should return (within a maximum period of 30 days), the duplicate copy, duly attested by Head of Office or by another authorized officer, to the retiring/retired Council servant for his record. The triplicate copy would be sent by Head of Office to the Accounts Officer along with the pension papers (if still lying with his office), or would be sent separately to the Accounts Officer by giving reference to PPO No. etc. for onward transmission of the same to the Pension Disbursing Authority for their record and custody. The Original copy of such "nomination" would be retained by the Head of Office for his own record. Rule 5 of Payment of Arrears of Pensions (Nomination) Rules 1983.

4.3.27 Preparation of list of Council servants due for retirement

- i. Every Head of Office shall have a list prepared every three months, that is, on the 1st January, 1st April, 1st July and 1st October each year, of all Council servants who are due to retire within the next twelve to fifteen months of that date.
- ii. A copy of every such list shall be supplied to the Accounts Officer concerned not later than 31st January, 30th April, 31st July or 31st October, as the case may be, of that year.
- iii. In the case of a Council servant retiring for reasons other than by way of superannuation, the Head of Office shall promptly inform the Accounts Officer concerned, as soon as the fact of such retirement becomes known to him.

- iv. A copy of intimation sent by the Head of Office to the Accounts Officer under sub-rule (3) shall also be endorsed to the Directorate of Estates if the Council servant concerned is an allottee of Government accommodation.

(Substituted/inserted vide GSR 628(E), dated 1st September, 2014, Government of India, Department of Pension & Pensioners' Welfare Notification No.1/19/2014-P&PW (E), dated 29th August, 2014)

4.4 Payment of Claims

- 4.4.1 The Head of Office is personally responsible for the amount drawn on a bill, signed by him or on his behalf until he has paid it to the person(s) entitled to receive it and has obtained a legally valid acquittance. [Rule 92(I) of CGA(R&P) Rules].
- 4.4.2 In a case where a Council servant is physically unable to sign the acquittance, the payment should be made to the person who has been nominated by the Council servant to receive his Provident Fund dues. [Rule 92(I) of CGA(R&P) Rules]
- 4.4.3 If for any reason, payment cannot be made within the course of the month, the amount drawn should be refunded by short drawl in the next bill and when the occasion for making the payment arises, the amount may be drawn afresh under Rule 89 of CGA (R&P) Rules. [Rule 92(2) of CGA(R&P) Rules]

Note: The amount of undisbursed pay and allowances may, at the option of the Head of the Office, be retained for any period not exceeding three months, provided that proper arrangements are made for the safe custody of the sums retained. [Rule 92(2) of CGA(R&P) Rules]

- 4.4.4 Pay and allowances can be drawn for the day of the Council Servant's death irrespective of time of death. 'Day', for this purpose means the calendar day beginning and ending at midnight. [Rule 94 of CGA(R&P) Rules]
- 4.4.5 Dues in respect of pay and allowances of all kinds claimed on behalf of a deceased Council servant up to and including the day of death may be paid without the production of usual legal authority, if the Head of Office is satisfied about the right of claimant. If the gross amount of the claim exceeds Rs.10, 000/- payment may be made by Head of Office only on the execution of an indemnity bond in form GAR 26 duly stamped for the gross amount due for payment and after obtaining two sureties. [Rule 95 of CGA(R&P) Rules]
- 4.4.6 Attachment of Salary: It is the duty of the officer[Head of Office/DDO] receiving the attachment order from the Court of Law that proper deduction is made in satisfaction of such order from the pay of the Council Servant concerned and to keep a record of such deductions in form GAR 22.

4.5 Procedure for Receipts against the amounts received & rendition of accounts

- 4.5.1 The Head of Office receiving moneys on behalf of the Council must give the payer a receipt (GAR 6/TR 5) duly signed by him or by any subordinate officer authorized by him after satisfying himself that the amount has been properly entered in the cash book. [Rule 21 & 22 of CGA (R&P) Rules]

Note 1: The procedure in regard to the grant of receipt to be followed in respect of cheques, bank drafts, postal orders tendered in payment of Council dues, the form and custody of receipt books and issue of duplicates or copies of receipts etc. is laid down in Rule 19 to 23 of CGA (R&P) Rules or in other departmental regulations.

Note 2: The head of account to which the receipt is creditable should be clearly indicated in the challan form.

- 4.5.2 All moneys received by or on behalf of Council either as dues of Council or for deposit, remittance or otherwise should be immediately brought to account by the DDO in the cash book and remitted into the Bank. [Rule 3&4 of GFR]

4.6 Record of Contingent Expenditure

- 4.6.1 A register of contingent expenditure should be maintained in Form GAR 27/TR 29 in each office and the initials of the head of office or of a G.O. to whom this duty has been delegated by him should be entered against the date of payment of each item. [Rule 110 of CGA(R&P) Rules].
- 4.6.2 As each payment is made, entries must be made in the contingent register of the date of payment, the name of payee and the number of sub-vouchers in the three columns to the left and the amount in the proper column. [Rule 110(4) of CGA(R&P) Rules].
- 4.6.3 A progressive total of all the columns must be made immediately after the monthly total so as to include all payments under each head to enable the DDO to watch the progress of expenditure.
- 4.6.4 A Service Book should be maintained by the Head of Office for every Council Servant holding a substantive post on a permanent establishment or officiating in a post or holding a temporary post likely to last for more than one year. [SR 197].

4.7 Advances to Council Employees

4.7.1 General:

- i. The general rules relating to grant of advances to Council servants by Heads of Offices are contained in Chapter 14 of GFRs. Some important provisions in this regard are mentioned in the ensuing paragraphs.

- ii. The Head of Office should ensure that the conditions attached to the grant of advances are fulfilled and that proper accounts are maintained.
- iii. Recoveries of advances and of interest wherever recoverable should be effected in time and delayed on no account.
- iv. The detailed accounts of all short terms advances i.e. advances recoverable in less than 60 instalments should be maintained by the Head of Office.
- v. Every payment of advance should be entered in the pay bill register, and the recoveries effected along with the interest, if any, should be noted in that register.
- vi. A monthly abstract of recoveries in the prescribed form (but not of interest) should be prepared and attached to the last establishment, Pay Bill for a month.
- vii. Discrepancies pointed out by the PAO in the monthly abstracts should be attended to promptly.
- viii. In the case of transfer of a Council servant from one office to another the amount of each such advance paid and the balance outstanding should be mentioned in the L.P.C.

4.7.2 **Sanction of advances by Head of Office:** The Head of office should sanction only such advances, for which necessary powers have been delegated to him. A few examples, where Head of Office is competent to sanction advances are given below:

Advances Rules in GFRs

(i) Interest bearing advances(GFR and Compendium of Advances)

- (a) Conveyance i.e. motor car, motor cycle, moped, scooter.
- (b) Personal Computer
- (c) Construction/purchase of house/flats/enlargement of living accommodation.

(ii) Interest Free Advances (GFR and Compendium of Advances, OM dated: 07.10.2008)

- (a) Pay & TA Advance on transfer
- (b) Tour Advance
- (c) L.T.C. Advance
- (d) Festival
- (e) Natural Calamities

- (f) Advance in lieu of Leave Salary
- (g) Advance to the families of Council Servants who die in service
- (h) Bi-Cycle
- (i) Warm Clothing.

4.7.3 **Other Duties of Head office:** The Head of Office should ensure that the conditions attached to the grant of advances according to the relevant rules are fulfilled and that proper accounts are maintained and the recoveries of the advances and of interest wherever recoverable are effected in time. [GFR, Part-II, Rule 17(a)]

4.7.4 **Maintenance of detailed accounts of advances etc.:** Detailed accounts of all interest free advances and of interest bearing advances recoverable in less than sixty instalments generally referred to as short-term advances, should be maintained by the Head of Offices in accordance with the provisions of relevant rules viz. GFR, Part-II. The following important provisions in this regard should be kept in view:

- (i) As and when any payment of such an advance is made, it should be entered invariably and distinctly by each Drawing & Disbursing Officer (Departmental Officer) in the relevant column of the Pay Bill register maintained. Monthly recoveries effected from the individuals concerned and also of interest wherever recoverable should also be noted in the recoveries column (advance-wise) in that register. No separate register merely for watching the recoveries of advances individual-wise is required to be maintained by the departmental officers. A monthly abstract of recoveries (but not of interest) should be prepared [separately for each advance accountable under a separate unit of appropriation (heads) is the Demand for Grants] and attached to the last establishment Pay Bill for a month by each Drawing Officer. Office copies of such monthly abstract should be maintained by them systematically and these should be bound separately for each year.
- (ii) Each departmental officer shall be wholly and solely responsible for effecting the recoveries of such advances. He should promptly attend to the discrepancies, etc. pointed out in the monthly abstracts. The departmental officer should also make available all the relevant records concerning such advances to Internal check parties who are to verify that payment entries are properly made in the pay bill registers and that recoveries are regularly effected and shown in the monthly abstract schedules.

4.7.5 **Transfer of balances under advance heads:** When a Council servant is transferred from one office to another, the amount of each such advances paid and the balance (instalment and amount) outstanding as on the date of transfer shall be mentioned in the "Last Pay Certificate" to be issued by the DDO to enable the new office to effect the recoveries. The DDO at the new station shall make the recoveries of principal and interest, if any,

and will be remitting it to the office from where the advance is drawn by electronic transfer/Demand Draft etc.

- 4.7.6 **Reconciliation of balances:** For facilitating prompt reconciliation of balances outstanding as on 31st March every year, each Drawing Officer will record a certificate on the monthly abstract for the month of April each year to the effect that:- "The total (namely Rs) of the amounts outstanding on 31st March, 19 (excluding recoveries from pay bills for March) against employees on the rolls of the office on that date and accepted by them individually as correct, is equal to the closing balance indicated in the abstract for February, plus payments made minus repayment received in cash during March of that year". Accordingly, the figures will also be reconciled with the figures maintained by the Finance & Account wing of the Institute.

4.8 Central Government Employees Group Insurance Scheme

- 4.8.1 The Head of Office should ensure that a suitable note has been made in Service Book of the Council servant concerned regarding membership of the scheme and the employee has been informed accordingly.
- 4.8.2 Nomination (s) in prescribed form should be obtained from the Council servant without delay countersigned by the Head of Office and pasted in the Service book.
- 4.8.3 The Head of Office should ensure that the Group-wise register of members is maintained in the prescribed form and kept up-to date.
- 4.8.4 He should also ensure that the necessary verification/certification of the correctness of the deductions of subscriptions from the salaries as noted in the register is done annually by the DDO concerned.
- 4.8.5 The rate of subscription for the scheme is fixed accordingly to the Group to which an employee belongs, and the salary for January, determines the rate of subscription. In the case of promotion of an employee from one Group to another, the subscription should be revised from next anniversary i.e. January of the following year. The DDO should ensure that once an official has been admitted to a higher Group, the rate of subscription at enhanced rate continues and is not reduced even if the official is reverted to a lower post, from a later date.
- 4.8.6 In the case of death of a Council servant who is a member of the Scheme, the Head of Office should ensure that process for payment on account of insurance as well as saving fund is carried out promptly and disbursed to the nominee(s), as per nomination.

4.9 Other responsibilities of the Head of Office:

- 4.9.1 The Council has adopted the accrual accounting system and has to maintain the accounts on double entry system i.e. preparation of Receipts & Payments Account, Income & Expenditure Account and the Balance Sheet etc. as per the requirement of the accrual

accounting. Therefore, the Head of Office will maintain necessary records and furnish necessary information to the F&AO for compilation of accounts in the prescribed format. Head of Office shall furnish the details of income accrued but not realized and also the outstanding liabilities at the close of the financial year. The Head of Office shall also furnish and reconcile the information about accrued income, pre-paid expenses, outstanding liabilities, closing balances of store/stock at the end of the year etc. with the figures of Finance & Accounts Section.

- 4.9.2 Similarly, the monetary value of closing stock of various items, including consumables and also assets disposed off/written off, profit or loss on sale/disposal of assets during the year and assets acquired during the year will be maintained and reconciled with the figures of Finance & Accounts Section by the Head of Office.
- 4.9.3 Head of Office will also ensure that the DDO will maintain broadsheet and furnish the information about accrued interest on various interest bearing advances along with the balances and reconcile these with the figures of Finance & Accounts Section for the purpose of compilation of accounts.

Duties and Responsibilities of Drawing and Disbursing Officer

5.1 General

The duties and responsibilities of Drawing & Disbursing Officer have been defined in the Receipt and Payment Rules, Central Treasury Rules, General Financial Rules and also Swamy's Manual for DDOs Part-I & Part-II and ICAR Establishment and Administration Manual. The officer who is assigned the function of Drawing & Disbursing Officer is expected to follow the rules/orders contained therein. However, some of the duties and responsibilities of the Drawing & Disbursing Officer are indicated below:

The Drawing & Disbursing Officer shall exercise the same vigilance as a person of ordinary prudence may be expected to exercise in spending his own money. He is responsible for ensuring that rules regarding the preparation of bills are observed and that the money is required for immediate disbursement and that the expenditure is within the available appropriation and that all steps have been taken *to* obtain additional appropriation where necessary.

5.2 Preparation of Bills

- 5.2.1 All bills will be prepared and processed by the staff working under the Drawing & Disbursing Officer in the forms prescribed for the payment of salary, T.A., contingencies, advances etc., and the bill duly signed by the Drawing & Disbursing Officer and accompanied by necessary certificates/schedules and countersigned by the Controlling Officer where necessary, will be transmitted to Finance & Accounts Officer for pre-audit and payment.

NOTE: The transactions involving fraction of a rupee shall be brought to account by rounding off to the nearest rupee (fraction of 50 paise and above to be rounded off to the next higher rupee and fractions of less than 50 paise to be ignored). The payments on account of Pension/Dearness Relief on Pension/DCRG/Commuted value of pension, emoluments fixed by law, sums representing amounts/dues fixed by or under any law, which are in fraction of a rupee shall always be rounded off to the next higher rupee.

- 5.2.2 DDO shall prepare the separate bills head wise (separate bill for major head wise Plan, Non-Plan, Scheme etc.) e.g. Pay Bills, OTA Bills etc. will be prepared separately even if these relate to the same employee, record the full ***classification*** on each bill, enclose the original copy of the sanction or attested photocopy if original is not possible and record the up to date expenditure and the balance available under a particular head.

- 5.2.3 In case of arrears bill (s) a detailed statement showing the amount admissible, already paid and the difference month wise, should also be enclosed.
- 5.2.4 In case the amount is payable to more than one party it should be fully explained/incorporated in the pass orders.
- 5.2.5 Any amount previously drawn and lying un-disbursed should be refunded through those bills, if no longer required for payments and should in no case be kept for more than three months. Full particulars of the amount refunded should be given in the relevant portion or remarks column of the bills. Any amount refundable on account of TA advance should be recovered in cash or from the next T.A. bill or if necessary from the pay bill if it is not otherwise recovered before the close of financial year. Any advance drawn but no longer required should be refunded forthwith in cash and deposited into the Bank account under intimation to Finance & Accounts Officer.

5.3 Contingent Register & Bills

A record of contingent expenditure shall be kept in contingent register. Appropriation sanctioned for each sub-head of contingent expenditure is shown at the top of the column relating to that subject. Claims on account of contingent charges may be met if the charges are petty, out of imprest. For contingent expenditure which cannot be met out of imprest, a contingent bill shall be drawn and entered in the relevant column of the contingent register. The register and the bill should be submitted to the Drawing & Disbursing Officer for attestation and signatures. The bill should then be submitted for pre-audit along with the claim with instructions recorded thereon that the cheques should be drawn in favour of party or parties giving the name and amount payable to each party. Every time, a contingent bill is prepared and the progressive expenditure under each head should be worked out in contingent register and compared with the appropriation sanctioned there for. If appropriation is insufficient to meet the amount claimed in the bill, steps should be taken to regulate the same by obtaining additional funds by re-appropriation or otherwise.

5.4 Suppliers Bill

The bills preferred by the suppliers should be submitted in prescribed form for pre-audit with the following certificate recorded thereon by the Drawing & Disbursing Officer or the officer authorized to place orders:

Certified that the purchases billed for have been received in good order, that their quantities are correct and their quality good and according to specification, that the rates paid are not in excess of the accepted and the market rates and that suitable notes of payment have been recorded against the indents and invoices concerned to prevent double payment. The bill is in order and may be passed for Rs..... Entered in Stock Register () on page & Assets Register on page (In case

of Asset). GST/Sales Tax/VAT claimed is payable and may be paid’.

A record of the payment should be kept by the officer concerned in the relevant register and by the Finance & Accounts officer in audit register to guard against double payment.

While preparing bills it shall be the duty of the DDO to ensure that all statutory liabilities viz Income Tax, Service Tax and other deductions viz the EPF/ NPS are deducted at source and these are deposited with the concerned authority and return files in time. Any liability remaining to be discharged should be reported upon in order to account for at the end of financial year.

5.5 Subsidiary Cash Book

- 5.5.1 The Drawing & Disbursing Officer is responsible for the money drawn on bill, signed by him or otherwise received in cash or by money order till it has been paid to the party or person concerned or deposited into the Bank Account.
- 5.5.2 A record of all cash transactions is kept in the Subsidiary Cash Book in **Form 1**. The Cash Books should be bound in convenient volumes and their pages machine- numbered. Before bringing a cash book into use, the Drawing & Disbursing Officer should count the number of pages and record a certificate of count on the first page of cash book. While this book is primarily meant for keeping an account of cash handled by the Drawing & Disbursing Officer for making payments to the staff and for petty contingencies, all departmental receipts in cash and money order shall also be entered in the Subsidiary Cash Book. The receipts will, in the first instance, be entered in the column ‘Miscellaneous’ on receipt side of the Subsidiary Cash Book by the Cashier, and final receipt issued to the parties concerned under signatures of the Drawing & Disbursing Officer/Officer-in-Charge who will attest the cash entries simultaneously. For money received by Money Order, the Officer-in-charge will keep a separate register in which he will obtain a receipt of the Cashier who will enter it forthwith in the Subsidiary Cash Book and the Officer-in-charge will attest it with reference to the register of money orders kept by him. These amounts will be deposited into the Bank forthwith through pay-in-slips giving full details of the receipts on the counterfoil of the pay-in-slip and entered in the column ‘Miscellaneous’ of the Subsidiary Cash Book on the payment side. On receipt back of the pay-in-slip duly acknowledged by the Bank, the entry made on the payment side of the Subsidiary Cash Book will be attested by the Drawing & Disbursing Officer after verifying the amount. The receipted challan together with the details will be passed on to the Finance & Accounts Officer for making entries in the Main Cash Book. No portion of daily receipts should remain un-deposited at the close of the next working day except under written orders of the Officer concerned.
- 5.5.3 The amount of each cheque drawn on account of Pay, T.A., Contingent bills, G.P.F. Advances, Festival Advance etc. should be entered on the receipt side of the Cash Book and attested by the Drawing & Disbursing Officer, at the time of signing the cheque for collection from the Bank. Each payment subsequently made there from to the staff or

other parties should be entered on the payment side of the Cash Book except in the case of petty contingencies paid from Imprest and entered in a separate Imprest register from where daily totals will be transferred to the Cash Book. As regards payments to the staff on the pay day a single entry in respect of each bill will be made in the Cash Book. All unpaid items on that day in respect of each bill should be entered in the Cash Book column for 'Particulars'. The total of these items in respect of each bill plus the amount shown as paid in the money column should be agreed with the amount of the bill.

5.6 Erasures/ Overwriting

An erasure or over-writing of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The Drawing & Disbursing Officer should initial every such correction and invariably date his initials.

5.7 Closing of Subsidiary Cash Book

The Subsidiary Cash book will be closed daily. Before it is signed by the Drawing & Disbursing Officer he will check the totals on either side and see that all entries made therein have duly been attested by him.

5.8 Physical verification of Cash

- 5.8.1 The Drawing & Disbursing Officer, who is responsible for all cash transactions till the money is paid out to the parties concerned or is deposited into the Bank Account, is assisted by a Cashier for handling and safe custody of cash and securities etc., encashment of cheques, depositing cash into the Bank Account of the Institute/Council, as also for making payments to the staff/parties concerned and making entries in respect of all cash receipts, encashment, payments and deposits into the Bank Account in the Subsidiary Cash Book. It is, therefore, necessary that cash balance should be physically checked and verified by the Drawing & Disbursing Officer himself as frequently as possible, and invariably on the last working day of each month and a certificate to this effect recorded on the Subsidiary Cash Book itself under dated signature in the following form:

Certified that cash amounting to Rs (Rupeesonly) has been physically verified and found correct as per the balance recorded in the Cash Book.

- 5.8.2 In case the verification of cash balance is not possible on the last working day of a month on account of disbursement of monthly salary and allowances, it may be done on the first working day of the next month before making any transactions.
- 5.8.3 A surprise check should also be exercised by some other officer once in a quarter in addition to monthly surprise check by Finance & Accounts Officer of the Institute and certificate to the effect that cash has actually been verified and found correct recorded under dated signatures.

- 5.8.4 Any discrepancy noticed during verification should be reported to the Head of the Institution.

5.9 Un-disbursed balances

On the last working day of the month a break up of amount lying undisbursed should be recorded in respect of each column, giving the name of the payee and the voucher number in which it was drawn. If the amount is no longer required for disbursement, it should be refunded by short drawl in the next pay bill or deposited into the Bank Account in Cash. In the latter case, the Bank's receipted challan should be handed over to the Finance & Accounts Officer with full details for incorporation in his Cash Book and Accounts and note in the audit register, etc. Undisbursed amounts should in no case be kept for more than 3 months. At the time of signing the Cash Book the Drawing & Disbursing Officer will see that receipts which should be deposited into the Bank

Account are not kept a day longer than necessary and that the amounts un-disbursed are not allowed to accumulate from month to month without any reason.

5.10 Council money not to be mixed up with non-Council money

A Council employee who handles Council money should not except with the special sanction of the Head of Office be allowed to handle also in his official capacity money which does not belong to the Council. Where under any special sanction, a Council officer deals with both Council and non-Council money in his official capacity, the Council money should be kept in cash box separate from the non-Council money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of the Council account.

5.11 Check of entries/totals

The Drawing & Disbursing Officer should verify the daily totals in Cash Book or have this checked by some responsible official other than the writer of the Cash Book who will initial it as correct. Every entry both on the receipt side and payment side will be initialed by the Drawing & Disbursing Officer. Entry for receipt of cash will be made simultaneously with the issue of receipt to the party and the entry for payment will be checked with reference to the challan from the bank.

5.12 Cash Chest

- 5.12.1 All cash should be kept in a strong iron safe provided with two locks having duplicate keys of each lock (where necessary even embedded in the wall). It should be purchased from a standard firm of repute. The safe should be kept strongly secured in a room and keys of the two locks shall be kept by different persons, say the Cashier, and the Drawing & Disbursing Officer so that the safe can be operated only when both are present. The

duplicate keys should be deposited with the Bank in sealed cover and their acknowledgement obtained. The cashier will be personally responsible for the money in his custody and shall furnish adequate security in the form of fidelity bonds.

- 5.12.2 Whenever there is a change of incumbency of Drawing & Disbursing Officer or Cashier or by 1st April each year whichever is earlier, the sealed cover should be brought back from the bank, verified and resealed in the presence of the Drawing & Disbursing Officer, Cashier and thereafter lodged with the bank again. The date of such verification/reseal/lodging etc., should be recorded in the register.

Duties of Finance and Accounts Officer

6.1 General

The duties of Finance & Accounts Officers of the Indian Council of Agricultural Research and its Institutes etc. are broadly indicated below:

- 6.1.1 To exercise judicious scrutiny of all financial sanctions copies of which should invariably be furnished to the Finance & Accounts Officer.
- 6.1.2 Fixation of pay will be checked by the Finance & Accounts Officer before any orders are issued in this behalf by the administrative authorities. He need not however, be consulted at the time of sanction of annual increments or for the fixation of pay at the minimum of the time scale under the normal rules.
- 6.1.3 To pre-audit all payments from the funds of the Council/institutes with reference to proper sanction and budget provision.
- 6.1.4 To prepare cheques for all payments and withdrawals from the Bank Account for signatures and counter- signatures of the officers authorized in this behalf, after the bills have been pre-audited and passed for payment.
- 6.1.5 To maintain the Main Cash Book in respect of all receipts deposited into the Bank Account or payments or withdrawals made there from. Cash Book to be closed by F. &A.O. on a monthly basis and countersigned by Director of Institute. (*Reference Order No.: 8-121/2014-Accounts-II, dated: 6th January 2015*)
- 6.1.6 To watch adjustment/clearance of all advances, deposits and Remittance transactions through objection book or separate register or BROADSHEET.
- 6.1.7 To maintain Classified Abstract of all receipts and payments, Income and Expenditure Account and the Balance Sheet and to render monthly expenditure in prescribed formats to ICAR by the prescribed date each month. Instructions have been issued in this regard vide F. No.: Fin 4-6/2012- Accounts-II, dated: 11th May 2015 which may be adhered to.
- 6.1.8 To prepare Revised Estimates and Budget Estimates.
- 6.1.9 To watch the progress of receipts and expenditure against the sanctioned Estimates and to caution the officers concerned as and when the variations are wide.
- 6.1.10 Compilation and submission of Annual Accounts under double entry accounting system on accrual basis and maintenance of related Journals; Ledgers; Trial Balance and other

relevant records.

6.1.11 Maintenance of Provident Fund Ledgers and Account/New Pension Ledgers and Accounts.

6.1.12 To furnish to the Director (Finance), the following reports/returns in the prescribed formats:

S. No.	Name of Report	Due Date
(A).	Monthly Reports	
1	Statement of Progressive Receipts & Expenditure.	5 th of the succeeding month
2	Statement of G.P. Fund credits and debits.	5 th of the succeeding month
3	Bank Reconciliation statement.	15 th of the succeeding month
4	Statement of Service Tax/Statutory Tax Payment Account	15 th of the succeeding month
(B)	Quarterly Reports	
5	Statement of New Pension Scheme.	5 th of the succeeding month
6	Statement of Outstanding Advances.	10 th of the succeeding month.
7	Report on timely payment of Service Tax and other Statutory dues	10 th of the succeeding month
(C)	Six Monthly Reports	
8	Statement of cases of disagreement between the Finance & Accounts Officer and the Director of the Institute.	10 th January & 10 th July every year.
(D)	Annual Reports	
9	Annual Accounts along with all details in prescribed format.	30 th April for previous year
10	Annual Statement of Provident Fund Balances.	30 th April for previous year
11	Statement of refunds made by the Institute to the Council.	30 th April for previous year

6.1.13 To assist in checking of comparative statements of tenders for works and supplies and of quotations for other purchases.

- 6.1.14 Vetting of all purchase proposals. (Order No.: Fin/6/2/2007-Cdn (A&A), dated: 23rd May 2013)
- 6.1.15 To examine the forms of contracts, invitation to tenders etc. when the approved form and substance of the contract require any change.
- 6.1.16 To advise on all financial matters which may be referred to him by the officers concerned or which may come to his notice in the course of scrutiny of sanctions/ orders/bills etc.
- 6.1.17 To deal with audit reports of the statutory auditors on the accounts of the ICAR Headquarter/ Institutes and to settle the objections expeditiously in consultation with the officers concerned. A copy of the objections and replies in annotated form sent to the concerned Deputy Director General for onward transmission to the statutory auditors.
- 6.1.18 In order to ensure expeditious settlement of audit objections, the following ad-hoc Committee shall function at each Institute and will meet quarterly for settlement of audit objections especially at the time of audit by the statutory auditors:

(i)	Director	Chairman
(ii)	Head of the Audit & Accounts Wing	Member
(iii)	Head of Division Concerned	Member
(iv)	Head of the Administrative Branch	Member Secretary

The progress report of the settlement of Audit objections shall be sent to the concerned Deputy Director General at Headquarters with a copy to the Director (Finance).

- 6.1.19 To watch receipt of audited statements of accounts, utilization certificates and AUC in respect of grants-in-aid made to outside Institutes or bodies.
- 6.1.20 In respect of schemes financed by outside agencies transactions should be booked separately under 'Deposits'. At the end of the year a statement of account should be rendered to the parties concerned duly certified by Audit and excess expenditure, if any, should be recovered forthwith. For any balance at credit their acceptance should be asked for and kept on record, until it is refunded on the termination of the scheme.
- 6.1.21 With a view to give greater flexibility of operation including planning for better expenditure control in the context of powers delegated to the Directors of the Institutes, the following procedure for remittance of funds to the Institute has been adopted by the Council:

- (i) The funds under Plan and Non-Plan are remitted proportionately as per the approved B.E. of each Institute and as per Vote on Account/Monthly Expenditure Plan (MEP) given above unless there are special factors and agreed commitments for a particular Institute justifying a different amount.
- (ii) The Finance & Accounts Officer shall review periodical requirement of funds of the Institute and ascertain the working balance to be retained in the current account for the day to day working of the Institute. Funds in excess of this working balance shall be deposited with the same bank in term deposit and interest so earned booked under Sub-head "Interest earned on Short Term Deposits with Bank" and reflected separately in the monthly & annual accounts of the Institute.
- (iii) Since the Indian Council of Agricultural Research is a society registered under Societies Registration Act 1860 (XXI of 1860) and financed wholly by the Government of India, the interest so earned by the Council and its Research Institutes on Short Term Deposits is exempted from income tax in pursuance of sub-clause (F) of clause (iii) of sub-section (3) of section 194 A of the Income Tax Act, 1961 (43 of 1961).

6.1.22 To maintain the following audit registers etc.

- (a) For pay and allowances of officers & establishment -Fly Leaf Registers.
- (b) For T.A. bills of officers and establishment.
- (c) For Contingent bills.
- (d) For grant-in-aid bills.
- (e) For suppliers bills.
- (f) For works bills.
- (g) For periodical charges.
- (h) For special contingent charges.
- (i) For recoveries of Licence fee etc.
- (j) For Contractors ledgers.
- (k) Objection books (Abstract objections and Adjustments).
- (l) Registers and Broad Sheets for Deposits, Advances and Remittance transactions.
- (m) For LTC/Tuition fee/Medical reimbursement.
- (n) Register of Leave Salary and Pension Contribution.
- (o) Register of CPF contributions.
- (p) Maintain the Debt, Deposit and Remittance (DDR) Register.
- (q) Letter of Credit Register.

(r) EMD Register.

(s) Ladder Register to monitor UC/AUC of Grant-in-aid projects.

Explanatory Notes

1. Authorized and inescapable payments like telephone and electricity bills met by the Drawing Officer out of the Imprest amount sanctioned to him are not required to be pre-audited. However, the funds are required to pay these bills; the Finance & Accounts Officer will have to check these before payment.
2. A copy of tour programme approved by the competent authority shall be appended to T.A. bills of officers and staff.
3. All paid vouchers shall be appended to contingent bills and stamped 'Cancelled'.
4. 'Paid by Cheque No..... Dated..... for Rs..... shall be recorded on all bills paid and attested by the Finance & Accounts Officer. In case of RTGS/EFT/ECS, payment, the relevant detail are to be recorded like amount, date, bank name etc.
5. All cheques, demand drafts and postal orders received for credit to ICAR/institute will be passed on to the Finance & Accounts Officer for deposit into the Bank Account. As regards cash and money orders, they will be received by the Officer In-charge of cash who will deposit them into the Bank Account and make over the receipted challan/deposit slips to the Finance & Accounts Officer for incorporation in his cash book. For postal orders, a statement showing the name of the remitter, No. and date of postal order, the place of issue/payment and the amount should be prepared in duplicate for deposit into Bank Account along with the postal orders, as one item, and Bank receipt obtained on the pay-in-slip for the total amount as per statement attached. This will facilitate the tracing of postal orders - lost in transit or returned uncashed etc.
6. All cheques, demand drafts, challans for cash and statement of postal orders, deposited into the Bank account should be entered in the cash book and attested by the Finance & Accounts Officer individually and severally, and all payments should be entered and attested with reference to the counterfoils of cheques issued.
7. Cash Book will be closed monthly and reconciled with the Bank account item by item. Before signing the cash book the Finance & Accounts Officer will check the totals on either side or get this checked by some other person not keeping the cash book.
8. If a cheque or demand draft or postal order is received back dishonored or outdated, a minus entry shall be made in the cash book as well as in the detailed posting register in the month under closing.

9. All paid vouchers will be posted in the detailed posting register with reference to the classification recorded thereon or on the schedule for recoveries appended thereto. As for transactions appearing on the receipt side of the cash book, a statement giving full particulars of these receipts should be handed over to the concerned clerk for posting in the detailed posting register after obtaining classification, where necessary from the branch or person concerned. The detailed posting register will be closed monthly and consolidated receipt & expenditure figures under each head of account thereafter posted in the classified abstract and reconciled with the Cash Book and the Bank statement, differences if any being suitably explained.
10. The various audit registers and broadsheets etc. shall be in the same form in which they are kept in the audit offices with suitable changes in headings.
11. All sanctions and orders regarding creation or abolition of posts, appointments, promotions, demotions, transfers, leave, suspension, removal or dismissal, retirement, death, leave travel concession or the like, and all sanctions for works, purchases of stores, equipment and apparatus and orders placed or contracts awarded and for grants-in-aid etc. should always be endorsed to the Finance & Accounts Officer by the authorities concerned.
12. ICAR has formulated its guidelines for Intellectual Property Management and Technology Transfer/Commercialization. The Technology Management Committees at different levels is the highest decision making body for the purpose. At ICAR Headquarters. A high powered committee viz the Central Technology Management Committee (CTMC) chaired by DG, ICAR will be the highest decision making body on issues related to IP Management and technology transfer/commercialization in ICAR. The Financial Advisor, ICAR/DARE is a member of this Committee.

At the second level the Zonal Institute Technology Management Committee (ZITMC) chaired by the Director of the identified zonal institute will address specific and emergent IP related matters/concerns with respect to the ICAR institutions in the zone. The Chief/Senior Finance & Accounts Officer of the zonal institute is a member of this Zonal Committee. At the institute level the Finance & Accounts Officer may ensure that the decisions of the CTMC/ZITMC in respect to their institute, as the case may be, are suitably implemented as per the financial terms and conditions of project.

13. ICAR has formulated the rules and guidelines for Professional Services viz Training, Consultancy, Contract Research and Contract Service. The revised guidelines have been issued in September 2014 [Vide F. No.: IP&TM-1-6/2005-Policy (Pt-III)]. The Finance & Accounts Officer is expected to monitor the progress of these activities are budgeted as per the policy formulations and the statutory requirements are fulfilled as the rules.
14. The Finance & Accounts Officers will perform their duties under the general guidance and supervision of the Director (Finance) who is in overall charge of Audit, Accounts, Pension

and Budget works of the ICAR and its Institutes. Therefore, any important doubt, irregularity, defalcation, or loss, or negligence on the part of the Finance & Accounts Officer, should be brought to the notice of Director (Finance) for advice and necessary action.

15. The list of items mentioned in point 22 above is not comprehensive and it should be further supplemented by the Finance & Accounts Officer with reference to other records kept/required to be kept at the Institute/Headquarters.

SECTION: II

General Principles and Rules of Audit

- Chapter 7 : Check of Expenditure**
- Chapter 8 : Check of Receipts**
- Chapter 9 : Check of Classification**
- Chapter 10 : Check of Debt Deposit & Remittance Transaction**
- Chapter 11 : Check of Stores and Stock Accounts**
- Chapter 12 : Check of Commercial Transactions**

Check of Expenditure

7.1 Main Checks

It is the duty of the Finance & Accounts Officer to ensure that the incurring of expenditure from the funds of the Society fulfills the following requirements:

- 7.1.1 that there is provision of funds for the expenditure duly authorized by the competent authority;
- 7.1.2 that the expenditure is in accordance with a sanction properly accorded and is incurred by an officer competent to incur it;
- 7.1.3 that the claims are made in accordance with rules and in proper form;
- 7.1.4 that all prescribed preliminaries to expenditure are observed, such as proper estimates framed and approved by the competent authority for works expenditure;
- 7.1.5 that the expenditure sanctioned for a limited period is not admitted in audit beyond that period without further sanction;
- 7.1.6 that the rules regulating the method of payment have been duly observed by the disbursing officer;
- 7.1.7 that payment has, as a fact, been made, and has been made to the proper person, and that it has been so acknowledged and recorded that a second claim against the Council on the same account is impossible;
- 7.1.8 that the charge is correctly classified, and that if a charge is debitable to the personal account of a contractor, employee or other individual or is recoverable from him under any rule or order, it is recorded as such in a prescribed account;
- 7.1.9 that the rates paid for work done or supplies made are in accordance with any scale or schedule prescribed by the competent authority; and
- 7.1.10 that the payments have been correctly accounted for in the original accounts.

7.2 Check against provision of funds

- 7.2.1 After the estimates have been finally approved by the Governing Body, the details of the allotments for expenditure of various constituent units are communicated to them by the Director (Finance). It is an important part of the functions of the Finance & Accounts

Officer to see that no payment is made in excess of the budget allotment. In order to exercise an effective check, separate register(s) of bill passing cum expenditure control should be maintained by the F&AO, showing sub-heads and 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 budget allotment. In case where the payment of bill/ claim would lead to excess over the provision under any unit of appropriation, the payment may be made by the F&AO after ensuring that the expenditure involved is not on a New service or New instrument of service; that the expenditure may be covered by issue of an appropriation order, etc. and that the expenditure as a whole is not likely to exceed the total budget allotment.

- 7.2.2** Expenditure in excess of the net appropriation for the year shall require the sanction of the Governing Body or the MoF as the case may be in accordance with the powers delegated for re-appropriation as indicated under para 7.7. All disbursement from the funds of the Society during a financial year, which are not covered by valid appropriation or re-appropriation within the sanctioned budget before the close of the year, are open to objection by the Finance & Accounts Officer until regularized by the body or authority competent to do so.
- 7.2.3** As the grants received from the Government of India mainly constitute funds of the Society and no surplus funds are available for placing them in the respective current accounts at the disposal of Heads of Institutes etc., the Finance & Accounts Officer shall also have to ensure at the time of each payment that sufficient funds are available in the Bank to meet the liability on that account.
- 7.2.4** The check against provision of funds should be directed primarily to ascertaining that the money sought to be expended is to be applied to the purpose for which the budget allotment was made and that the amount of expenditure against each Grant or Appropriation does not exceed the amount included in the sanctioned budget.
- 7.2.5** Each primary unit of appropriation specified in the sanctioned budget is a single total sum appropriated to the purposes set out in it. The particulars of a primary unit and secondary units included thereunder are, however, based on the detailed estimates drawn up for the information of the Governing Body. The distribution in these estimates between the various sub-heads and items may therefore be taken as general evidence of the purposes for which the appropriation can be made and the expenditure should be recorded against the relevant heads and items of the sanctioned budget under which provision is made for the service.
- 7.2.6** The Director General, the Secretary, Directors of the Institutes, Management Committees of Institutes/NRCs/PDs, etc. or any other Officer so empowered by the Governing Body are empowered to re-appropriate funds to the extent specified in Bye-laws and in the

schedules of delegations approved by the Governing Body. Any allotment or appropriation within the sanctioned budget can be authorized at any time before but not after the expiry of the financial year to which it relates.

- 7.2.7** A Grant or Appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during a financial year or to be adjusted in the accounts of that year. It is operative until the close of that financial year.

7.3. Check of sanctions to expenditure

- 7.3.1** The Finance & Accounts Officer has not only to see that the expenditure is covered by a sanction, either general or special, but he has also to satisfy himself (i) that the authority sanctioning it is competent to do so by virtue of the powers vested in it under the provisions of the Rules or Bye-laws of the Society or by the Rules of delegation of financial powers made by the competent authority, and (ii) that the sanction is definite and thus needs no reference either to the sanctioning authority itself or to any higher authority. When a sanction to expenditure received by the Finance and Accounts Officer has been examined and admitted as regular and correct, the check of expenditure against the sanction becomes a simple matter as the Finance & Accounts Officer has merely to see that the expenditure conforms to the provisions of the sanction.

- 7.3.2** The Finance & Accounts Officer is entitled to receive a copy of an order sanctioning expenditure or a sanction which is otherwise to be enforced by him, from the authority competent to accord the sanction. It is necessary that all sanctions and orders communicated to Finance & Accounts Officers should be signed by an authorized Officer of the Council. They shall also be so expressed as to have issued from the competent sanctioning authority when they are authenticated under the hand of any other Officer authorized in this behalf.

- 7.3.3** Where the Secretary in respect to Department/ Director of ICAR institute in respect to his institute approves a proposal by overruling the concerned Financial Advisor/Finance & Accounts Officer, the corresponding clause to be added to the sanction order should read as follows:

“This sanction issues with the approval of the Chief Accounting Authority i.e. Secretary to the Department/Director of ICAR Institute. The advice of Internal Finance/Integrated Finance was conveyed vide Diary No/ UO No.: _____ dated: _____.

(F. No.: 22(33)/2010-Cdn (A&A), dated: 10th November 2010)

- 7.3.4** In the case of a difference of opinion on the financial or accounting matter, the Finance & Accounts Officer will carry out the orders of the Director of Institute after obtaining the order in writing. In the above context cases where Director overrules concerned Accounts Officer or the Accounts Officer in charge, corresponding clause to be added to the

Sanction Order should read as follows:

“The Sanction issues with the approval of the Director. The advice of the Chief Accounts Officer/ Accounts Officer in charge of Audit & Accounts Section was conveyed vide Diary No.: _____ dated _____. (F. No.: 22(33)/2010-CDN (A&A), dated: 23rd December 2010.)

The Finance & Accounts Officer shall, however, maintain a register wherein he will keep a note of all such cases and this will be produced to the Council’s Inspection Party for further necessary action. A six monthly report will also be submitted to the Director (Finance) by 10th January and 10th July every year. The issue shall be examined in the Finance Division of Council and will be placed before the Sub-Committee on Finance & Accounts of the Governing Body. Even if there is no case of difference of opinion, the Finance & Accounts Officer has to submit a ‘NIL’ report to the Director (Finance).

7.3.5 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 a certain class of expenditure, a sanction accorded under those powers can be objected to by the Finance & Accounts Officer 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 those powers can be challenged by the Finance & Accounts Officer:
 - (a) if the disregard of the criteria is considered to be so serious as to make the sanctions perverse; **or**
 - (b) if the facts of the case are such as to make the Finance & Accounts Officer confident that one or more of the criteria have been disregarded;
 - (c) if it is vested with powers which are expressed in precise terms, the Finance & Accounts Officer is bound to ascertain that the order defining its powers is obeyed exactly in every instance; and
 - (d) if any one item of a scheme requires sanction of a higher authority, Finance & Accounts Officer should hold under objection any expenditure on that item until sanction to it is obtained and in determining whether objection should be raised to expenditure 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 up to which sanction can be accorded by the original sanctioning authority.

- 7.3.6 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.
- 7.3.7 All sanctions to expenditure should be noted and properly attested in a prescribed register or other record against which the check of the expenditure will be conducted, and if it is known that the charge will entail a recovery from a third party, or such a recovery has been ordered by the sanctioning authority, a note of the recovery due should also be made and properly attested in a suitable register so that it may be watched.
- 7.3.8 Recurring charges which are payable on the fulfillment of certain conditions or until the occurrence of a certain event should be admitted on receipt of a certificate from the drawing officer to the effect that necessary conditions have been duly fulfilled or the event has not yet occurred, as the case may be.
- 7.3.9 Sanctions with a long period of currency as well as sanctions of a permanent nature require to be reviewed periodically so that if there is any reason to think that the Administrative authority concerned should be invited to review the sanction, such action may be taken.

7.4 Check against regularity

- 7.4.1 The rules, regulations and orders against which check can be conducted mainly fall under the following categories :-
- (a) rules and orders regulating the powers to incur and sanction expenditure from the Council's funds;
 - (b) rules and orders dealing with the mode of presentation of claims against the Council, withdrawing moneys from the Council's funds, and in general the financial rules prescribing the detailed procedure to be followed by Council servants in dealing with Council's transactions; and
 - (c) rules and orders regulating the conditions of service and pay and allowances and pensions of Council servants.
- 7.4.2 The work in relation to regularity of expenditure is of a quasi-judicial character. It involves the interpretation of rules and orders with reference to the case-law of previous decisions and precedents. The final power of interpretation vests in the authority which is the author of the rule or order. Interpretation by the Finance & Accounts Officer should be based on the plain meaning of the rule or order, except where this is inconsistent with another rule or order. In such cases, the inconsistency should be referred to the competent authority for resolution or removal. It is, however, the duty of the Finance & Accounts Officer to bring to the notice of the competent authority any expenditure which does not seem to be covered by the terms of the rule or order quoted as justifying it, and which has

been incurred by placing upon the rule or order an interpretation which may seem to it not to be a natural, plain or reasonable interpretation. In the case of regulations framed by the Council, the Finance & Accounts Officer will accept what the Council considers to be the correct interpretation of its own regulations.

- 7.4.3 In relation to check of expenditure against regularity it is the duty of the Finance & Accounts Officer to examine all financial rules and orders issued by the executive authorities affecting expenditure and other transactions subjected to check, 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.
- 7.4.4 In the scrutiny of the rules and orders it should be seen :-
- (i) that they are not inconsistent with any provisions of the Rules and Bye-laws;
 - (ii) that they are consistent with the essential requirements of audit and accounts;
 - (iii) that they do not conflict with the spirit of the orders or rules made by the Government of India, Governing Body and any other higher authority; and
 - (iv) that in case they have not been separately approved by competent authority, the issuing authority possesses the necessary rule making power.
- 7.4.5 While applying the checks prescribed in the preceding paragraph, the Finance & Accounts Officer should be guided by any subsidiary instructions which may be issued by the Director (Finance) from time to time. All doubtful points unless they are trivial should be referred to the Director (Finance) and no objection should be raised without reference to him.
- 7.4.6 All orders of delegation of financial authority should be scrutinized carefully, as once they have been accepted; audit of sanctions as well as of expenditure or other transactions may be conducted against them for any indefinite length of time. They should accordingly be issued only in consultation with the Director (Finance) or the Finance & Accounts Officer concerned.
- 7.4.7 Cases may arise in which, though no audit objection can be taken in terms of an order or delegation or other financial rule, yet the Finance & Accounts Officer feels that the order is likely to impair seriously the efficiency or financial control. For instance, the principle of authorizing disbursing officers themselves to sanction special charges may be carried too far or extended to cases in which some sort of control by higher authority is specifically available. If such cases are important, the Finance & Accounts Officer may make a suitable representation to the Director (Finance) and thus give the latter the opportunity of reviewing the orders. It should, however, be borne in mind that the Finance & Accounts Officer should not practice a meticulous type of examination as Officers at the Council's headquarters and Heads of Institutes etc. have their respective responsibilities also.

7.5 Check against propriety

7.5.1 The Finance & Accounts Officers should bring to the notice of their respective Heads not only cases of clear irregularity but also every matter which in its judgment appears to involve improper expenditure or waste of public money or stores. They should, therefore, in the performance of their duties, be guided by the following general principles which have for long been recognized as standards of financial propriety:

- (a) The expenditure should not be prima facie 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.
- (b) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (c) Public moneys 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 can be enforced in a court of law; or
 - (iii) the expenditure is in pursuance of a recognized policy or custom.
- (d) The amount of allowances such as travelling allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole source of profit to the recipients.

7.6. Appropriation Check

7.6.1 The following paragraphs contain certain supplementary instructions to be observed in conducting this check which is technically known as “Appropriation Check”.

7.6.2 Audit & Accounts Wing is responsible for watching, firstly that the total expenditure of the Council does not exceed its total budget estimates as sanctioned by the Governing Body and approved by the Government of India and secondly, that the total expenditure on each of the sub-heads fixed therein as units of appropriation does not exceed the allotment thereof as modified by the orders of re-appropriation passed by competent authority from time to time.

7.7 General Restrictions on Appropriations and Re-appropriation

7.7.1 The Director General shall have full power to appropriate sums provided in the sanctioned estimates during the financial year to meet expenditure on each item up to the amount provided for in the sanctioned estimates. Any unspent balance shall lapse and shall not be available for utilization in the following year.

7.7.2 The funds of the Society shall not be appropriated or re-appropriated to meet

expenditure, which has not been sanctioned by the authority competent to sanction it under the Bye laws of the Council.

- 7.7.3 No re-appropriation shall be done from funds provided under the 'Plan' heads to 'Non Plan' heads both under Revenue and under Capital heads without the approval of the Govt. of India. Savings in the funds provided in the Revenue Section are not available for re-appropriation to meet additional requirements in the Capital Section or vice versa.
- 7.7.4 No re-appropriation shall be done from one major head to another major head out of the grant given by the Government of India without the approval of the Government of India.
- 7.7.5 The Director General shall have, in respect of Government of India Grants, full power to re-appropriate funds at any time from one primary Unit of appropriation to another, within the same major head, provided that the total sanctioned Budget Estimate within the major head is not thereby exceeded. No re-appropriation shall be made from the head "Grants in Aid Salaries" to "Grants in Aid Capital" and/or "Grants in Aid General" and vice versa.
- 7.7.6 In respect of Agricultural Produce Cess Funds, the Director-General shall have full powers to re-appropriate funds from one unit to another.
- 7.7.7 The Secretary, the Directors of the Institutes/ Institute/Bureaux/NRC/ZPD or Project Directorate or any other officer empowered by the Governing Body, re-appropriate funds from one Secondary Unit to another, within the same 'Grants in Aid' component i.e. Grants-in Aid Capital" Grants in Aid Salaries" and Grants in Aid General" before the close of the financial year to which the appropriation relates subject to the guidelines and restrictions as the GoI /ICAR may prescribe from time to time.
- 7.7.8 The funds allotted by the Governing body for a scheme as Grants-in-Aid out of the Agricultural Produce Cess Fund accumulations shall be resumed if the scheme is postponed or abandoned. In that event the Director General shall be competent to allot to the extent the funds required, thus to resume any scheme/schemes approved by the Governing Body.
- 7.7.9 No re-appropriation shall be made from the provision made for any specified new item of expenditure in a Grant or Appropriation for another purpose without the previous consent of MoF.
- 7.7.10 No re-appropriation shall be made so as to augment the provision under secondary unit "overtime allowance", without the previous consent of MoF.
- 7.7.11 Re-appropriation of funds from the head "Salary" to any other head of account is not permitted, without the previous consent of MoF.

- 7.7.12 For working out month by month, the progressive expenditure against each unit of appropriation a Register in **Form 2** should be maintained. Each secondary unit of Appropriation should be assigned a page or set of pages and under it, the several sub-heads and units of appropriation should be detailed showing against each the authorized provision and progressive expenditure month by month. The accuracy of the figures posted in the Register should be tested in a separate abstract, and the Register submitted to the Finance & Accounts Officer for review.
- 7.7.13 The booked expenditure should be scrutinized with due care and advisory notes issued to disbursing officers and if necessary, to controlling authorities also, when excesses appear to be likely.
- 7.7.14 **Exercising delegated powers in respect of “past cases”:** Whenever powers are delegated to any authority under these rules, that authority should be deemed to be competent to exercise those powers in respect of past cases also. The term “past cases” means a case which has not been finalized until the date of the said delegation, although it occurred prior to that date. On the other hand, expenditure already incurred by an authority in excess of its powers should be treated as irregular expenditure and should be regularized by the issue of an ex-post-facto sanction. (DFPR GID 2 under Rule 13).
- 7.7.15 **Powers to Sanction Excess Expenditure:** Expenditure in excess of the net appropriation for the year requires the sanction of the Governing body.
- 7.7.16 **Re-delegation of Powers:** The Director General, the Secretary, Indian Council of Agricultural Research/ Directors of the Research Institutes, Bureaux, NRCs, Zonal Project Directorates, and Project Directorates and such other officers may re-delegate their powers to the subordinate authorities under them to the extent considered necessary for the day to day working of the Office/Institute/ Bureaux/NRC/Project Directorate etc subject to the observance of the Rules and Orders issued by the Government of India/Council from time to time regarding re-delegation of powers to subordinate authorities and also subject to condition that overall responsibility will rest with them. An authority may re-delegate powers not exceeding those vested in that authority. Delegated powers cannot be further re-re-delegated. Powers regarding creation of posts, appointments, disciplinary powers, power to suspend lien, power to grant higher initial pay, Power to sanction advances from the provident Fund to the officers and staff on notional foreign service, power to write off losses, power to sanction pension and other statutory powers derived directly or indirectly from the Fundamental and Supplementary Rules, General Financial Rules, Delegation of Financial Powers Rules, Rules and Bye-laws of the Council and other Rules and Regulations may not be re-delegated to the subordinate authorities.
- 7.7.17 **Head of Office:** The Director General/Secretary, ICAR has the power to declare any officer of Group B or above as the Head of an Office. Similarly, the Director of an Institute, NRC, Laboratories or Project Directorate has the power to declare a similar

officer under him as the Head of Office. However, it is not permissible to declare more than one officer as Head of Office in respect of the same establishment/ Office.

7.8 Expenditure Management

- 7.8.1 Two third of BE should be utilized up to December. Not more than One-third of BE should be spent in last quarter of the financial year.
- 7.8.2 Expenditure during the month of March should be limited to 15% of BE.
- 7.8.3 It is desirable that in the last month of the financial year payments may be made only for the goods and services actually procured and for re-imbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of following:
 - (a) Advance payment to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.
 - (b) Any loans or advances to Government servants, etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.
 - (c) Any other exceptional case with the approval of the Financial Adviser. However, a list of such cases may be sent by the Financial Adviser to the Department of Expenditure, Ministry of Finance by 30th April of the following year for information.
- 7.8.4 Advance payment to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.
- 7.8.5 Any loans or advances to Government servants, etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.
- 7.8.6 Any other exceptional case with the approval of the Financial Adviser. However, a list of such cases may be sent by the Financial Adviser to the Department of Expenditure, Ministry of Finance by 30th April of the following year for information.
- 7.8.7 The Finance & Accounts Officer must monitor the trend of expenditure in his institute and ensure that MoF's instructions related to Fiscal Responsibility and Budget Management (FRBM) and those on expenditure management are adhered to strictly.
- 7.8.8 Unspent balances under Plan and Non-Plan are to be refunded to the Council within the first quarter of the succeeding year. Instructions issued by the Council from time to time in this regard are to be adhered to.

Check of Receipts

- 8.1 It is primarily the responsibility of the executive authorities to see that all revenues or other debts due to the Council which have to be brought to account, are correctly and promptly assessed, realized and credited to the Council's account. But by virtue of his responsibility for keeping of accounts of receipts, it is within the functions of the Finance & Accounts Officer to verify in so far as he can, that:
- (a) sums due are regularly recovered against demand, and
 - (b) Sums received are duly brought to credit in the accounts.
- 8.2 The Finance & Accounts Officer should see that the internal procedure adequately secures correct and regular accounting of demands, collection and refunds and that no amounts due to Council are left outstanding on its books without sufficient reason and the claims are pursued with due diligence and are not abandoned or reduced except with adequate justification and with proper authority. The Finance & Accounts Officer should carefully watch any outstanding dues and suggest to the concerned authority any feasible means for its recovery. Whenever any dues appear to be irrecoverable, orders for their adjustment should be sought. But unless permitted by any rule or order of a competent authority, no sum may be credited to Council by a debit to a suspense head. Credit must follow and not precede actual realization.
- 8.3 The first or main safeguard against error or fraud on the part of Council's staff entrusted with the collection of revenues etc. is the use of printed machine numbered receipts in Form TR-5 and cash memo books prescribed by the Council which only should be permitted to be issued by them to the payers. Before a book is brought into use the number of receipt forms counted and a certificate of count recorded in a conspicuous place (preferably on the inner front of the book) under the signature of the Officer-in-Charge. The counterfoils should be checked with the daily summaries of sales staff and the daily summaries with the corresponding entries in the cash book. The cash book entries in respect of daily receipts remitted into the bank should be checked with the pay-in-slips. With a view to guard against their misuse, the receipt books should be kept under safe custody and duly accounted for through the Register of stock of Receipts Books (Form ICAR- 7). Counterfoils of receipt books should also be kept carefully in the personal custody of the Officer-in-charge till they are destroyed after the prescribed period. The stock of receipt books should be physically verified once a year i.e. by 1st April and verification certificate recorded in the register not only for the unused books in stock but also book in use indicating the number of unused receipt forms as on the date of verification.
- 8.4 Direct appropriation of departmental receipts for departmental expenditure is not permitted without the specific authority of the Council. All moneys received by or

tendered to Council's officers on account of the revenues of the Council shall therefore without undue delay be paid in full into the Council's Bank Account unless specifically authorized otherwise. The Finance & Accounts Officer should report to the Director of the Institute all cases where Council's receipts are not deposited by the concerned officers into Council's account in time.

Check of Classification

9.1 General Rules

- 9.1.1 The first duty of the Finance & Accounts Officer in examining an account is to verify that all financial transactions are properly recorded in the accounts under examination and that they are allocated to the proper head of account. For this purpose, classification will have to be checked, as recorded by the DDO on each bill/schedule, at the time of pre-audit.
- 9.1.2 The object of classification is to secure the utmost possible uniformity of accounting amid the immense volume and variety of the financial transactions of the Council, and thereby to render possible not only reliable comparisons between the accounts of different Institutes etc. and periods but especially the preparation of budget estimates or forecasts of receipts and payments. Classification carried to this extent also compels each disbursing officer to a minute periodical review of the Council's receipts and payments in his charge and so makes for effective financial control and economy.
- 9.1.3 The accounts of the ICAR are maintained in such form as have been prescribed by the Governing Body in consultation with the Financial Advisor and with the approval of the Government of India and also with the concurrence of the Comptroller and Auditor General of India in his capacity as the auditor of the Society.
- 9.1.4 The heads of account detailed in Council's classified abstracts forms themselves suggest the nature of transactions which will fall under them. All cases of doubt about accounts classification of Council's transactions or proposals for introduction of any new head as well as the abolition or change of nomenclature of any of the existing head should be referred to be Director (Finance). The ultimate authority for determining the head of account under which a transaction is to be included rests with the Director General.
- 9.1.5 Distinction should be made between receipts which are finally creditable to Council as its revenue and transactions which represent merely such cash or other value received as has either to be repaid eventually or to be utilized to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipts of the later classes should be credited to the debt, deposit or expenditure head concerned.
- 9.1.6 The decision regarding the question as to how the expenditure of the Council shall be allocated between capital and revenue shall be decided by the Governing Body. The financial and accounting conception of capital expenditure is, however, imported from commercial theory and practice and an essential feature is that expenditure of a capital nature is not met from the revenue or profits of a concern.

9.2 Exhibition of Expenditure on Assets Acquired

- 9.2.1 The entire grants paid by the Government of India for financing the activities of ICAR are met out of their Revenue Section. As there should be an audited record of all assets acquired wholly or mainly out of Government grants, a separate sub-head has been prescribed in the Council's accounts for exhibiting the assets acquired during a year under "Grant-in-aid Capital" as shown below :-

Assets Acquired

- (i) Lands: (a) free-hold &
(b) Lease hold.
- (ii) Buildings and other Original Works
- (iii) Tanks and Ponds
- (iv) Roads and Bridges
- (v) Sewerage & Drainage
- (vi) Tube Wells
- (vii) Electric installations and equipment
- (viii) Tools, Plants and Machinery
- (ix) Laboratory apparatus and scientific equipment
- (x) Office equipment
- (xi) Vehicles and Vessels etc.
- (xii) Farm and Field equipment
- (xiii) Computers, Peripherals/major software etc.
- (xiv) Furniture, Fixtures, Fittings etc.
- (xv) Audio visual equipment
- (xvi) Livestock
- (xvii) Library Books and Scientific journals.
- (xviii) Others

A Register of Asset in shall be maintained by the Council and its Institutes (**FORM: 3**). The value of the assets as per Asset Register should be reconciled quarterly/annually by the Head of Offices with the figures booked in the monthly/annual accounts by the Finance & Accounts Officer of the Council/ Institutes. Depreciation is also to be charged on fixed assets and the value reflected in the Asset Register.

- 9.2.2 Expenditure incurred with the object of either creating/acquiring/increasing concrete asset of a material and permanent nature or of reducing recurring liabilities may normally be brought under the head "Assets Acquired". The following consideration are relevant in arriving at a decision whether or not an expenditure may be classified under this head:
- (a) It is not essential that the concrete assets should be productive in character or that they should even be revenue producing.
 - (b) The incidental expenses till the stage of installation or erection of the asset may be treated as expenditure on 'Assets Acquired'. Once the assets are put to use, such

expenditure may not be added to the cost of the assets, but to be treated as revenue expenses.

- (c) All Fixed Assets other than Land and Buildings, the depreciated value of which at the beginning of the year is Rs. 10,000/- or less; and all Fixed Assets, other than Land & Buildings purchased in the year for a sum of less than Rs. 10,000/- each, are depreciated at the rate of 100% retaining a value for accounting control.
- (d) The powers of Directors of ICAR Institutes/PDs/NRCs/ZPDs/Bureaus for carrying out any repairs or any small works, either departmentally or through any outside agency is Rs. 10.00 lakhs in each case. (*Reference Order No.: 3(14)/2007-EC, dated: 05th December 2011*). The petty original works is taken up after ensuring allocation of funds under “Grant-in-aid Capital” and the same may also be reflected as assets in the Assets Register.
- (e) The end use of an article is one of the main criteria to classify an item of expenditure as “Asset Acquired”. For example, the cost of animals purchased for manufacturing vaccines and other biological products is not to be classified as such.

NOTE: Non-consumable stores do not form part of assets. However, in determining whether an item of Store is “Non-consumable” or “Consumable” the purchase price, longevity, durability, and the nature of the article may be kept in view. Article like scissors, knives cannot definitely be treated as items of assets. Such articles may be classified as stationery stores and treated as “Consumable Stores”.

9.2.3 The duty of Finance & Accounts Officer in connection with the allocation of expenditure between capital and revenue in connection with the records of expenditure inside or outside the revenue Account may be summarized as follows:

- (i) he should see that commonly accepted accounting or commercial principles are not infringed;
- (ii) he should verify that the accounts exhibit the true financial facts; and
- (iii) he should bring to notice transgression of generally accepted principles of public finance.

Check of Debt, Deposit & Remittance Transactions

10 Introduction

- 10.1.1 Transactions relating to Debt, Deposits and Remittances comprise receipts and payments in respect of which Council may become liable to repay the moneys received or has a claim to recover amounts paid, together with repayments of the former and recoveries of the latter. Remittances embrace all transactions which are taken to merely adjusting heads of accounts, the debits or credits under which are eventually cleared by a corresponding credit or debit either within the same or in another circle of accounts.
- 10.1.2 The general principles and rules of audit which govern audit of expenditure apply mutatis-mutandis to disbursements under Debt and Remittance heads. In the case of a repayment, the Finance & Accounts Officer should check the payment against the original receipt and should satisfy himself that the repayment is made according to the rules, regulations or orders which govern the transaction. Similarly, in case of a payment subject to recovery, Finance & Accounts Officer should ascertain that the payment conforms to the authority which governs it and has further to watch that the moneys are regularly repaid by the debtor.
- 10.1.3 It is an important part of the duties of Finance & Accounts Officer to review and verify the balances under Debt heads and the outstanding under Remittance heads as disclosed in the books of Finance & Accounts Officer at the close of the year. The first step in the process of this verification is to see how far the final results of any detailed accounts kept of the transaction work up to and agree with the balances on the Ledger. The next step is to ascertain, where necessary, whether the person or persons by whom the balance is owed or to whom it is due admit its correctness, and in case of balances due to Council how far they are really recoverable.

10.2 Investments

The Director (Finance) is responsible for keeping a watch over investment of funds forming part of the Council's balances. It should be seen that investments made are of the category authorized by the Financial Advisor/Government of India.

10.3 Provident Funds

The audit of transactions pertaining to Provident Funds controlled by the Council mainly consists in seeing that these transactions conform to the rules or regulations governing the administration of each fund and any subsidiary instructions issued thereunder.

Subscriptions to Provident Fund can be received only from such Council's employees as are either required or permitted by the rules of the Fund to subscribe to it. Having satisfied himself on this score, the Finance & Accounts Officer must watch that subscriptions and any other dues recoverable under the rules of a fund are duly and regularly recovered from the employees concerned. In the case of Contributory Provident Fund, Finance & Accounts Officer has also to examine that Council's share is properly calculated and brought to account. Finally, Finance & Accounts Officer must verify that the accounts of the funds are correct both in total and in the detailed accounts of the subscribers.

10.4 Deposits

10.4.1 In the case of moneys received to be held as deposits it should be seen that no item is credited as a deposit in the Council's accounts which would be credited as a revenue receipt or in reduction of ordinary expenditure of the Council. In respect of repayments of deposits, the Finance & Accounts Officer should check each repayment against the original receipt, either individually or against the total credit in a particular account, in order to see that repayments do not exceed the amounts originally received and credited to Council. It is also the function of the Finance & Accounts Officer to see that balances in deposit accounts are correctly carried over from year to year, that the balance at the close of the year in each account is acknowledged as correct by the person or body concerned where necessary and practicable and that any deposits remaining unclaimed for such period as may be prescribed by Council in this behalf are duly credited as revenue receipts of Council.

10.4.2 If a fund has been created for specific and well defined purpose and are fed by contributions or grants by ICAR or from outside agencies, it should be seen that :-

- (i) the transactions are classified and accounted for correctly;
- (ii) these transactions conform the rules and orders governing the administration of each fund made by competent authority;
- (iii) the balance at the close of the year standing in the account of each fund is verified, and
- (iv) where the whole or any part of the balance of the fund is invested, the Council's interest is kept in view.

10.5 Loans and Advances by the Council

The Finance & Accounts Officer should also see that the conditions of a loan or advance are complied with by the debtor and should exercise a close watch over repayment of principal and realization of interest, if any. He should report without delay any default in

re-payment either of principal or of interest thereon to the authority which sanctioned the loan or the advance. The sanctioning authority has to see that the loans and advances are utilized for the purpose and the objects for which they are sanctioned.

10.6 Remittances

- 10.6.1 In the check of Remittance transactions, it should be seen that debits and credits are cleared either by receipt or by payment in cash or by book adjustment under the relevant Service or Revenue heads of accounts or have been paired off by corresponding credits or debits within the same or in another accounts unit. An important part of the check is the scrutiny of balances from month to month in order to effect their early clearance and to determine the accuracy of the outstanding at the end of the year.
- 10.6.2 In the first week of April each year, the Finance & Accounts Officer will furnish a statement of remittances received by them during the period from 1st April to 31st March of preceding year to the Director (Finance), who will get it reconciled with reference to the figures as per Council Headquarters records. The results of the reconciliation, in such cases, required to be communicated to the Finance & Accounts Officer before 30th April.
- 10.6.3 The Finance & Accounts Officer may also ensure that wherever payments of statutory dues are to be made online, accounts are opened as per instructions of the ICAR Headquarters and such remittances are made without inviting any penalty and the Bank Account is scrupulously maintained in accordance with the instructions on the subject. *(F. No.: 13-1/2013-Acs-I, dated: 04th March 2015)*

Check of Stores and Stock Accounts including Outsourcing of Services

11.1 General

11.1.1 The check of payments for the purchase of stores is conducted according to the rules prescribed in regard to the check of expenditure from the Council's funds.

11.1.2 Irregularity in the disposal of public stores is equivalent to an illegal appropriation of public money. Moreover, a check of the expenditure of money spent on the purchase of stores cannot in itself be a complete check of the final application of the money without a check of the disposal of stores.

11.1.3 The check of the accounts of stores and stock kept in an office or Institute of the Council should be conducted in accordance with the instructions laid down below:-

- (a) The check of stores accounts kept in any office or Institute of the Council shall be directed to ascertaining that the departmental regulations governing purchase receipt and issue, custody, condemnation, sale and stock-taking of stores are well devised and properly carried into effect and to bring to the notice of the Council any important deficiencies in quantities of stores held, or any grave defects in the system of control.
- (b) As regards purchases of stores, the Finance & Accounts Officer will see that:
 - (i) these are properly sanctioned, are made economically and in accordance with rules or orders made by competent authority for purchase of stores required for the public service, in particular when stores are purchased from suppliers or contractors the prescribed purchase procedure is adopted as mentioned in the General Financial Rules and the purchase is made from the lowest tenderer unless there are recorded reasons to the contrary;
 - (ii) the rate paid agree with those shown in the supply or contract or agreement made for the supply of the stores;
 - (iii) certificates of quality and quantity are furnished on the body of the bills by the concerned official before payment is made, except where the contrary is allowed by the rules of the Council regulating purchase of stores; and
 - (iv) Purchase orders have not been split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

- (v) While scrutinizing and concurring procurement proposals the Finance & Accounts Officer must see that the instructions related to mandatory publication of tender enquiries as well as details of bid awards are put on Central Procurement Portals. (*F. No.: 12(1)/2012-CDN (A&A), dated: 24th September 2014*)
- (vi) Where the procurement of imported equipment incorporates a provision for in-built training abroad, the instructions contained in F. No.: 8-15/2012-IC.II, dated: 01st August 2012 is strictly adhered to.
- (vii) Finance & Accounts Officer must also see that instructions contained in the “New Procurement policy for Micro & Small and Medium Enterprises (MSME) issued by the Ministry of MSME and endorsed by ICAR are followed while concurring proposals from such industries. (*F. No.: 21-24/2012-CDN, dated: 10th July, 2012*)
- (viii) While examining and concurring any Works related proposals, the Finance & Accounts Officer must see that it has not resulted in any cost overrun or time over run. He may not concur any such proposal where there is a cost and time over run, as such proposals are examined and cleared by Council. (*F. No.: 1(1)/1997-PIM, dated: 05th February 2014*)
- (ix) Finance & Accounts Officer must see that proposals for “Hiring Technical Manpower on short term basis” follow the guidelines and instructions on the subject before concurring such proposals. (*F. No.: 17(1)/2013-ESSt. IV, dated: 12th August, 2013 & 13th November 2013*)
- (x) While scrutinizing any purchase proposals, Finance & Accounts Officer must see that various provisions of the “Manual of Policies and Procedure of Procurement of Goods and Services” are followed. Likewise for works related proposals the various provisions of the “Manual of Policies and Procedure of Procurement of Works” should be adhered to and for engagement of consultants the “Manual of Policies and Procedure of Employment of Consultant” is adhered to. (*F. No.: 6(2)/2007-CDN (A&A), dated: 07th November 2007; F. No.: 9 (7)/2007-CDN (A&A), dated: 26th July, 2011 & 15th November 2007*)
- (xi) While examining proposals related to “Hiring/Outsourcing of Services for Security” the Finance & Accounts Officer may examine the proposal and concur the same with regard to Council’s instructions on the subject. It is also imperative that the powers delegated to Directors of ICAR Institutes are not exceeded under any circumstance while releasing payment and this should be controlled from the first month itself and any proposal where such ceiling are likely to exceed after six or eight months of engagement must not be concurred

and payment not released from first month itself before the institute obtains the approval of Council for higher expenses. (*F. No.: 17-1/2010-Estt-II, dated: 08th June 2012*)

- (xii) While examining proposals related to engagement of casual labour/ farm labour/ Outsourcing of Farm work/Housekeeping/Gardening etc the Finance and Accounts Officer must see that statutory provisions of labour laws are observed by institute, failing which the matter may be brought to the notice of Director of Institute and recorded as comments of Internal Finance in the Sanction Order if the observation of Internal Finance are not complied with. While scrutinizing such proposal it must be seen that firm which has quoted 'nil' consideration in the bid should be regarded as null and void. (*F. No.: 11 (4)/08-Law, dated: 01st August 2009*) (*F. No.: 12 (1)/2011-CDN (A&A), dated: 11th February 2014*)
- (xiii) Where the proposal involve release of "Mobilization Advance" the proposal should be scrutinized in light of the Council's instructions on the subject issued vide F. No.: 42-2/2006-Vig, dated: 01st May, 2007 incorporating there with the instruction from CVC. Similarly negotiations with L-1 must be carried out strictly as per the instructions issued by Vigilance Section of Council from time to time including those issued vide F. No.: 42-2/2006-Vig, dated: 28th March 2007.
- (xiv) While scrutinizing proposals related to procurement of Laptop/Notebook etc instructions contained in F. No.: 22(10)/2009, CDN (A&A), dated: 30th May 2012 and dated: 08th October 2014 (incorporating MoF instructions 8(25)/2012-EIIA, dated: 19th September 2014) should be adhered to. MoF issues instructions on mode and ceiling of such purchases which may also be referred to while concurring such proposals.
- (xv) Bank Guarantee furnished by the firm must be examined scrupulously so that fake/forged Bank Guarantees are not accepted by office. Instructions have been issued by Council on the subject. This may strictly be adhered to by the office. The office must certify that the Bank Guarantee received by it is perfect in all respect and this should be forwarded along with the bill of the concerned firm to the Finance & Accounts Officer who will release the part payment against the Bank Guarantee only on receipt of such certificate from office administration. This, however, does not in any way, obviates the Finance & Accounts Officer from calling the original Bank Guarantee for test checks. (*F. No.: 42-2/2006-Vig, dated: 05th March 2008*)
- (xvi) While scrutinizing proposals for procurement of equipment etc it must be ensured that products with standard specifications are only indented and the indenter should furnish such an undertaking along with the indent. Finance &

Accounts Officer must see that such an undertaking is appended with every procurement proposal. (F. No.: 42-2/2006-Vig, dated: 22nd August, 2007)

- (xvii) In case of procurement of expensive equipment, the Director of institute must execute a legally enforceable agreement/contract before installation of equipment/machineries so as to safeguard the Council's interest. The Finance & Accounts Officer must ensure that such an agreement has indeed been executed before release of payment to firm. (F. No.: 21-18/2004-CDN, dated: 24th September 2004)
 - (xviii) While releasing payment related to procurement of Chemicals/Medicines etc, the bill must include a certificate that the purchased chemicals/Medicines have not crossed the expiry date and have sufficient time for their usage before the expiry date. Finance & Accounts Officer must not release payment in absence of such a certificate from the indenter. (F. No.: 5-1/2000-Vig./6925-30, dated: 29.08.2005)
 - (xix) Institutes enter into AMC and ARC for various equipment and services. The terms and conditions of AMC and ARC should ensure that the interest of the office is taken care of and these are not signed on the dotted lines or printed agreement form furnished by the firm. F. & A.O. may also note of latest development and orders on these subjects and keep themselves updated while concurring proposals.
 - (xx) Finance & Accounts Officer will also ensure observance of other instructions and orders issued by the ICAR/GoI on the subject from time to time and he is required to keep himself abreast with these instructions while concurring financial proposals.
- 11.1.4 It should be ascertained that the accounts of receipts of stores whether purchased, or otherwise obtained, and of their issues and balances are correctly maintained. Where a scale has been prescribed by the Council or other authority for issue of stores of any particular kind, it should be seen that the scale is not exceeded.
- 11.1.5 Stores, in many cases, represent a locking up of capital, which is not justifiable unless essential. In order to effect economy in this direction, it will be seen that the balance in hand does not exceed that maximum limit prescribed, if any by competent authority and is not in excess of requirement for reasonable period.
- 11.1.6 Improper planning, taking hasty investment decision for purchase of heavy machinery and equipments and also entering into rate contract without exercising more elaborate and in-depth scrutiny of the proposals result in delay, non-commissioning of machinery/equipment and non-usage of stores immediately on its receipt. While procuring new equipment/machinery, it should be ensured that all pre-installation facilities are available so that the equipment/ machinery are commissioned within a reasonable time of their

arrival and are not allowed to remain idle for want of connected facilities. Machinery/equipment costing more than Rupees Five lakh not commissioned within a period of 3 months should be brought to the notice of Director of the Institute and those over 6 months reported to the Council with reasons for non-commissioning/non-installation.

11.1.7 The Finance & Accounts Officer should scrutinize sanctions to write off of store accorded by competent authority and bring to his notice any defect of system which appears to require attention.

11.1.8 The accounting for and maintenance of unserviceable stores which cannot be utilized by the department in whose custody they are kept involve waste of labour and space. The retention of stores in excess of the probable requirements of the department in the near future may result in loss to Council through deterioration. It should, therefore, be seen that measures are taken to survey, segregate and consider the disposal of unserviceable, surplus and obsolete stores in accordance with the procedure prescribed by Council in this behalf and a report of surplus, obsolete and unserviceable stores prepared in **Form 4** for disposal.

11.1.9 The Head of Office/Store Officer/Drawing & Disbursing Officer, as the case may be, should take up the stock verification annually and a certificate to the effect showing closing stock of inventory as on 31st March furnished to the Finance & Accounts Officer in the first week of April each year. Since the Council has adopted the accrual accounting system the stores branch has to maintain proper stores/stock account showing book value and depreciated value. The annual verification report should also be furnished to the Finance & Accounts Officer in the first week of April each year. All these details will enable the Finance & Accounts Officer to reflect the correct picture in Annual Accounts. The correct valuation of closing stock at the end of the financial year is of utmost importance and the Head of Office/Store Officer has to provide this information to the F. &A.O. by 15th April every year for incorporation in Annual Accounts.

11.1.10 It is an important function of Audit to ascertain that the articles are counted periodically and otherwise examined to verify the accuracy of the quantity balance in the books. It should therefore be seen that certificate of verification of stock/stores are recorded periodically by a responsible authority that the system of verification adopted by the Executive is adequate and proper, that discrepancies found on stock-taking are properly investigated and adjusted; and that wherever possible, the staff responsible for the verification is independent of the staff which is responsible for the physical custody of the stock or for keeping accounts of it.

11.1.11 Where a priced account is maintained, it will be seen that:

- (i) the stores are priced with reasonable accuracy and the rates initially fixed are reviewed from time to time, are correlated with market rates and revised where necessary;

- (ii) the value accounts tally with the accounts of works and of departments connected with stores transactions, that the total of the value account tallies with the outstanding amount in the general account and that the numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores; and
 - (iii) Steps are taken for the adjustment of profits or losses due to revaluation/depreciation, stock-taking or other causes and that these are not indicative of any serious disregard of rules. However, increase in the value of stores are not to be accounted for in the book of accounts.
- 11.1.12 Accrual accounting stipulates calculation of profit or loss on disposal of fixed assets and its correct accounting is to be ensured. Any writing off of assets due to theft, fire negligence or natural calamities also are to be properly accounted for in the book of accounts and in the Asset Register subject to completion of codal formalities in this regard.

Check of Commercial Transactions

12.1 General

- 12.1.1 The operations of Publication Directorate and some Divisions of the Research Institutes involve activities of a commercial or quasi-commercial character. Even though these are maintained without any commercial motive, it is necessary that the financial results of their transactions should be expressed in the normal commercial form so that the cost of the service may be accurately known. This implies the maintenance of suitable Capital, Manufacturing, Trading and Profit and Loss accounts. However, as the Council's system of accounts, has been changed from cash basis to accrual basis and the Income & Expenditure Account and the Balance Sheet are also prepared, but not Profit & Loss Account, the commercial accounts are kept on a proforma basis outside the general accounts of the Council. The actual transactions entering those Proforma Accounts except those adjusted on a purely liability basis, find a place primarily in the regular accounts and the commercial accounts are additional as well as separate.
- 12.1.2 The principles and rules to be applied to the check of commercial accounts are those generally adopted by commercial law or practice for non-Government concerns. But this does not involve the abrogation of the general principles of the check of receipts and expenditure of the Council in relation to the individual financial transactions of the undertaking.
- 12.1.3 The main object of the check of commercial transactions (apart from the fundamental purpose of preventing and detecting error and fraud) is to secure that the proforma accounts may present a full and true picture of the financial results of the undertaking in terms of commercial ideas of liability and asset, debit and credit, profit and loss.
- 12.1.4 In the check of commercial accounts it is of primary importance to verify the correctness of the allocation of expenditure between capital and revenue, the valuation of assets upon a reasonable basis, and the adequacy of provision for depreciation and bad debts.

12.2 Workshop Accounts

- 12.2.1 The audit of Workshop Accounts includes not only the usual scrutiny of the admissibility of the payments and the correctness of the accounts, but also an examination of any cost accounts, where maintained, in order to test whether they are soundly compiled and made to tally with the expenditure accounts. Any appreciable discrepancies between the aggregate of the expenditure charged to various jobs and figures in the expenditure account should be investigated. It is the duty of the Finance & Accounts Officer to verify that stores received for workshop are properly brought to account and that the issue of stores against work order is properly controlled.

- 12.2.2 In the case of manufacturing operations, the financial results of the year should be scrutinized and if possible, the cost of manufacture in the workshop compared with the price of similar articles outside.
- 12.2.3 The proforma accounts of workshop should be scrutinized to verify that they form an accurate and complete record of all the financial transactions directly or indirectly affecting workshops.

Section: III

Supplementary Audit Instructions

- Chapter 13: General Checks of Basic Records**
- Chapter 14: Check of Pay & Allowances of Officers and Establishment**
- Chapter 15: Check of Travelling Allowances**
- Chapter 16: Check of Contingent Expenditure**
- Chapter 17: Check of Contracts**
- Chapter 18: Check of Grants-in-Aid**
- Chapter 19: Check of Pensions**
- Chapter 20: Check of Provident Funds**
- Chapter 21: Check of Deposits**
- Chapter 22: Check of Advances**
- Chapter 23: Check of Publication Expenditure**
- Chapter 24: Check of Works Expenditure**
- Chapter 25: Check of Purchases, Procurement of Goods and Services**
- Chapter 26: Accounting of Transactions under Training, Consultancy & Contract Research**

General Checks of Basic Records

13.1 Bills and vouchers

- 13.1.1 Money cannot be withdrawn from the Council's Bank Account except on the authority of 'Pay Order' signed by the Finance & Accounts Officer on bills presented to him.
- 13.1.2 A bill is a statement of claims against the Council containing specification of the nature and amount of the claim either in gross or by items, and includes such a statement presented in the form of a simple receipt. A bill or a cheque becomes a voucher when it is only receipted and stamped 'Paid'. Thus, every payment of the Council is made on a document called a voucher (or an acquittance) which gives the amount, nature, and period of the payment and all other details necessary for its complete identification and contains a receipt of acknowledgement or acquittance by the person to whom the payment is due. This system, whereby the payer obtains documentary evidence from the payee in proof of the payment made by him, is universal in accounts. From the point of view of the payer the document is called a voucher or acquittance; from that of the payee a receipt. It is the duty of Audit to enforce this system, i.e. to ensure that for every payment there is a voucher in proper form, properly drawn up, arithmetically corrects, and receipted by the proper person.

13.2 Receipts and Certificates

- 13.2.1 The Farm Manager shall monitor the work contracts related to farm (*Reference F. No.: 17(1)/2010-Estt.II, dated: 11th June 2010*) and submit his report to the Head of Office who will verify the contractor's bill on the basis of the certificate rendered by the Farm Manager and arrange to prepare and signs bill for them. The Head of Office shall also obtain similar certificates from other officers identified for monitoring the works/contract. The Head of Office signs or countersigns a travelling allowance bill for himself and others founded on special or general knowledge that the journeys for which traveling allowance is claimed have actually been performed; he submits a claim for contingencies .or supplies after seeing personally (or through others) that the articles charged for are required for the public service and have actually been purchased and brought into public use; he counts cash, stamps; etc. under his charge and thus proves his accounts for the month etc. At those points the accounts spring direct from the facts; at these points they obtain whatever vitality and reality they possess; their accordance with the facts, through all their subsequent changes of form, depends on their truth at these points. The audit conducted by the Indian Audit Department or by Finance & Accounts Officer in the ICAR does not come in here at all; the executive and administrative disbursing officers alone verify the initial record with facts; the accordance of the initial record with fact is accepted by the Finance & Accounts Officers on their statement and responsibility, except where there is collateral evidence of error.

13.2.2 What Audit does in all those cases is to require receipts of the payees, certificates of the disbursing officers and the counter signature of controlling officers. Thus for construction; it requires receipts of contractors and other to whom large payments are made certificates given by the disbursing officers of measurements of work done, of the counting of labourers and of receipt of supplies and of completion of work; and in the case of works for which contracts are executed, certificates of the rates having been approved by the authorities sanctioning the contracts. For contingencies, receipts given by payees are obtained, and certificates from the disbursing officers that the payments were necessary for the public service and have actually been made; also, in some cases, the disburser's certificates are reinforced by countersignature of the bill by superior officers. For pay, receipts are obtained from Head of Office to the effect that they have actually been present on duty and that previous pay has been paid to them and their receipts recorded. For leave and pension payment receipts only are necessary; for traveling allowances, technical certificates and counter signature etc. The contact of the audit and accounts with the fact is therefore through receipts and certificates, reinforced in some cases by countersignature. It has no opportunity of seeing the facts with its own eyes and comparing the bills with them. It is therefore, the duty of Finance & Accounts Officers to scrutinize with reference to the records submitted for pre- audit, the manner in which the executive officers discharge their financial responsibilities, and in order to supplement this scrutiny, a test check of the original records maintained by the administrative wing is conducted periodically by the Audit & Accounts Branch.

13.3 Detection of fraud

13.3.1 Commercial audit regards the detection of fraud as one of its main duties. But such detection is almost impossible except at the verification of the original records. Hence, the detection of fraud in pre-audit alone is rare. While detection of fraud by an executive officer is frequently due to defects brought to his notice by the Audit Branch in the normal course, frauds are mainly susceptible of detection at the time of internal audit or local inspections mentioned in the preceding paragraph, which give the expert eyes of the trained auditor an opportunity to detect in the original records suspicious factors which could not come to notice otherwise.

13.3.2 It is essential to investigate frauds carefully because valuable lessons can almost always be learnt from them. The main point in every fraud investigation must be to ascertain whether the exercise of ordinary common sense, such as one ought to expect from every official, and the application of existing rules, would not have rendered the fraud impossible. It should be borne in mind that fraud is prevented far more by punishing the person guilty of the defalcation and the official whose negligence rendered the fraud possible than by adding to the enormous number of rules already in existence. But fraud investigation may sometimes indicate a defective system of check and then the revision of the system is essential.

13.4 Check of Bills

13.4.1 The Audit & Accounts Branch should conduct the check of bills presented for pre-audit and payment thereof. In checking the bills, the more important points to which the audit devotes its attention are:-

- (a) that the bills are in the prescribed form, that they are duly receipted by the payees, that they are only claims and not acknowledgements, that they are in original, that a brief abstract is given in the official language authorized for the purpose under the signature of the drawing officer on all bills written in any other language and signatures in other than the authorized script and transliterated, also that sub-vouchers contained notes of dates of payment;
- (b) that they have been filled in and signed in ink;
- (c) that the details work up to the totals and the totals are in words as well as in figures;
- (d) that all corrections and alterations in the total of a bill have been attested by the dated signatures of the person signing the receipt as many times as such corrections and alterations are made;

NOTE: Erasures and over-writing in any bill are absolutely forbidden and must be avoided; if any correction be necessary the incorrect entry should be cancelled neatly in red ink and the correct entry inserted. Each such correction should be authenticated by the drawing officer setting his dated signature against each.

- (e) that full accounts classification has been recorded on each bill;
- (f) that in the case of bills presented on account of charges incurred under any special orders, the orders sanctioning the charge have been quoted and that copies of sanctions have been certified by the sanctioning officer or by an officer authorized to sign for him;
- (g) that no payment is made on a bill or pass order signed by the competent authority;
- (h) that in all cases in which it is prescribed that agreement should be effected between *two* different documents, the fact of the agreement is noted on both the documents and the note initialed by the audit clerk who makes the agreement;
- (i) that when the drawing officer requires payment to be made through some other person *or* agency, he has specifically endorsed an order or furnished such authorization as may be necessary to pay to that specified person or agency;

- (j) that Fund and statutory payments like income-tax deductions etc. have been correctly made;
 - (k) that receipt stamps are affixed to bills, where necessary.
- 13.4.2 When a person not in the Council's employment claims payment for work done, service rendered; or articles supplied such claims should not be directly entertained by the Finance & Accounts Officer unless there are express orders of the Council to the contrary. They should be submitted through the DDO, Head of the Office or other responsible officer under whose immediate order the service was done or the equivalent was given for which payment is demanded.
- 13.4.3 Specimen signatures of officers drawing pay bills or contingent bills should be obtained and pasted in the proper pages of the Audit Registers, and each audit clerk should, on receipt of a bill, first of all see that the signatures on the bill agrees with that recorded in the Audit Register. The specimen should be attested by the full dated signature of the Finance & Accounts Officer and a rubber stamp should not be used for this purpose.
- 13.4.4 After the bills have been examined and recorded and the pre- check encagements and the amounts passed for payment (in words and figures) written on them by the audit clerk, and checked by JAO they should be laid before the Finance & Accounts Officer with the audit registers. The Finance & Accounts Officer will examine the bill, compare the signature of the drawing officer with his specimen signature in all cases and if satisfied of the correctness of the charges, initial or tick off the entries in the registers and pass the orders for payment over his full dated signature. The bills will then be passed on to the cheque writer.

13.5 Cheques

- 13.5.1 The Finance & Accounts Officer must ensure that payment to suppliers above Rs. 25,000/- is made through e-payment only. (*F. No.: 12(1)/2012-CDN (A&A), dated: 13th April, 2012*)
- 13.5.2 The Finance & Accounts Officers only are authorized to make payments. All payments are made by online transfer of funds irrespective of whether these are payment to local vendor or outstation payments. Where Bank Drafts are required to be purchased these are at par against cheques or by electronic transfers. Cash payments, wherever necessary are, however, arranged through the Drawing & Disbursing Officer.
- 13.5.3 The Finance & Accounts Officer is one of the four or more authorized signatories of whom any two can jointly operate a Council's Bank Account. He is responsible for the correctness of the cheques issued and should therefore be the first signatory in the process

of joint signatures whenever he is on duty. The cheque books should therefore remain in the personal safe custody of the Finance & Accounts Officer who, when relieved, shall take a receipt for the exact number of cheques made over to the relieving officer.

- 13.5.4 On receipt of the passed bills, the cheque writer should first examine it and then prepare a cheque for the net amount indicated in the pay order. He should make necessary entry in the “Record Slip” provided at the beginning of Cheque book for records and initial it. He should note the number of the cheque conspicuously on the bill and lay the cheque and the bill together before the Finance & Accounts Officer who will satisfy himself about the correctness of the cheque, sign it and pass on the same for the signatures of one of the other signatories. The passed bill should then be stamped ‘cheque drawn’ and both the passed bill and the cheque kept together till the cheque is delivered/produced to bank for online transfer of amount as the case may be, after dating it and obtaining the payee’s acknowledgement which should be attached to the bill after stamping it as ‘paid’ and writing the voucher number on its upper right hand corner.
- 13.5.5 The cheque should be crossed when it is to be dispatched by post or when it is payable to a Bank, private person, body or firm. Open cheque must not be issued. Only cheques for pay and allowances and contingencies drawn in favour of the Drawing Officer should be open cheques.
- 13.5.6 A Stock Register of cheque books should be maintained in which the cheque books obtained from the bank and issued for office use may be entered. The stock register and blank cheque books should remain in safe custody of F&AO.
- 13.5.7 The current cheque book should be handed over to the cheque writer / Dealing Assistant by the F&AO daily and the same should be taken back in the evening. The cheque writer/dealing Assistant should remain very alert/ careful and should personally get the cheques signed by the authorized signatories. In no case should the cheque book be given to any other official to get it signed from authorized signatories or for any other purpose. If at any time a person other than cheque writer/ concerned dealing Assistant brings the cheques for signature, the authorized signatories should immediately find out reasons therefore and ensure enforcement of these instructions.
- 13.5.8 The counterfoils of cheques should be duly filled in and initialed by both the signatories before issue of cheque. F&AO concerned should daily verify that unused leaves of the cheques are not missing.
- 13.5.9 The cheque books should not remain unattended on the table either of the dealing Assistant or F&AO concerned or any other officer.

- 13.5.10 After signatures, the cheques should be dispatched through registered post and in no case, handed over to the parties or their representative in person.
- 13.5.11 The cheques pertaining to DDOs should be entered in the register with complete details and thereafter handed over to DDO or his authorized representative, after taking the acknowledgement.
- 13.5.12 Cheques / Demand Drafts pending for dispatch should be handed over by the dealing Assistant to F&AO for keeping them in safe custody daily before leaving the office.
- 13.5.13 No bill should be kept pending for more than two working days for preparation of cheque.
- 13.5.14 While proceeding on leave, the F&AO should hand over cheque book to the officer who is to look after the work, after counting the unused leafs of cheque book and taking his due acknowledgement.
- 13.5.15 After all the cheques are issued, the jacket of the cheque book should be kept in the custody of the F&AO after making due entries in Stock Register.
- 13.5.16 The Bank may be asked to provide Bank statements/scrolls on monthly basis. The same may be reconciled with the Main Cash Book and monthly Bank Reconciliation Statement may be furnished to the Council invariably by due date.
- 13.5.17 The surprise check of cash should be made by F&AO on monthly basis. In addition to this, surprise check of cash may also be carried out frequently by the Head of Office.
- 13.5.18 The officials handling cash and / or cheque books should be transferred to other seat every 3-5 years.

13.6 Cash Books

All monetary transactions to which an officer of the Council is a party in his official capacity shall immediately and without any reservation be brought to accounts of the Council, as soon as they occur. Accordingly, all departmental receipts which have to be deposited into the bank account and all departmental payments which have to be made by cheques drawn on the bank should be accounted for in the Main Cash Book in **Form 5** which should be maintained by the Finance & Accounts Officer. Cash and money orders shall, however, be received direct by the Drawing & Disbursing Officer who will enter them in the Subsidiary Cash Book in Form 1, deposit them in the bank account, and furnish, duly acknowledged challan to the Finance & Accounts Officer to enable him to

incorporate them in his main Cash Book. It is incumbent on the Administrative Officer and others concerned to ensure that dues from other parties are realized and credited into the bank account. They should, therefore, reconcile the figures appearing in the cash account with their departmental records from month to month and take action to realize the outstanding dues lest they should be lost sight of and to set right any wrong adjustment in accounts, as the case may be. The general guidelines for maintenance of Subsidiary Cash Book by the Drawing & Disbursing Officer are given in Chapter 5 of this Manual.

13.7 Main Cash Book

- 13.7.1 The Cash Book maintained by the Finance & Accounts Officer reflects bank transactions alone viz. all receipts deposited into the Bank Account and withdrawals made there from. The Officer-in-charge should initial each entry in the Cash Book at the time of its occurrence and before closing the Cash Book verify that no entry has been fraudulently made therein by comparing each entry with the counterfoil of the cheque book and pay-in-slip, as the case may be, and initial the same in token thereof. The balance at the end of the month shall be struck and the grand total on each side of the Cash Book agreed. The Officer-in-charge of the Cash Book should verify totaling of the cash book or have it done by some responsible subordinate other than the writer of the Cash Book. The Cash Book should be closed monthly and signed by the Finance & Accounts Officer. The closing balance as per Bank column of the Cash Book should be reconciled with the closing balance as per Bank Statement and any discrepancy between the two, should be explained in the Cash Book as follows:

Closing balance as per Bank column of the Cash Book.

- (a) Add amount of cheques issued but not cashed by the Bank.
(Give details like cheque No., date, Party to whom issued and the amount etc.)
- (b) Add credits accounted for by the Bank but not included in the Cash Book pending receipt of advice. (Give full details of individual credit)
- (c) Deduct debits made by the Bank but not included in the Council's account pending receipt of advice (Bank Commission). (Give full details of individual debit)
- (d) Deduct receipt included in the Cash Book but not shown in the Bank Account. (Give full details of individual receipt)

The balance should tally with the closing balance as per Bank Column of Cash Book.

- 13.7.2 The Main Cash Book of the Institute should be closed every month appending the signature of the Finance & Accounts Officer of the Institute as well as the Director of the Institute with a view to settle the old pending items in the Bank Reconciliation Statement. (*F. No.: 8-121/2014-Accounts II, dated: 06th January 2015*)

13.8 Conciliation of figures related to Accrued Income, Outstanding Liabilities, Assets Acquired, Inventory and Broadsheets of Advances etc. maintained by the Head of Office with those maintained by the Finance Section.

- 13.8.1 The Council has adopted the accrual accounting system and has to maintain the accounts on double entry system i.e. preparation of Receipts & Payments Account, Income & Expenditure Account and the Balance Sheet etc. as per the requirement of the accrual accounting. Therefore, the Head of Office will maintain necessary records and furnish necessary information to the F&AO for compilation of accounts in the prescribed format. Head of Office shall furnish the details of income accrued but not realized and also the outstanding liabilities at the close of the financial year. The Head of Office shall also furnish and reconcile the information about accrued income, pre-paid expenses, outstanding liabilities, closing balances of store/stock at the end of the year etc. with the figures of Finance & Accounts Section.
- 13.8.2 Similarly, the monetary value of closing stock of various items, including consumables and also assets disposed off/written off, profit or loss on sale/disposal of assets during the year and assets acquired during the year will be maintained and reconciled with the figures of Finance & Accounts Section by the Head of Office.
- 13.8.3 Head of Office will also ensure that the DDO will maintain broadsheet and furnish the information about accrued interest on various interest bearing advances along with the balances and reconcile these with the figures of Finance & Accounts Section for the purpose of compilation of accounts.

Check of Pay & Allowances of Officers and Establishment

14.1 Introduction

- 14.1.1 The check of Pay, leave salary and other allowances admissible to various officers and other employees of the Council is mainly conducted with reference to rules and regulation made by the competent authority governing to their conditions of service. The essential point to be observed in the check of Pay bills is to verify the title of Council's employees to the pay drawn by them i.e. there are duly sanctioned post and the pay claimed is admissible in respect of post to which they have been duly appointed and of which they are actually in charge and to see that the appointments have not been made in excess of the sanctioned strength.
- 14.1.2 No pay should be passed for an employee beyond attaining the age of superannuation or on the expiry of a term of extension of service sanctioned by the competent authority.
- 14.1.3 The Finance & Accounts Officers are not required to watch the observance of the provisions of the following nature:-
- (a) rules relating to the representation of any particular community or any backward class of citizens;
 - (b) rules relating to the proportion to be observed in recruitment to services between personnel promoted from subordinate ranks and that recruited direct; or
 - (c) rules relating to educational or other qualifications.

14.2 Service Books

A Service Book in the prescribed form is to be maintained by the Head of Office for every Council servant. In this book, every step in the Council Servant's official life should be recorded and each entry attested by such superior officer as prescribed by the Council. The leave account should also be kept in the prescribed form appended to the Service Book. At a fixed time early in the year, the Service Books shall be taken up for verification by the Head of office who, after satisfying himself that the services of the Council's employees concerned are correctly recorded in each of the Service Books, shall record in each case a certificate of verification of service over his signature. The general guidelines for maintenance of Service Book by the Head of Office are given in Chapter 4 of this Manual.

- 14.2.1 The declaration of Council servants electing the scales of Pay and statements showing the fixation of initial pay in the relevant scale of pay in support of entries in Service Book,

nominations for Gratuity and CGEGI Scheme (all in original) should be pasted in the Service Books themselves. The General Provident Fund Account number allotted to a Council employee should also be entered on the right hand top of page 1 of his service book.

14.2.2 The service book of a Government servant shall be maintained in duplicate. First copy shall be retained and maintained by the Head of the Office and the second copy should be given to the Government servant for safe custody as indicated below:

(a) To the existing employees – within six months of the date on which these rules become effective.

(b) To new appointees – within one month of the date of appointment.

In January each year, the Government servant shall handover his copy of the Service Book to his office for updation. The office shall update and return it to the Government Servant within thirty days of its receipt.

In case of Government servants copy is lost by the Government servant, it shall be replaced on payment of a sum of Rs. 500/-.

14.2.3 On an employee completing twenty five years of service or on his being left with five years of service before the date of retirement, whichever is earlier, the Head of office in consultation with the Finance & Accounts Officer shall in accordance with the rules for the time being in force verify the service rendered by such an employee, determine the qualifying service and communicate to him in the form prescribed under Rule 32 of CCS (Pension) Rules 1972, the period of qualifying service so determined. If the Head of Office does not comply with these requirements or in case any mistake in the calculation of qualifying service is detected later, the Head of Office will be held personally accountable.

14.3 Leave Accounts

14.3.1 The leave account of the Council's employees is kept by the Head of the Office in which they are employed.

14.3.2 Before leave is sanctioned to an employee, the authority sanctioning the leave should consult the leave account and satisfy himself that the leave is admissible.

14.4 General System of Payment

The Council's employees are permitted to receive their salary in cash/cheque/by online transfer of funds to his bank account at their option. Acquittance for the payments made to them shall be obtained by the Drawing & Disbursing Officer. An option in this regard will, however, be exercised in March every year for the ensuing financial year. Payments

other than of salary will also be made by the same kind of payment as of salary. However, in cases where salary is payable in cash, other payments like house building advance where payment is heavy may not be paid in cash and should invariably be made online.

14.5 Compensatory Allowances and Honoraria

14.5.1 House rent and other compensatory allowances should be determined with reference to rules and orders relating to such allowance and ensure that the requisite certificates regarding the fulfillment of the conditions attaching to the allowances are indicated in the Pay bills.

14.5.2 In checking sanctions to the grant of any compensatory allowances, fees or honoraria to Council's servants the following general conditions should be kept in view:

- (a) Unless in any case it be otherwise distinctly provided, the whole time of a Council employee is at the disposal of the Council which pays him, and he may be employed in any manner required by proper authority, without claim for additional remuneration.
- (b) The authority granting or permitting a Council servant to receive any honorarium or fee is required to pay due regard to the principle enunciated in (1) above and also to record reasons justifying the grant of the extra remuneration to the Council servant concerned.
- (c) The amount of a compensatory allowance is to be so regulated that allowances are not on the whole a source of profit to the recipient.

14.6 Cost of Medical Treatment

The expenditure incurred by and to be reimbursed to Council's employees on account of medical attendance and treatment is drawn by the Drawing & Disbursing Officer in salary bills, under the sub-head 'Allowances & Honoraria etc.'. It should be seen by the Finance & Accounts Officer that the claims are submitted in proper form and are in accordance with the relevant rules and orders and are duly supported by essentiality certificate, proper receipts and vouchers in all cases. All such bills should be posted in the Register of Reimbursement of Medical Charges as a safeguard against double payments.

14.7. First Payment of Pay, Allowances etc.

14.7.1 When the name of a Council employee appears for the first time in a pay bill, the bill shall be supported by a Last Pay Certificate in the prescribed form for the purpose; if the employee did not previously hold any post under the Council or is re-employed after resignation or forfeiture of past service, a certificate by the drawing and disbursing

officer to the effect that the medical certificate of fitness in the prescribed form has been obtained in respect of such employee must accompany the bill in conformity with and if so required by any rule or order governing the conditions of the service to which he belongs.

14.7.2 Where the competent authority under any rule or order authorizes the drawl of pay and allowances of a newly appointed Council employee for a period not exceeding two months without a medical certificate of fitness, a certificate to this effect shall be furnished in the first pay bill.

14.7.3 If a pensioner is re-employed, it shall be stated so in the bill.

14.8 Procedure for payment of arrears of Pay, allowance etc., of a Council employee transferred from one Institute to another in respect of whom a last pay certificate has been issued

The Drawing & Disbursing Officer of the office in which the Council employee is currently working, may prepare a 'Due and Drawn Statement' in respect of arrears of pay and allowances of such employee and send it to his earlier office (s)/parent office, as the case may be, for verification of the claim. The latter office may check these statements, make entries in their records (i.e. in the office copies of the bills) and return to the concerned drawing officer with a certificate that the arrears relating to the Council employee have been noted in the relevant office copies of the bills. On receipt of the 'Due and Drawn Statement' duly verified by the earlier/parent office, the Drawing & Disbursing Officer may prepare the arrear bills of the concerned employee in the proper forms, record the necessary certificate as required in Para 13.7 and draw the bills and disburse the arrears to him on proper acquittance.

14.9 Arrear Bills

Arrears of Pay, fixed allowances of leave salary shall be drawn not in the ordinary monthly bill, but in a separate bill, the amount claimed for each month being entered separately with quotation of the number and date, together with the date of encashment, of the monthly bill from which the charge was omitted or withheld or on which it was refunded by deduction, or of any special order of competent authority granting a new allowance or an increase in pay. A note of the arrear bill shall invariably be made in the office copy of the bill or in the pay bill register for the period to which the claim pertains over the dated initials of the drawer of the arrear bill in order to avoid the risk of the arrears being claimed once again. The drawing officer shall also record the following certificates on the arrear bill under his dated signature:-

(a) that no part of the amount claimed has been drawn previously;

(b) that a note of the arrear claim has been made in the office copy of the bill or the

pay bill register for the period to which the claim pertains.

14.10 Absentee Statement

The monthly bill shall be supported by an absentee statement in **Form 6** if a Council's servant was absent during the month either on special duty or suspension, or with or without leave other than casual leave, or when a post is left vacant substantively. This statement is required to be submitted only in respect of long leave chains/spells and other long- term vacancies caused due to death, suspension, transfer, deputation, etc. against which either posting or officiating arrangements are made.

14.11 Provisional Payments

Provisional payments of Pay, allowances and leave salary can be made in accordance with the order of the competent authority to avoid unnecessary hardship to Council's employees without involving undue risk. In allowing Provisional payments, the Finance & Accounts Officer should observe the following principles:-

- (1) No provisional payment should normally be made without a request received from the authority that is competent finally to sanction the payment and the request should indicate the period (which may not exceed three months in the first instance and extendable to six months) for which payments should be passed provisionally.
- (2) The employee should be clearly informed that the payment is provisional. The receipt of the final orders and that provisional payments do not extend beyond the period for which they were authorized should be ensured.
- (3) permanent employees may be authorized their pay and allowances on the basis of their substantive pay when sanctions to the continuance of temporary posts held by them have not been received by the Finance & Accounts Officer.

14.12 Transfer of Charge

14.12.1A report of transfer of an officer duly made in as per prescribed proforma in GFR and signed both by the relieved and relieving officer shall be sent on the same day to the Head of the Department or other Controlling Officers concerned except in the following types of cases in respect of which report of transfer of charge need not be signed both by the relieving and relieved officers simultaneously and may be sent independently:-

- (i) Where an officer assumes charge of a newly created or vacant post or relinquishes charge of a post which has been abolished.
- (ii) Where an officer vacates a post for a short period and no formal appointment or officiating arrangement is made in his place.

- (iii) Where due to administrative exigencies an officer is required to move to another post relinquishing his post against local arrangement.

14.12.2 In cases in which the transfer of charge involves assumption of responsibility for cash, stores etc. the following instructions should be observed:

- (a) The Cash Book or imprest account should be closed on the date of transfer and a note recorded in it over the signatures of both the relieved and the relieving officers showing the cash and imprest balances and the number of unused cheques/receipt books, if any, made over and received by them respectively.
- (b) The relieving officer should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count, weight and measure certain selected articles as applicable in order to test the accuracy of the returns.
- (c) In the case of any sudden casualty occurring or any emergent necessity arising for an officer to relinquish his charge, the next senior officer of the department present shall take charge. When the person who takes charge is not equal to a Gazetted status, he must at once report the circumstances to his nearest departmental supervisor and obtain orders as to the cash in hand, if any.

14.13 Last Pay Certificates

Last Pay Certificate in **Form 7** is issued by the Drawing & Disbursing Officer. This may be necessitated in cases of:-

- (i) transfer on duty from the payment control of one Drawing Officer /Institute to the control of another Drawing Officer/institute;
- (ii) promotion from a post of non-gazetted status to a post of gazetted status;
- (iii) proceeding on foreign service by Council's employees or proceeding on leave by non-gazetted employees who may be employed on foreign service terms in the Council; and
- (iv) Resumption of duty by Council's non-gazetted employees with their foreign employers after expiry of their leave.

14.14 Foreign Service/ Deputation

14.14.1 When an officer of the Council is transferred to foreign service, the Head of Office under whose administrative control he was before his transfer to the foreign service, should send a copy of his L.P.C. along with a copy of the record of his service (including leave

account) to the Head of Office of the Institute/Office where he holds a lien to enable the latter to watch the recoveries of leave and pension/CPF contributions during the period of foreign service. The recoveries of Foreign Service contributions should be watched by the Head of Office under whose administrative control the officer was before his transfer if his lien is not kept in some other Institute/Office.

NOTE: The recovery of Foreign Service contributions on account of leave salary and pension/CPF should be watched by the Head of Office concerned through the register of Foreign Service contributions in **Form 8.**

- 14.14.2 The payment of an advance from the Provident Fund to an officer on Foreign Service is to be arranged by the Accounts Officer who maintains his Provident Fund Account. The grant of advance of Pay/TA at the time of transfer to and reversion from Foreign Service as well as the grant of motor car advance while on Foreign Service is governed by rules and orders of Government as adopted by the Council. The first payment on reversion from Foreign Service should also be authorized on receipt inter alia of an L.P.C. from the foreign employer.
- 14.14.3 The amount of monthly contribution payable by the foreign employer or the official, as the case may be, shall be worked out by the Head of Office in consultation with the Finance & Accounts Officer and intimated to the foreign employer or the Council servant, as the case may be, for payment. The amount thus, calculated with particulars of Foreign Service shall be noted in the Register. As the rate of pension contribution depends on the length of service rendered under Council and the rate of leave salary contribution depends on the pay drawn by the Council servant while on foreign service, a suitable note regarding date of increment and length of service of the officer shall be prominently written in the said Register. When the officer reverts back from the Foreign Service, his account of contributions shall be verified to see that the contributions have been recovered fully up to the date of reversion; if not, balance if any due shall be claimed immediately from the foreign employer.
- 14.14.4 Contribution for leave salary or pension due in respect of a Council servant on foreign service, may be paid annually within fifteen days from the end of each financial year or at the end of the foreign service, if the deputation on foreign service expires before the end of a financial year, and if the payment is not made within the said period, interest must be paid to the Council on the unpaid contribution at the rate two paise per day per Rs.100/- from the date of expiry of the aforesaid period up to the date on which the contribution is finally paid. The interest shall be paid by the Council servant or the foreign employer accordingly as the contribution is paid by the former or the latter.
- 14.14.5 A Council servant transferred to Foreign Service may not without the sanction of the Council, accept a pension or gratuity from his foreign employer in respect of such service.
- 14.14.6 A note of receipt of Foreign Service contributions in full is to be recorded in the Service

Book of the concerned employee under the signature of the Head of Office.

14.15 Procedure of Checking

- 14.15.1 After filling up the name of the post, scale of pay and the name of the individual in the fly leaf register, the first entry to be made in any page would be the pay of the individual as on 1st March with reference to the entry in the previous Fly Leaf of that individual. The date of birth, the date of superannuation and the date of last increment, and other events (referred to below) since then should also be entered. If any personal Pay, Special Pay, fixed T.A. or Conveyance Allowance are admissible they should be also indicated separately.
- 14.15.2 When an increment accrues, after the Increment Certificate has been checked and accepted in audit, a note of the date of increment and new rate of pay, should be made in the Fly Leaf Register under proper attestation.
- 14.15.3 Suitable note of leave indicating the nature, and the duration (indicating also the 'dates from and to) should be kept in the Fly Leaf, of the individual concerned.
- 14.15.4 When a new name appears under any category, it should be incorporated in the Fly Leaf Register in **Form 9** in the relevant Section with the usual details and got attested.
- 14.15.5 All events affecting the service conditions like cases of death, retirement, resignation and permanent transfer out of the Establishment as also events occurring during the year which affect the increments (e.g. confirmation, suspension, withholding of increments) should also be noted under proper attestation.

14.16 Checks to be exercised while scrutinizing the Pay Bill

- 14.16.1 On receipt of Pay Bill, it should be seen that it is in prescribed form and is complete in all respects, arithmetical calculations are correct.
- 14.16.2 In the detailed scrutiny of a pay bill, it is first of all necessary to check all the items in the bill corresponding to items in the Absentee Statement and at this stage the admissibility of the leave salary and officiating pay of the persons concerned will come under scrutiny.
- 14.16.3 Increment certificates attached to Pay Bills 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.
- 14.16.4 The reasons why the increment is considered to be due as stated in the Increment Certificate should be examined with reference to previous entries in the Fly Leaf Register.
- 14.16.5 The admissibility of Special Pay, Personal Pay and various allowances claimed in the

Pay Bill should be scrutinized with reference to the rules or orders in force.

14.16.6 To facilitate the check of leave salary of employees, the last pay drawn will be checked in the Audit and Accounts Branch.

14.17 Audit Clerk's Duties

The main points to be checked while auditing the pay bill besides those mentioned in preceding paragraph are:-

- 14.17.1 that the payees are legally entitled to the pay claimed;
- 14.17.2 that the income tax, service tax and other fund deductions are in strict conformity with the rules;
- 14.17.3 that the arithmetical calculations of the bills are correct;
- 14.17.4 that the absentee statement, where required, is duly filled in;
- 14.17.5 that the enhanced pay of officiating Council servants is in accordance with the rules;
- 14.17.6 that a Last Pay Certificate is furnished for a Council servant transferred from another establishment;
- 14.17.7 that the amount of leave salary drawn is based on the last pay drawn;
- 14.17.8 that the dates of making over and receiving charge are stated and joining time is in accordance with the relevant rules;
- 14.17.9 that in cases of Council servants appointed for the first time a certificate to the effect that the medical certificate in the prescribed form has been obtained is furnished except where such health certificates are not required to be furnished under the rules of the Council;
- 14.17.10 that the increment drawn is supported by an increment certificate ;
- 14.17.11 that the number of persons for whom pay or leave salary has been drawn does not exceed the sanctioned strength of the establishment;
- 14.17.12 that a classification of the bill is recorded in order to book the amount to the correct head of account;
- 14.17.13 that a pay order is recorded on the bills for the signature of the Finance & Accounts Officer.

14.18 Arrear claims

Any arrear claim of an employee which is preferred within two years of its becoming due shall be settled by the Drawing & Disbursing Officer or Finance & Accounts Officer as the case may be, after usual checks. [Clause (1) of GFR Rule 264]

For the purpose of the above provisions, the date on which the claim is presented at the office of disbursement should be considered to be the date on which it is preferred.

- (i) a claim of an employee which has been allowed to remain in abeyance for a period exceeding two years, should be investigated by the Head of the Department concerned. If the Head of the Department is satisfied about the genuineness of the claim on the basis of the supporting documents and there are valid reasons for the delay in preferring the claims, the claims should be paid by the Drawing & Disbursing Officer or Finance & Accounts Officer, as the case may be, after usual checks.
- (ii) A Head of Department may delegate the powers, conferred on him by (i) above to the subordinate authority competent to appoint the Government servant by whom the claim is made.

14.19 Due Dates

- 14.19.1 A claim for overtime allowances shall fall due for payment on first day of the month following the month to which the OTA relates. The claim shall stand forfeited if not submitted within one year of the due date.
- 14.19.2 In respect of withheld increment the period of one year should be counted from the date on which it falls due and not with reference to the date on which the increment certificate is signed.

14.20 Procedure for dealing with time-barred claims

Even a time barred claim of an employee shall be entertained by the concerned authority provided that the concerned authority is satisfied that the claimant was prevented from submitting his claim within the prescribed time limit on account of causes and circumstances beyond his control. A time barred claim shall however be paid with the express sanction of the Director General issued with the previous consent of the Financial Advisor.

The provision for due dates of submission of claim and time barred claims applicable in respect of Council's employees shall apply *mutatis mutandis* to arrear claim preferred against the Council by persons not in Council's service.

Check of Travelling Allowances

15.1 Basic Checks

The fundamental requirements which the Finance & Accounts Officer must find satisfied in traveling allowance bills are:

- 15.1.1 that the journey was actually performed;
- 15.1.2 that it was necessary and authorized by general or special orders;
- 15.1.3 that it was performed as expeditiously as possible;
- 15.1.4 that no bill has been submitted for it before;
- 15.1.5 that the amount drawn is correct with reference to rates and general conditions;
- 15.1.6 that the advance where drawn has been adjusted/refunded.
- 15.1.7 That in case of journey by air the same should be performed by the permissible airlines allowed by the Government as per instructions prevalent and the air tickets should directly be purchased from airline or only through agents authorized for the purpose by Government. *[Reference Order No.: 19024/1/2009-E-IV, dated: 13.07.2009 & 16.09.2010 endorsed by ICAR vide F. No.: 10(1)/2009-CDN (A&A), dated: 19.10.2010]*
- 15.1.8 That the deal code of ICAR is indicated air-ticket. *[Reference order no.: 5-9/2004-CDN (A&A), dated: 21.07.2004 and F. No.: 8(4)/2006-Cash-I, dated: 04.05.2011.]*
- 15.1.9 That the incumbent booking tickets on his own directly through the airlines has certified that “cash back” received for booking ticket by credit card shall be deposited with the office *[Reference DoE Order No.: 19024/1/2009-E-IV, dated: 15.12.2009, endorsed by ICAR vide F. No.: 10(1)/2009- CDN (A&A), dated: 04.01.2010]*
- 15.1.10 That in case of air travel by unentitled employee the same are covered under the relaxation rules. *(Reference consolidated instructions vide F. No.: Fin/07/01/2010-Cdn (A&A), dated: 24th February 2014)*

As some of the checks prescribed above cannot be exercised by the Finance & Accounts Officer independently, the duty of scrutiny of travelling allowance bills is divided between Controlling Officers and Finance & Accounts Officers.

15.2 Controlling Officer's Checks

The duties of a Controlling Officer before he passes a T.A. claim are:-

- 15.2.1 To scrutinize the necessity, frequency and duration of journey and halts, and to disallow the whole or part of the T.A. for unnecessary journeys and protracted halts.
- 15.2.2 To scrutinize the distances entered in the T.A. bill.
- 15.2.3 To satisfy himself that mileage has been charged at the appropriate rates, that return tickets at concessional rates have been purchased where possible and cost of transporting Council servants' personal effect etc. is reasonable.
- 15.2.4 To observe any subsidiary rules and orders made by the competent authority for his guidance.
- 15.2.5 To see that in the case of Stenos, PAs and Class IV employees accompanying Officers on tour, that the particulars of the journey are certified by the officers under whose instructions the journeys were performed, in order to prevent fraudulent claim.
- 15.2.6 To see that the Ticket and PNR No. has been mentioned in case of travel by train and Deal Code is entered on air-ticket in case of travel by air.
- 15.2.7 To see that proper bills pertaining to hotel charges, local conveyance and food bills are appended where claims are preferred by employee as per extant rates.
- 15.2.8 To see where bill related to stay in hotel is admitted, certificate of non-availability of room in Institute's guest house is attached.
- 15.2.9 To see that Council's instructions on the number of days of tour undertaken, the mode of travel etc is scrupulously followed. Furthermore, in case of foreign visit proper approval of DARE/ICAR is appended with the claim for advance and final settlement. (*F. No.: 10(3)/2011-WS, dated: 12th January 2011*)

15.3 Enclosures with Transfer T.A. Bills

- 15.3.1 Receipts for conveyance of personal effects by road at either end.
- 15.3.2 Receipts for conveyance of personal effects by rail.
- 15.3.3 Original transfer orders and charge reports.
- 15.3.4 Also information regarding rate for conveyance or personal effects (small) by goods train

at owner's risk and the single railway fares of the class concerned between the Stations.

15.4 Certificates by Controlling Officers

15.4.1 Certified that I have satisfied myself that the amounts included in bills with the exception of those detailed below (of which the total amount has been refunded by deduction from this bill) have been disbursed to the Council servants therein named and their receipts taken in the office copy of the bill or in a separate acquaintance roll.

15.4.2 Also that it was necessary for the Council servant for whom halting allowance at the headquarters is drawn to keep up the whole or part of their camp equipage during such halts and that the expense incurred on this account was not less than the halting allowance drawn.

15.4.3 Certified that the journey was performed in the interest of service.

15.4.4 Certified that the amount claimed in the bill was not drawn and paid previously.

15.4.5 In the case of transfer TA :

(a) Certified that the original order of transfer has been produced and remark 'TA Bill passed' has been endorsed thereon.

(b) Certified that the details of actual expenditure for conveyance of personal effects have been scrutinized and I am satisfied that the claim is correct and reasonable.

15.5 Leave Travel Concession Claims

The duties of the Controlling Officer before he passes an L.T.C. bill are to see:-

15.5.1 Whether the Home Town shown in the L.T.C. bill tallies with the one declared by the official and accepted by the competent authority and as noted in his service book.

15.5.2 Whether the official indicated in his leave application that he along with the members of his family will avail of the L.T.C.

15.5.3 Whether the leave applied for has been sanctioned.

15.5.4 Whether the official has rendered continuous service for more than one year on the date of commencement of the outward journey for L.T.C.

15.5.5 Whether the L.T.C. for the block years now claimed in the L.T.C. bill has not already been availed of.

15.5.6 Whether an entry regarding availing of L.T.C. for the block years shown in the bill under reference has been made in his service book.

15.5.7 Whether L.T.C. advance was obtained and if so the same has been adjusted.

15.5.8 The Head of Office will also record a certificate on the L.T.C. bill to the effect that Shri/Smt/Kumari (Name of the council servant) has rendered continuous service for one year or more on the date of commencing the outward journey.

15.6 Validity of Claims

15.6.1 No T.A. claim in respect of Council servants should be entertained by the Finance & Accounts Officer unless it is preferred within one year from the date on which it became due.

15.6.2 When after drawl of an advance a Council servant does not submit his adjustment bill in due time and consequently his right of T.A. claim stands forfeited, the advance so drawn plus penal interest should be recovered from his pay or any other dues in one installment. The TA claim of an employee shall fall due for payment on the date succeeding the date of completion of journey.

15.6.3 Reckoning the date in case of TA claims by retired employees appearing in a court of law for defending themselves, the date of pronouncement of the judgment shall be the reference point for submission and forfeiture of his TA claims.

15.6.4 The adjustment bill of T.A. advance should be submitted within 15 days of the completion of tour.

15.6.5 LTC claim of an employee shall fall due for payment on the date succeeding the date of completion of return journey. The time limit for submission of the claims shall be as under:

(i) In case advance drawn : within one month of the due date;

(ii) In case advance not drawn: within three months of the due date.

In case of (i) above if the claim is not submitted within one month of the due date, the amount of advance shall be recovered but the employee shall be allowed to submit the claim as under (ii) above. In case of failure to submit the claim in both the cases within three months of the due date, the claim shall stand forfeited.

15.7 Audit Checks

In checking TA/TTA/LTC bill, the pay shown should be checked with reference to pay bills in those cases where the amount of the allowance is dependent on pay, and the

daily allowance should be passed according to the rate admissible, the steamer fare by the table of fares, the railway fare by the time table and the airfare by the scheduled rates charged by the Air Lines. In the majority of cases, counter-signature is necessary. Counter-signature does not, however, dispense with the necessity for formal check with reference to rates and general conditions. Ordinarily the counter-signature by the proper authority, or the signature of the Drawing Officer when a bill does not require counter-signature should be accepted as final evidence that the facts of the journey on which the claim is based, are correct and that the controlling or Drawing Officer, as the case may be, has exercised scrutiny entrusted to him under the rules of the Council.

After the bills have been checked, they should be entered in the Travelling Allowance Audit Register and submitted with Register to the Officer responsible for final acceptance.

15.8 T.A. Register

The payment of T.A. should be recorded in a Register in **Form 10** indicating the purpose of journey, duration of tour and the total amount payable.

15.9 Check of T.A. claims of (a) Members for attending the meetings of the ICAR and its Committees etc. and (b) Advisers to the ICAR Selection Committees.

The T.A. claims in these cases should be checked with reference to the 'Rules for the grant of travelling, daily and conveyance allowances for attending the meetings of the ICAR and its Committees, etc.' and 'Terms of Employment of Advisers to the I.C.A.R. Selection Committees' framed by the Council.

15.10 Check of T.A. claims in respect of Candidates summoned for interview

Payments in respect of Council's contribution towards travelling expenses of candidates summoned for interview/personality test/viva voce test and also of persons so summoned as 'Personal Contact' candidates shall be checked with reference to the rules framed by the Council in this regard.

15.11 Check of TA for medical attendant and treatment

Employees and members of their family are entitled to TA for their journeys/Attendant/Escort's journeys to obtain appropriate medical attendance and treatment if it is certified by the AMA/ Specialist/Medical Officer attached to the hospital to whom the patient was referred that the journey was unavoidably necessary to obtain treatment . In case of Attendant/Escort if it is certified that it is unsafe for the patient to travel unattended and that an attendant/escort is necessary to accompany him to the place of treatment. The claims in these cases shall be checked with reference to the Rules in this regard as per the Medical Attendance Rules.

15.12 Check of TA claims in respect of various persons during disciplinary proceedings

The ICAR has adopted the CCS (Conduct) rules and CCS (CCA) Rules of Govt. of India mutatis mutandis. The TA rules applicable in respect of serving employees/employee under suspension, TA to witnesses, Presenting Officers and Defence Assistants, TA to retired/Dismissed employees, TA to Inquiry Officers etc. under CCS (CCA) Rules of Govt. of India will be mutatis mutandis applicable in respect of ICAR employees/departmental enquiries in ICAR. The Finance & Accounts Officer should, therefore, follow the CCS (CCA) rules and instructions there under issued from time to time.

Check of Contingent Expenditure

16.1 General

- 16.1.1 The instructions contained in this Chapter govern the check not only of contingent charges proper, but also of other expenditure, which according to the rules of financial procedure is to be treated in the same way as contingencies. The term Contingent Charges or contingencies is used in this Chapter to cover all such charges.
- 16.1.2 The term ‘Office Contingencies’ or ‘Contingent Office expenditure’ means and includes charges of a miscellaneous character which are incidental to the management, upkeep or running of an office as an office e.g. expenditure on stationery, books, newspapers, liveries and uniforms, conveyance hire, postal stamps, telegrams and telephone charges, upkeep repairs and maintenance of computers, staff cars etc., hot and cold weather charges, rent of buildings etc. The contingent expenditure of miscellaneous character incurred in connection with the specific activities of the Council, Research Institutes, NRCs, PDs etc. cannot legitimately be brought under the heading ‘Office Contingencies’
- 16.1.3 The term ‘Other Contingencies’ is used in accounts to distinguish miscellaneous contingent expenditure on the specific activities of the Council/Institutes etc. from ‘Contingent Office Expenditure’. ‘Other Contingencies’ includes expenditure of miscellaneous character like wages of farm labour, cost of fertilizers and insecticides etc., experimental charges, water/irrigation, electricity, coke, coal and gas charges incidental to running of plants, machineries etc., expenditure on upkeep repairs and maintenance of farm equipment, tools plants etc.

16.2 Classification of contingent charges

The contingent charges may be broadly divided into two classes’ viz. special and ordinary contingencies. Charges coming under each of these classes may be recurring or non- recurring.

16.3 Special contingencies include

16.3.1 *Scale regulated contingencies:*

These include charges regulated by scales laid down by competent authority such as liveries to Class IV servants.

16.3.2 *Countersigned contingencies:*

These include charges, the bills for which require the countersignature of the Head of

the Institute etc. such as charges on account of taxi hire.

16.3.3 Usual charges that require the special sanction of a superior authority such as entertainment expenses on special occasions.

16.3.4 Contingent charges which require neither special sanction nor counter-signature, but may be incurred by the concerned officer on his own authority subject to the necessity of accounting for them constitute ordinary contingencies. Such contingencies are generally termed as Fully Vouched Contingencies.

16.3.5 It is for the Council to specify, by general or special order the authority competent to sanction special contingencies and to name the controlling authority whose signature is necessary in regard to countersigned contingencies.

16.4 Minimum Checks

The responsibility for the effective control of contingent expenditure rests primarily upon the Heads of Offices/Departments. The Finance & Accounts Officers merely examines the fulfillment of that responsibility by their check of such expenditure, the extent of which varies with the different classes of contingent charges. The following are minimum checks which should be exercised by the Finance & Accounts Officer in respect of all Contingent Bills. He must see:-

- (i) that each class of 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 a Council servant competent to incur it;
- (ii) that relevant vouchers have been submitted;
- (iii) that any certificates required under the rules of the Council have been provided;
- (iv) that the rates are apparently not extravagant;
- (v) that the bill is in proper form and the classification is correctly recorded thereon;
- (vi) that the flow 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) that, if the expenditure in the month of March is unusually large, it does not lead to irregularities.

16.5 Check of Scale Regulated Contingencies

Contingencies regulated by scale will include such charges as cost of liveries and the like. The authority prescribing the scale will lay down the conditions precedent to its application in each case, making it clear whether special sanction of superior authority is necessary, whether bills must be countersigned before or after payment, and what certificates should support the bills. In accordance, with the conditions so laid down, charges regulated by scale may become special, contract, countersigned or fully-vouched contingencies and should be admitted under the rule applicable to the particular class within which they fall. In addition, the Finance & Accounts Officer should satisfy himself that the charges incurred are in accordance with the scale which governs them.

16.6 Check of Contingencies Requiring Special Sanction

16.6.1 In respect of contingencies requiring special sanction, the principal duty of the Finance & Accounts Officer is to watch the expenditure against the necessary sanction of superior authority. For this purpose a Register should be opened in **Form 11**, 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 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 outlay must be watched against the sanctioned total. When an order of sanction contains no indication of the amount or limit of expenditure sanctioned, inquiry should be made from the authority which issued it and charges should not be admitted until complete and proper sanction is received.

16.6.2 In preparing the Register of Special Charges, the following instructions should be followed:

- (a) Separate pages should be set apart for different classes of expenditure and, if the entries are likely to be numerous, for different officers incurring expenditure.
- (b) 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 or special charges will not be confined to sanctions of contingent charges proper. Special sanctions of returns, advances, travelling 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 Finance & Accounts Officer as he passes each bill for payment.

16.7 Check of Countersigned Contingencies

(A) Bills Countersigned after payment

- 16.7.1 In the case of bills countersigned after payment, the money is actually drawn on an abstract bill, and the approval of the superior authority as indicated by its countersignature is subsequently received by the Finance & Accounts Officer on the monthly detailed countersigned bill. Both the abstract bill and the detailed monthly bill require scrutiny in the Audit & Accounts Branch.
- 16.7.2 On receipt of the abstract bill, scrutiny should be limited to seeing that it is signed by an officer authorized to sign such bills, that the summations are correct and that there is nothing extraordinary or unusual in it. Thereafter, payment in pre-check should be entered in a Contingent Audit Register, in **Form 12**. Separate folio will be assigned in the Register to each disbursing officer under the major and minor heads. The total amount passed for payment on each abstract bill should alone be taken into the Register, the object of which is to provide a record of the payment of each bill, and each entry should be initialed and dated by the Officer passing the bill. After entry of each bill in the Register, the items subjected to objection on their merits, should be entered in the Objection Book.
- 16.7.3 It is most undesirable to allow indefinite delay in the final check of contingent charges and the Finance & Accounts Officer should therefore watch very carefully the submission of monthly detailed bills and direct the attention of countersigning officers to cases of undue delay.
- 16.7.4 On receipt of the monthly detailed bills it should be carefully checked on the principles laid down in paragraph 16.7. In addition, the Audit Clerk should satisfy himself: -
- (a) that the bill is duly countersigned;
 - (b) that the charges included in it cover the amounts drawn in lump and are classified as in the abstract bills; differences or disallowances should be noted for recovery and adjustments should be made, if necessary on account of misclassification; and
 - (c) that details of charges are given where necessary. He should further apply the special procedure, prescribed elsewhere in this Chapter, to any Special or Scale regulated Contingencies and any periodical charges which may be included in the bill.
 - (d) Except on points covered by clause (b) of this paragraph, the Finance & Accounts Officer should not disallow any item included in a countersigned bill which is within the powers of sanction of the countersigning officer. He should, however, draw the attention of the latter to any expenditure which seems questionable or, in comparison with like charges elsewhere, excessive in respect of rate, price or amount.
 - (e) When the Audit Clerk 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 enfacement, passing the bill or objecting to it, upon the bill itself. He should then make the corresponding or partial adjustment both in the Register and the Objection Book, taking steps to remove any objection still outstanding.

(B) Bills Countersigned before payment

16.7.5 Where countersignature is required before payment there will be no abstract bill, but payment will be made on a detailed bill. In that case, the first entry should be made in the Register when the detailed bill is received. The payment should then be made and the entries in the Register completed, as prescribed in the paragraphs 16.7.1 to 16.7.3. The Audit Clerk will, of course, make no entry in the Objection Book unless some item in the detailed bill itself is objectionable.

16.8 Check of fully vouched contingencies

16.8.1 Payment of fully vouched contingencies will be made on detailed bills. No Register needs to be maintained for the record of these bills except in cases where the Finance & Accounts Officer is required by the Council to check the charges of individual disbursing officers against a lump sum appropriation placed for the purpose at the disposal of a single higher authority. The actual check should be conducted as in the case of bills countersigned before payment.

16.8.2 Sanctions to recurring contingent charges are noted in the Register of Periodical Charges in **Form 13**, each payment as it is checked being posted with the necessary reference in appropriate monthly columns. Ordinarily the Register should be used only in cases in which sanctions other than those of the disbursing or countersigning authorities are involved.

16.8.3 Unless, there are separate allotments for such charges, they should be posted in the contingent register (if any) also. The check to be applied will be that prescribed for the particular class of contingent bill in which the charges appear.

NOTE: The pay of the contingency paid staff need not be entered in the Register of Periodical charges.

16.9 Award of job /work contract, procurement of services through consultants and outsourcing of services and watch on payment of claims made through Grant-in-aid General

16.9.1 Instructions have been issued by Council's vide circular No.: 21(8)/86-CDN-I, dated: 22.01.1987 to award 'work contracts' and not engage casual labour. Accordingly, the Finance & Accounts Officer must ensure that no claims for payment of Casual Labour is admitted.

16.9.2 Instructions have also been issued by Council vide F No.: 17(1)/2010-Estt-II, dated: 11th June 2010 for the procedure to be observed for award of job /work contract, procurement of services through consultants and outsourcing of services, which may be adhered to while examining any case for payment of wages out of “Grant in aid General” (previously known as Contingent charges) to Mazdoors engaged on manual labour and paid at daily or monthly rates. These should be in accordance with the above instructions. The claims of service provider should be admitted in the Audit and Accounts Branch on the authority of a certificate signed by the disbursing officer to the effect that the mazdoors were actually entertained and wages paid were as per the Minimum Wages Act. Payment of remuneration to contractual staff should be admitted in the Audit and Accounts Branch on the authority of the certificate regarding entertainment, disbursement, etc., prescribed in Treasury Rules.

16.9.3 Engagement of casual labour/ farm labour/ Outsourcing of Farm work/Housekeeping/Gardening etc must be carried out in accordance with the statutory provisions of labour laws. Failing which the matter may be brought to the notice of Director of Institute and comments of Internal Finance be recorded in the Sanction Order, if the observation of Internal Finance are not complied with. While scrutinizing such proposal it must be seen that firm which has quoted ‘nil’ consideration in the bid should be regarded as null and void. (F. No.: 11 (4)/08-Law, dated: 01st August 2009) (F. No.: 12 (1)/2011-CDN (A&A), dated: 11th February 2014)

16.10 Regulation of Expenditure from Cash Imprest

16.10.1 The Director of an Institute is authorized to sanction in consultation with the F&AO a suitable cash imprest to the ‘Head of Office’ or ‘Administrative Officer’ functioning as Drawing and Disbursing Officer and Heads of various Regional and Sub-stations for meeting day to day contingent & emergent expenditure. Subject to sufficient justification, suitable Imprest may also be sanctioned to other selected officers for specific purpose. The imprest is to be kept to the minimum required for smooth functioning and allowed to be utilized for the following purposes, under the authority of the imprest holder subject to the sanction of the competent authority to the expenditure and observation of extent rules, orders and procedure.

16.10.2 Petty items of expenditure of contingent and miscellaneous nature up to Rs.2,000/-

NOTE: The limit of Rs.2,000/- will not apply to urgent contingent expenditure of non-recurring nature e.g. emergent repairs to vehicles or tractors provided that the dealer insists cash payment on the spot and is not willing to allow any credit or receive payment by cheque and sanction of expenditure is within the competence of Imprest holder.

- 16.10.3 Urgent contingent expenditure of recurring nature e.g. telephone rental bills, electricity charges bills, water charges bills, even if the amount exceeds Rs.2,000/- in each case.
- 16.10.4 Obligatory charges such as Railway freights, customs duty etc.
- 16.10.5 Payments to labourers on muster-rolls provided the rates charged for are not in excess of the approved rates.
- 16.10.6 Advance of T.A. on tour to class III staff (employed at Sub-Stations/Regional Stations, other than those which have their own bank accounts) who are required to proceed on tour at short notice. The payment from Imprest is subject to recoupment immediately through regular T.A. bills.
- 16.10.7 Advance of T.A. on tour to SSS, (In case of Regional/Sub-Stations T.A. advance may be given in exceptional circumstances subject to recoupment immediately through regular bills).
- 16.10.8 When the Imprest account is received for recoupment the Finance & Accounts Officer will exercise necessary audit check on the expenditure already incurred and classify the amount to the appropriate heads of account. In respect of petty items of expenditure of miscellaneous and contingent nature for amounts less than Rs.2,000/- each, the Finance & Accounts Officer need not insist on formal sanction to expenditure. It will be sufficient if the sanction exists on the file and the imprest holder while making the payment from his imprest endorses sanction exhausted against the sanction on the file note side of the file with his dated signature. It will not be necessary for the Finance & Accounts Officer to call for all these files at the time of recoupment but during internal check he will exercise an effective test check with reference to the relevant file. In respect of expenditure of Rs.1000/- and above formal sanction will be necessary. A copy of such sanction should invariably be endorsed to the Finance & Accounts Officer.
- 16.10.9 If the Finance & Accounts Officer, at any time, finds an item of expenditure open to objection, he may recoup the imprest in full noting the item in the Objection Book and pursue it till it is regularized or the objection is withdrawn by him.

Check of Contracts

17.1 General

17.1.1 It is an important function of the Finance & Accounts Officer to examine contracts or agreements for works or supplies entered into by Council's Officers on behalf of the Council. All contracts shall be made by an authority empowered to do so under the orders of the President in terms of Article 299 (1) of the Constitution of India. Finance & Accounts Officer must see that related provisions of Contract Management as enumerated in the General Financial Rules are observed scrupulously.

17.1.2 The responsibility for the placing and fulfillment of contracts for works to be done or supplies to be made rests entirely with the concerned administrative authorities but this does not preclude the Finance & Accounts Officer's criticism, where the action of any administrative authority does not conform to the procedure and general conditions of contract applicable to contracts placed by the Indian Council of Agricultural Research or its Institutes.

NOTE: Procedure and general conditions of contracts applicable to contracts placed by the ICAR or its Institutes for purchase of stores, equipment etc. have been separately circulated.

17.1.3 The general principles for contract as laid down in GFR Rule 204 may be followed while entering into contracts or agreements involving expenditure from the funds of the Council. These are financial rules which should be kept in mind by the Finance & Accounts Officers also in scrutinizing contracts.

17.1.4 The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.

17.1.5 As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.

17.1.6 Standard forms of contract should be adopted wherever possible, the terms to be subject to adequate prior scrutiny.

17.1.7 The terms of a contract once entered into should not be materially varied without the previous consent of the competent financial authority.

17.1.8 No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent financial authority.

- 17.1.9 Whenever practicable and advantageous, contracts should be placed only after open tenders have been invited, and in cases where the lowest tender is not accepted, reasons should be recorded.
- 17.1.10 In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration, in addition to all other relevant factors.
- 17.1.11 An institute may, at its discretion make purchases of value up to Rs. 1.00 lakhs (Rs. One lakh) by issuing purchase orders containing basic terms and conditions.
- 17.1.12 clauses to make it a self-contained contract. If, however, these are preceded by invitation to tender, accompanied by GCC and SCC, with full details of scope and In respect of works contracts or contracts for purchases valued between Rs. One lakh to Rupees Twenty Five lakhs, where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of works, the letter of acceptance will result in a binding contract.
- 17.1.13 In respect of Contracts for Works/purchases above Rs. Twenty Five lakhs, a contract document should be executed with all necessary specifications, a simple one page contract can be entered into by attaching copies of the GCC and SCC and details of scope and specification, offer of the vendor and Letter of Acceptance.
- 17.1.14 In case of procurement of expensive equipment, the Director of institute must execute a legally enforceable agreement/contract before installation of equipment/ machineries so as to safeguard the Council's interest. The Finance & Accounts Officer must ensure that such an agreement has indeed been executed before release of payment to firm. (*F. No.:21-18/2004-CDN, dated: 24th September 2004*)
- 17.1.15 Institutes often enter into AMC and ARC for various equipment and services. The terms and conditions of AMC and ARC should ensure that the interest of the office is taken care of and these are not signed on the dotted lines or printed agreement form furnished by the firm.
- 17.1.16 Contract document should be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc.
- 17.1.17 No work of any kind should be commenced without proper execution of an agreement as stated above.
- 17.1.18 Contract document, where necessary, should be executed within 21 days of the issue of the letter of the acceptance. Non-fulfillment of this condition of executing a contract by the contractor or supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.

- 17.1.19 In contract, where Council's property is entrusted to a contractor either for use on payment of hire charges or for doing further work on such property, specific provision for safeguarding Council's property (including insurance cover) and for recovery of hire charges regularly, should be included in the contracts. Provisions should also be made in the contract for periodical physical verification of the number and physical condition of the items at the contractor's premises. Results of such verification should be recorded and appropriate penal action taken where necessary.
- 17.1.20 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 the Council at any time after the expiry of six months' notice to that effect.
- 17.1.21 If the Director (Finance)/the Finance & Accounts Officers while examining contracts find any case where competitive tenders have not been sought, or where higher tenders have been accepted, or where other irregularities in procedure have come to light, it should be brought to the notice of the proper authority.
- 17.1.22 Cost plus contracts should ordinarily be avoided. Where such contracts become unavoidable, full justification should be recorded before entering into the contract. Where supplies or special work covered by such cost plus contracts have to continue over a long duration, efforts should be made to convert future contract on a firm price basis.
- 17.1.23 (if a percentage of the price) will be applicable on the price as varied by the operation of the Price Variation Clause.
- 17.1.24 No price variation will be admissible beyond the original scheduled delivery date for defaults on the part of the supplier/contractor. Price variation clause specifying cut off dates for material and labour, the price agreed upon with the base level, a ceiling on price variations, minimum percentage of variation of the contract price above which the price variations will be admissible etc., should be provided only in long term contracts where the delivery period extends beyond 18 months. In short term contracts, firm and fixed prices should be provided for. (For formula for calculation of the price variations GFRs may be referred to)
- 17.1.25 Where advance or stage payments are made, there should be a further stipulation that no price variations will be admissible on such portions of the price after the dates of such payment.
- 17.1.26 Where deliveries are accepted beyond the scheduled delivery date subject to levy of liquidated damages as provided in the contract, the liquidated damages
- 17.1.27 Price variation may be allowed beyond the original scheduled delivery date, by specific alteration of that date through an amendment to the contract in cases of force majeure or

defaults by ICAR.

- 17.1.28 Where contracts are for supply of equipment, goods etc. imported (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to excise duty and other duties and taxes) the percentage and element of duties and taxes included in the price should be specifically stated along with the selling rate of foreign exchange element taken into account in the calculations of the price of the imported item. The mode of calculation of variations in duties and taxes and foreign exchange rates and the documents to be produced in support of claims for such variations should also be stipulated in the contract.
- 17.1.29 The clause should also contain the mode and terms of payment of the price variation admissible.
- 17.1.30 Contracts should include provision for payment of all applicable taxes by the contractor or supplier.
- 17.1.31 “Lumpsum” contracts should not be entered into except in cases of absolute necessity.
- 17.1.32 Departmental issue of materials should be avoided as far as possible. Where it is decided to supply materials departmentally, a schedule of quantities with the issue rates of such material as are required to execute the contract work should form an essential part of the contract.
- 17.1.33 Normally no extension of the scheduled delivery or completion date should be granted except where events constituting force majeure as provided in the contract have occurred or the terms and conditions include such a provision for other reasons. Extension as provided in the contract may be allowed through formal amendments to the contract duly signed by parties to the contract.
- 17.1.34 All contracts shall contain a provision for recovery of liquidated damages for defaults on the part of the contractor.
- 17.1.35 A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defects. Any goods repaired or replaced by the supplier shall be delivered at the institute premises without costs to the buyer (Council).
- 17.1.36 All contracts for supply of goods should reserve the right of Council/Institute to reject goods which do not conform to the specifications.
- 17.1.37 The concerned administrative authority should monitor the implementation of the contract and notices issued promptly wherever a breach of provisions occurs. Monitoring should include a monthly review of all Bank guarantees or other instruments along with a

review of the progress of supply or work. Extensions of bank guarantees or other instruments, where warranted, should be sought immediately under intimation to the Finance & Accounts Officer.

17.1.38 Wherever disputes arise during implementation of a contract, legal advice should be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plaint for arbitration should be got vetted by obtaining legal and financial advice. Documents to be filed in the matter of resolution of dispute, if any, should be carefully scrutinized before filing to safeguard Council's interest.

17.1.39 Deviations from contracts require authority not inferior to that required for the original contract. The Finance & Accounts Officer should also see that any payment outside the strict terms of the contract or in excess of contract rates are not made without the consent of the competent financial authority.

17.1.40 Copies of all contracts and agreements for purchases etc. should invariably be obtained and examined and payments regulated in accordance with them.

17.1.41 When payments included in contingent bills are made at certain contract rates which are not required to be communicated to the Finance & Accounts Officer, a certificate should be obtained from the competent authority to the effect that the claim is correct with reference to such contract rates.

17.2 Procedural Instructions

Check of contracts and contractors' bills, whether the contracts are placed by a Central purchase agency or by Research Institutes generally fall under the following heads:-

- (a) Check of Contracts and Agreements by themselves and with reference to indents and tenders.
- (b) Check of payments of Contractor's bills against Contracts, purchase orders and agreements.
- (c) Check and accounting of stores, equipment etc., purchased against such contract by the consignee.

17.3 Check of Contracts and Agreements, Tenders etc.

17.3.1 In scrutinizing an acceptance of Tender it should be seen:-

- (i) that the particulars regarding quantity and rates are furnished and the prices stipulated are firm. Particulars of the contracts providing price variation clause or provisional rates, should be further examined;

- (ii) that there is no omission of any important clause e.g., inspection of stores, date and place of delivery, dispatch instructions, name of consignee, etc.,
- (iii) that 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 Acceptances 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;

- (iv) that, if the acceptance of the Tender provides for payment to a party other than the contracting firm, a power of attorney or other legal document is already registered on the books of the office;
- (v) the provision for the payment of sales tax, excise duty, VAT, 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, if legally leviable, should be objected to and the contracting officers asked to state in definite terms whether sales tax, excise duty, VAT, etc., are payable and, if so, at what rate and on what amount;
- (vi) Acceptance of tenders placed in the latter part of a financial year should be specially scrutinized and any tendency to rush to expenditure brought to notice. Requests for dispatch of heavy goods by passenger train, at a cost (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.

17.3.2 It should be further seen that –

- (i) all requirements pointed out at the time of pre- scrutiny (if carried out) have been complied with or replied to satisfactorily;
- (ii) that the contract has not been made by or on behalf of a minor;
- (iii) that 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;

- (iv) that the contract has been signed for and on behalf of the Indian Council of Agricultural Research;
- (v) that all the conditions and requirements printed on the contract form have been complied with.
- (vi) that the authorized signatory has signed for and on behalf of the firm/party.

17.3.3 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 early 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 Institute/Council etc.;
- (v) any special and apparently objectionable procedure of purchase, inspection and payment sanctioned by Institute/ Council etc.;
- (vi) all contracts on cost plus profit basis;
- (vii) all contracts with private firms to act as Council stockist;
- (viii) all sanctions to ex-gratia payments.

17.4 Check of Bills for the Supply of Stores:

It should be seen in checking bills of contractors that:

- 17.4.1 the purchase of the stores has been sanctioned by the competent authority;
- 17.4.2 all purchases of stores are made in accordance with the instructions laid down in compilation of General Financial Rules with special reference to the rule that no purchase which requires the sanction of a superior financial authority is sanctioned by lower authority in installments;
- 17.4.3 the rates charged for in the bills agree with those in the Agreements;
- 17.4.4 that when the contract stipulates inspection in stages e.g. at the time of manufacture or after erection at site, the necessary inspection certificates are furnished with the bills;

- 17.4.5 that a claim for a 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;
- 17.4.6 that when a contract is placed on the basis of rates prevailing in the market on the date of receipt of the order by the firm, or on the day of supply, such rates are verified with the intimation of market rates received from the suppliers. These rates should be confirmed by the purchasing officers.
- 17.4.7 Instructions contained in Chapter-11 of this Manual related to checks of various types of bills should also be followed.
- 17.4.8 When the contract stipulates different prices for different periods, the date of dispatch delivery of stores should be checked independently;
- (i) that, when a contract has been placed for stores which are obtained from countries outside India, no payment on account of customs duty, or increase in custom duty is made, except under the provisions of the contract, or under orders of competent authority;
 - (ii) whether any discrepancy or deficiency has been recorded by the consignee in his receipt certificate supporting the balance of 10 percent of final 100 percent bill in cases where advance payment or part-payment **or** 90 per cent is in vogue;
 - (iii) that the stores have been delivered within the delivery period and the late delivery, if any, has been regularized by the competent authority.

17.5 Check of Accounting of Stores etc.

It should be seen that the relevant provisions in the Central Government Compilation of General Financial Rules and the Delegation of Financial Powers Rules have been complied with. The instructions contained in Chapter-11 of this Manual should also be followed.

17.6 Audit of Contracts

The Finance & Accounts Officer of Institute are expected to audit the contracts in the same manner as these are audited by the auditors of the office of C&AG while carrying out performance audit of an organization. These instructions may be seen under Appendix: I pertaining to “Audit of Contracts” of this manual.

Check of Grants-in-Aid

18.1 General

- 18.1.1 As a general principal Grants-in-aid are made by ICAR to State Government, Central/State Agricultural University, Institution, Non-Government Organization, Societies engaged in promotion of agricultural research activities for publication of Research Journals or for conducting seminars/ symposia etc.
- 18.1.2 The grant will not be regarded as a subvention towards the normal work of the State Agriculture or Animal Husbandry Department or of the University or Institution, but will be exclusively utilized for the scheme for which it has been sanctioned.
- 18.1.3 In the case of the All India Coordinated Research Projects sponsored by the Council on sharing basis (ICAR share: 75% and State Government share: 25%), the Council's contributions in terms of staff, operational expenditure, equipment, etc., would be additive in nature. Hence, on the sanction of a Centre/sub-Centre under a coordinated project, the grantee institution shall not withdraw, partly or wholly, or deploy elsewhere the scientific and supporting staff and the physical facilities already available for the work. The original and the additional staff and facilities shall work as an integrated whole, in the spirit of team, both in respect of the personnel and the research programme.
- 18.1.4 The share of the Council in receipts, if any, realized from the working of the Scheme will be credited to the funds of the Council at the end of each year.
- 18.1.5 Where the funds are released by the lead center under AICRP or Revolving Funds to SAUs and other cooperating centers, the Finance & Accounts Officer must ensure that that the Umbrella Memorandum of Understanding has been signed before making releases. (*F. No.: 8(5)/2011-Cdn (Tech), dated: 29th May 2012.*)
- 18.1.6 Where the AICRP schemes are under the SAUs, release of funds to units needs to be regularized as per guidelines. (*F. No.: 10-2/2011-GA-I, dated: 27th December 2011*)
- 18.1.7 Where the Institute receives sanction of a project from foreign agency, the same should be executed in accordance with the guidelines issued on the subject from time to time. The Finance & Accounts Officer of the institute must ensure that such funds are routed through the Council and no funds are credited to Institute's account directly. However, refund of unspent balance may be made to the concerned foreign agency directly under intimation to Finance & Accounts Officer of Accounts-I Section in Council. (*F. No.: 12-15/2003-Acs-I, dated: 09th December 2005*)
- 18.1.8 The Finance & Accounts Officer while examining the UCs/AUCs submitted by the SAUs

under AICRP/Revolving Funds scheme must check that the revenue sharing has been done as per guidelines issued by ICAR. (F. No.: 1(11)/2004-Budget (Pt), dated: 11th October 2004)

- 18.1.9 The institute shall maintain a list of the institution/societies/NGOs/SAUs/KVKs and all such grantee institutions etc to which it releases funds received from ICAR with respect to which the UC/AUCs are required for further release and which are also open to audit by Statutory auditors of the DGA (CE). This list shall be updated every year and signed by Director, Administrative and Finance Head and forwarded to SMD who will put the information before the Financial Advisor to enable him chalk out the annual audit programme in compliance to Rule 211 (2) of GFR. This list shall be furnished every year by 30th April. (F. No.: 11-45/1987-IU, dated: 27th December 2013, 09th January 2014 & 12th February 2014)
- 18.1.10 The Finance & Accounts Officer must ensure that Utilization Certificate/ Audit Utilization Certificate as indicated in Bye-laws 19 of ICAR and in compliance to Rule 212 of GFR are received with the proposal for subsequent release. Compliance of MoF instructions in their OM No.: 8(4)/E.IIA/2001, dated: 01st November 2001 and High Court Order dated: 27th April 2001 is adhered to.
- 18.1.11 The Finance & Accounts Officer must also ensure that in case of private and voluntary organizations receiving recurring grant-in-aid from Rs. Ten Lakhs to Rs. Twenty Five Lakhs, the information must be disclosed in the Annual Report of the Institute and the same may also be reported to ICAR for incorporation in the ICAR Annual Report for information of the Parliament. (Rule 212[2] of GFR)
- 18.1.12 The Finance & Accounts Officer must also ensure that while releasing Grant-in-aid subsequently, the instructions contained in Rule 209 (6) (iii) of GFR is adhered to which reads as under: "When recurring grant-in-aid are sanctioned to the same institution or Organization for the same purpose, the unspent balance of the previous grant should be taken into account in sanctioning the subsequent grant". (F. No.: 10(3)/2007-GA-I, dated: 30th April, 2007 & 02nd November 2007). The Finance and Accounts Officer must also ensure compliance of all instructions issued subsequently on the subject from time to time.
- 18.1.13 The grant paid by the Council shall be refunded by the State Government / Agricultural University or other grantee institution if and when the grantee concerned discontinues a Scheme midway on its own or does not follow the detailed technical programme laid down and approved by the Council.
- 18.1.14 It shall 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.

18.1.15 The equipment and apparatus, if any, purchased out of the grant given by the Council from time to time shall remain the property of the Council and therefore, its proper stock accounts should be maintained. An inventory of equipment purchased out of the grant paid by the Council should be sent to the Council immediately after the close of the financial year.

18.1.16 The Stock Registers maintained for the purpose should be shown to the auditors for applying the necessary check with reference to the grant paid by the Council.

18.1.17 Equipment such as air-conditioners, refrigerators, furniture, steel almirahs, etc., should not be purchased out of the Council's grant unless specifically sanctioned by the Council as an item of expenditure.

18.1.18 With the permission of the Council, the grantee may take over at the end of the Scheme :-

(i) consumable stores at their cost price; and

(ii) Equipment at their depreciated cost as per rate of depreciation prescribed by the Council.

The value of consumable stores and equipment arrived at on the above basis should be communicated to the Council within a month after the termination of the Scheme.

18.1.19 The members of the staff employed on the schemes financed by the ICAR and their service conditions will be governed as per rules of the grantee institution. The ICAR will not be liable to bear any expenditure on gratuity fund/ pension fund/pension contribution and/or leave salary contribution incurred or committed by the grantee.

18.1.20 The remittance of funds for the Scheme/Project will be withheld by the Council in the event of annual progress reports of the Scheme not being received by the Council from the concerned institution by the prescribed date and also in case they are found to be unsatisfactory.

18.2 Procedure

The check of the grant itself will be conducted according to the general principles and rules laid down for the check of expenditure and with reference to the approved terms and conditions governing grants from the ICAR.

18.3 Sanctions

Before the sanction of grant-in-aid in respect of a Scheme/Project is finally accorded, it should be ensured that:-

- 18.3.1 Principles and procedure for award of Grant-in-aid as stipulated in GFR have been generally followed. It has to be ensured as to whether the grantee institution has clearly spelt out in the application that it has not obtained or applied for grants for the same purpose or activity from any other Ministry/Department/body;
- 18.3.2 All the formalities leading to the issue of the sanction as shown in the prescribed forms are complete;
- 18.3.3 The financial position of the grantee is such as would deserve a grant-in-aid, and the previous grant, if any, was spent for the purpose for which it was sanctioned; and
- 18.3.4 The objects and conditions of grant have been specifically incorporated in the sanction.

18.4 Register of Grant-in-aid Schemes

- 18.4.1 The Registers of Grant-in-aid Scheme will be maintained in prescribed format. Based on the sanctions, the details of commitments and other instructions, if any, in each case will be noted therein to indicate year wise liability, total liability and the authority sanctioning the grant-in-aid.
- 18.4.2 To obviate duplication in grant-in-aids and also to facilitate account and easy reference, the registers shall be maintained Scheme-wise / project-wise.
- 18.4.3 Every entry in respect of sanctions made in the register originally as well as subsequently will be attested by the FA&O/Section Officer/JAO. Similarly, payment of grants-in-aid and their adjustments will also be posted and attested.

18.5 Pre-Check of Claims

- 18.5.1 Necessary claims for payment of grant-in-aid will be in the prescribed forms exhibiting therein all the pre-requisites for the release of the grants such as balance, estimates, actuals, etc. except in certain special cases and grants relating to fellowships and scholarships.
- 18.5.2 These claims will be checked with reference to the details of sanctions etc., as posted in the register of grants-in-aid schemes. Upward variations claims on new items (not already sanctioned) and on items exclusively to be borne by the grantees should be disallowed and the grantee asked to furnish justifications for all such expenditure or proposed requirements.

18.6 Payments

- 18.6.1 Payments of grant-in-aid are made through cheques or demand drafts or electronic

transfer. These remittances are based on the periodical claims of funds received from the grantees.

- 18.6.2 The grant-in-aid shall be generally be released as per instructions contained in the GFR and orders issued by ICAR from time to time.

18.7 Audit

The expenditure incurred from the grant will be audited by the concerned Accountant General or the Examiner of local Fund Accounts or Statutory Auditors of the Grantee institutions or a Chartered Accountant or ICAR's own internal auditors as the case may be. Such auditors will furnish a certificate to the effect that the grant has been spent on the objects for which it was meant; any unspent balance should be refunded to the Council on the termination of the scheme.

18.8 Check of Expenditure

- 18.8.1 Though the payments made to the grantees are treated as expenditure in so far as the Council is concerned, nevertheless the corresponding expenditure incurred at the headquarters of the scheme etc. can only be regarded as actual expenditure for the project/Scheme/activity concerned. The grantees are, therefore, required to furnish to the Council, the Audit Utilization Certificates in the prescribed proforma.
- 18.8.2 Though the 'Auditors' of the grantee are expected to admit expenditure etc. with reference to the conditions attached to the grant, they are likely to debit sometimes to the Council such items of expenditure also which might be permissible in accordance with the normal rules and conditions in vogue or instructions issued by the grantee from time to time but may not be a correct charge under the terms of the grant prescribed by the grantor. In view of this position, the Audit Utilization Certificate furnished by the said auditors should be further scrutinized in the Council's office which should disown and disallow such items of the expenditure which do not strictly conform to the provisions of the sanction conveyed.

18.9 Adjustment of Expenditure

- 18.9.1 Apart from the Register of Grants-in-aid Schemes, all payments are posted in the Ladder Register of Outstanding which should be maintained for keeping a watch over adjustments of grants made.
- 18.9.2 After an Audit and Utilization Certificate has been received, scrutinized and accepted, the amount exhibited in the certificate and admitted by the Council is charged off from the Ladder Register of Outstanding. It is also simultaneously posted in the Ladder Register of Adjustments which exhibits year wise, grantee wise, progressive balances

outstanding for want of adjustment accounts in the shape of Audit Utilization Certificates.

- 18.9.3 The two Ladder Registers serve the purpose of constant reminders to the concerned sections about the need or otherwise of the speedy action required to be taken for obtaining the Audit Utilization Certificates.

18.10 Post Terminal Settlement

Final installment of the grant-in-aid payable to the grantee may be released by the Council only after the final Audit and Utilization Certificate has been received and left over under the Scheme/ Project etc. have been disposed off. Necessary information for the disposed of leftover is required to be sent by the grantee in a form prescribed for the purpose.

18.11 Check of Fellowships and Scholarships

- 18.11.1 Fellowships and scholarships are awarded by the Council to individual scholars selected for that purpose on their acceptance of the terms and conditions attached thereto. The payments are made to them through the Heads of the respective institutions. In the case of fellows, they are responsible for forwarding the periodical reports to the Council from the Guides under whom the research fellows work. The periodical remittance of funds by the Council in this regard will, therefore, be closely linked with these reports.

- 18.11.2 The accounts of fellowships and scholarships etc. should be kept both for each individual and for each institution in a Register in prescribed format. Receipts of recipients of the assistance are required to be submitted by the Heads of institutions to the Council duly countersigned after making payments to them. It is on the basis of these receipts that the amounts already remitted will be finally admitted in the Council's accounts. A proper watch over the unutilized balance with the institution will also be exercised through these receipts. Subsequent release of installments of fellowships should be made only after stamped receipts for the earlier months have been duly received.

- 18.11.3 Assistance is also provided in respect of senior fellowships towards certain contingent and traveling expenses. The Head of the Institution is responsible for the check of expenditure sanctioned on that account and this may be finally admitted on his responsibility and submission of necessary adjustment account.

- 18.11.4 It should be seen in audit that:

- (i) the sanctioned scale is not exceeded;
- (ii) the amount sanctioned for the scholarships has not been exceeded;

- (iii) the scholarships are drawn only for the period for which they are admissible in terms of the sanctions;
- (iv) the Bills for scholarships have been drawn in accordance with the procedures prescribed in the relevant rules, and
- (v) Necessary certification vouchsafing fulfillment of the prescribed conditions has been furnished.

Check of Pensions

19.1 Introduction

19.1.1 The ICAR has adopted the Govt. of India CCS (Pension) Rules 1972 as amended from time to time. For employees joining Council's service on or after 01.01.2004, ICAR has adopted Govt. of India New Defined Pension Scheme.

(i) Ex-gratia pension/family pension to General/Contributory provident fund retirees.

(ii) New Pension Scheme with effect from 01.01.2004

19.1.2 The work regarding verification and authorization of Death/Retirement benefits in respect of families of deceased employees/retiring employees was decentralized from the Indian Council of Agricultural Research headquarters in the first instance in respect of National Institutes and other Institutes located in the same area to the Finance & Accounts Officers posted in those Institutes from 01.04.1988. This work was further decentralized in respect of other ICAR Institutes/Project Directorates/National Research Centers including their Centers/Sub-Centers etc. from the ICAR head- quarters to the respective Finance & Accounts Officers with effect from 1st Oct., 1988. This work was further decentralized by introducing five more institutes as pension authorizing units with effect from 4th June 2012, raising the total number of pension authorizing units to 19 (List may be seen in Appendix). Pursuant to above, the designated Finance & Accounts Officers at the Institutes handle all cases for authorization of death/retirement benefits including family pension in respect of all categories of employees.

19.1.3 To provide better operational facilities to the pensioners, all pension related records of the pre 1988 pensioners held by the ICAR Headquarter have been transferred and now being maintained by the concerned pension authorizing units, nearest to the place of residence of the pensioner. This come into force with effect from 04.06.2012.

19.1.4 Heads of Offices is the authority responsible for preparing the pension papers of their retiring employees. He must ensure that these are finalized expeditiously and that there is no delay in the payment of pension and DCRG. The rules and procedure for finalization of pension cases are laid down in Chapter VIII of the CCS (Pension) Rules, 1972 as amended from time to time. Role and responsibility of the Head of Office in matters related to pension have been mentioned in Chapter 4 of this Manual.

19.1.5 The Finance & Accounts Officers posted at pension authorizing units from 1 to 19 are responsible for authorizing the death/retirement benefits in respect of the Research Institutes/Project Directorates/ National Research Centers, including their own Institute. In respect of employees working at ICAR Hqs., Finance & Accounts Officer (Pension)

ICAR will authorize their retirement benefits.

19.2 Basis of Pension Benefits

19.2.1 The pension system had been introduced for the Council's servants with effect from 16.11.1965 and Council servants who were in service on 15.11.1965 were permitted to opt for either the Pension Scheme or to retain the existing benefits of the CPF-Cum-Gratuity Scheme. The option exercised by such employees should therefore, accompany their pension papers in original.

19.2.2 The ICAR has adopted the Government of India Pension Rules as liberalized and amended or clarified from time to time. The services rendered in the various erstwhile Commodity Committees by an individual who has joined the service of the ICAR as a result of the dissolution of these Committees, and has opted for the pension benefits of the Council in the prescribed manner, counts towards pension subject to the following conditions:

- (i) The service has been rendered in a continuous spell without any break.
- (ii) On transfer from one Commodity Committee to another, the individual carried forward the entire amount of his Provident Fund money (including the employer's contribution) to the other committee and was not paid off the Provident Fund money, including the employer's contribution. However, service rendered in State Govt. (s)/autonomous bodies would be taken for retirement benefits only.

19.2.3 When a Government employee of an erstwhile Government Research Institute, after having been finally absorbed in the ICAR service, retires/dies as a Council servant, his past service under the Government of India/State Government would be taken into account for pension purposes.

19.2.4 The fact of recovery of Foreign Service contributions should be promptly recorded in the service books immediately after return of the Council's servant from Foreign Service, under the signature of the competent authority. In the absence of such an entry in the service book, the period shall not be admitted as qualifying for pension.

19.3 Procedure for dealing with Pension Cases

The instructions issued by the Government of India/ICAR for the expeditious handling of pension cases should be kept in view and the procedure indicated below followed accordingly.

19.3.1 A list should be prepared on the 1st January and 1st July each year of all officers due to retire 12 to 18 months hence.

19.3.2 A check list in the prescribed form should be started in respect of each officer due to

retire and the finalization of various items on the check list watched through the progress register.

- 19.3.3 The Service Book in respect of the employee should be examined to see that endorsements of verification of service have been recorded continuously by the various Heads of Offices under whom the officer had served.
- 19.3.4 The retiring officer should submit his formal application i.e. Form 5 of CCS (Pension) Rule, 1972 together with two specimen signatures duly attested, three joint photographs with his wife and two slips showing identification marks.
- 19.3.5 On receipt of the formal application, the Head of Office should draw up an application in Form 7 of CCS (Pension) Rules, 1972. He shall verify the service put in by the officer in consultation with the Finance & Accounts Officer, wherever necessary and with reference to Service Books, Service cards etc. He shall indicate in the form all periods of leave, suspension etc. which are not reckoned as service. He shall then send these papers along with all relevant documents at least six months prior to the date of superannuation to the concerned Finance & Accounts Officer.
- 19.3.6 The designated Finance & Accounts Officer shall scrutinize all the information contained in the application, check the calculations, exercise all the audit checks and issue the Pension Payment Order.

Note: The Finance & Accounts Officers authorized to issue the pension payment/gratuity payment orders etc. have dual role to perform so far as the pension cases of their own unit/institute/Hqrs are concerned i.e. (i) as the Finance & Accounts Officer of the Institute/Hqrs and (ii) as the pension authorizing officer. They are, therefore, required to keep and maintain the separate independent records and their checking as F&AO of the Institute and as a pension authorizing officer.

- 19.3.7 The Administrative Heads and the Accounts Officer must conduct co-ordination meeting periodically to sort out any shortcomings in the service record of retiring persons. Such meetings should be monitored at the highest level.
[G.I., Dept. of Pen. & P.W., O.M. No. 38/116/93-P. & P.W. (F), dated the 2nd May, 1994]
- 19.3.8 Staff dealing with pension matters be trained in pension procedures. They must be sensitive to the need and urgency of maintaining the time-schedule for obtaining and processing of pension papers. It was also found that staff dealing with pension had not undergone any training on the subject. The Ministries/Departments are advised to ensure that staff dealing with pension matters is trained properly in pension procedures and they should be sent for in-service training from time to time.

- 19.3.9 All orders and authorities for payment of pension and retirement benefits will be stamped with a Special Seal which will remain in personal custody of the Officer signing them and specimen impression of seal duly attested will be supplied to all the Finance & Accounts Officers authorized to issue the PPO's/GPO's.

19.4 Documents to be submitted for Pension

It is the duty of the Head of Office to obtain all necessary information/documents from the concerned officers and to submit the pension case completed in all respects to the Finance & Accounts Officer well within the time frame, with a forwarding letter in Form 8 of CCS (Pension) Rules 1972 and with the list of enclosures noted below. In case of any delay the Head of Office will be held personally accountable.

- (i) Application for pension in Form 5 of CCS (Pension) Rules.
- (ii) Invalid Certificate (if claim is for invalid pension).
- (iii) Service Book (including Leave Account) duly completed.
- (iv) Memorandum of average emoluments.
- (v) Three copies of Joint photographs with wife or husband as the case may be, duly attested by the Head of Office.
- (vi) Two specimen signatures duly attested by an officer of a gazetted status or in the case of persons not literate enough to sign their names. Two slips bearing the left hand thumb and finger impression duly attested by an officer of a gazetted status.
- (vii) Two slips showing particulars of height and identification marks duly attested by an officer of a gazetted status.
- (viii) Last Pay Certificate to be submitted after retirement only. Hence if the pension case is sent after retirement the LPC will be enclosed otherwise it would be sent after retirement.
- (ix) Vigilance Clearance Certificate.
- (x) No demand certificate.
- (xi) Details of family members in Form 3 of CCS (Pension) Rules.
- (xii) Nomination of the pensioners to receive arrears of pension in Form 'A' of Appendix 11 of CCS Pension Rules.
- (xiii) Option for availing medical allowance or the facility of institute

dispensary/CGHS as per rules in vogue. [*Reference F. No.: 3(1)/93-Per. IV, dated: January 22, 1999, F. No.: 3(3)/2007-Per. IV, dated: September 08, 2006 and dated: February 28, 2007 & other orders issued from time to time.*]

19.5 Provisional Pension

- 19.5.1 If the Head of Office is of the opinion that a Council's employee is likely to retire before his pension or gratuity and both cannot be finally assessed and settled in accordance with the provision of rules, he shall, without delay, take steps to determine the qualifying service and the emoluments qualifying for pension and authorize provisional pension or gratuity or both in accordance with the CCS Pension Rules.
- 19.5.2 In case where departmental or judicial proceedings are pending against a Council's employee, the Head of Office in consultation with the Finance & Accounts Officer shall authorize the provisional pension equal to the maximum Pension which would have been admissible on the basis of qualifying service up to the date of retirement. However, no gratuity shall be paid to the Council's employee until the conclusion of departmental or judicial proceedings are finalized.

19.6 Family Pension

The following procedure has been prescribed to facilitate quick payment of claims in respect of Family pension under the Family Pension Scheme for Central Govt. Employees, 1964 (as extended to the ICAR employees) to the families of deceased employees/pensioners :-

(a) Furnishing of Family Details:

All employees entitled to the benefit of this Scheme shall be required to furnish details of their 'Family' as defined in paragraph 6 of Rule 54 of CCS Pension Rules i.e. the date of birth of each member with his/her relationship with the Council servant. This statement shall be countersigned by the Head of Office and pasted in the Service Book of the Council servant. Council servants will thereafter be required to keep this statement up to date, additions and alterations in the statement will be made by the Head of Office from time to time on receipt of information from the Council servant concerned.

(b) Cases where death occurs while in service:

On receiving information of death of an officer while in service, the administrative authority will send a letter in Form 13 of CCS (Pension) Rules to the family of the deceased and ask for the necessary documents mentioned therein. On receiving the documents referred to above, the pension sanctioning authority will sanction family pension and send all these documents along with the Service Book to the concerned

Finance & Accounts Officer who will then issue the Pension Payment order in favour of the beneficiary.

(c) Cases where death occurs after retirement:

The amount of family pension admissible already finds a mention in the Pension Payment Order. The concerned Finance & Accounts Officer will start paying family pension to widow/ widower on receipt of death certificate of the pensioner and; the Application in Form 14 of CCS (Pension) Rules for the grant of Family pension. If the widow/widower is also not surviving and the family pension is payable to minor children through their natural guardian, the guardian will apply on behalf of the children with two copies of his photograph and the other necessary documents to the administrative authorities on surrendering the first Pension Payment Order. Fresh Pension Payment Order will be required to be issued in such cases.

19.7 Sanction of Pension

19.7.1 In term of the provisions contained in CCS (Pension) Rules the Heads of Office have been delegated powers to sanction pensions.

19.7.2 The pension sanctioning authority will record his orders to the grant of pension/ gratuity on Part I of Form 7 of CCS (Pension) Rules. Similarly in the case of family pension, the orders will be recorded on the form prescribed for sanctioning family pension. No formal office order should be issued for sanction of pension in any case.

19.7.3 Necessary orders to the grant of pension/gratuity shall be recorded on the application after due consideration of the facts of the case, as to whether the service has been satisfactory and is approved for grant of full pension admissible under the rules or whether the service has not been thoroughly satisfactory and what reduction for that reason be made from the full pension/gratuity admissible under the rules.

19.7.4 The present procedure with regard to sanctioning/revising of the pension cases, DCRG/ commuted value of pension etc. of the ICAR employees who have either retired/ superannuated or are retiring/ superannuating from the ICAR Headquarters and various Institutes has been revised and the following procedure may be adopted scrupulously with effect from 01.08.1994.

- (i) The first pension may be sanctioned directly to the State Bank of India, if any retiring official desires so.
- (ii) In other cases where the officials wish to draw their pension from the ICAR Headquarters/ Institutes etc., the existing procedure may continue.
- (iii) In both the cases at 1 and 2 above, the DCRG/commuted value of pension is

to be paid by the office of the ICAR Headquarters. or the concerned Institutes.

- (iv) While revising the pension etc., the existing system/procedure of calling back the pension payment order from the bank/institute, etc. may be dispensed with. This would enable the pensioner to continue getting his pension through source without any interruption till finalization of revision of his pension etc.

19.7.5 In the cases at 4 above, the revised gratuity is to be sanctioned and payment for difference of DCRG/CVP made to the pensioner at the first instance by the ICAR Headquarters/institute.

19.7.6 After payment of differences of DCRG and CVP to the pensioners, a special Seal Authority letter may be issued to the State Bank of India (linked branch)/institute by the authorized Finance & Accounts Officer indicating therein revised rates of pension/relief and the exact date from which such payments are to be given effect. The concerned Institutes/Link Branch of the State Bank of India may be suitably instructed to incorporate necessary changes/entries in both halves of pension payment orders on the basis of special Seal Authority letter.

The seal under reference is also required to be embossed initially on the appropriate portion of the PPO and the Disburses half to avoid fraud and misuse. The Seal may always be kept under safe custody by the concerned Finance & Accounts Officer.

19.8 Pension Calculation Sheet to be given to Pensioner

19.8.1 Head of Office preparing the pension case of a Central Government employee should prepare in triplicate a certified calculation sheet, as in the prescribed pro forma, certify the sheet at the bottom and pass it on to the concerned PAO/Accounts Officer along with the pension case.

19.8.2 The Accounts Officer, while issuing the pensionary authorization, countersign the calculation sheet as certified by the Head of Office, retain one copy (out of the three received by him from the Head of Office) and forward one copy as countersigned by him to the pensioner, along with the intimation of his having sent the pension payment authority PPO. The third copy of the certified calculation sheet as countersigned by the Accounts Officer of the Institute concerned, and the latter would record those calculation sheets as certified by the Head of Office and countersigned by the Pension Payment Authority, in a guard file with a proper index.

[G.I., Dept. of Pension and Pensioners' Welfare, O.M. No. 38/19/85-PU, dated the 2nd September, 1985 and corrigendum, dated the 7th February, 1986 and O.M. No. 38/24/91-P. & P.W. (F), dated the 22nd November, 1991.]

19.9 Recovery and Adjustment of Council's Dues

19.9.1 Sanctions to pensions are often delayed pending recovery of outstanding dues e.g. over payment of pay, allowances or leave salary, recoveries on account of licence fee, advances of conveyances and other dues, remaining un-assessed. As these amounts cannot be recovered from pension after sanction without the pensioner's consent, it is imperative that every effort should be made to settle and recover such dues from the Council servant by the date of his retirement. The following principles should be observed while enforcing the recovery of Council's dues :-

- (i) The Head of office shall ascertain and assess Council's dues payable by the employee due for retirement.
- (ii) The dues as ascertained and assessed by the Head of Office which remain outstanding till the date of retirement of the Council servant, should be adjusted against the amount of gratuity becoming payable.

19.9.2 The expression 'Council's dues' includes :-

- (i) dues pertaining to the Council's accommodation including arrears of licence fee, if any.
- (ii) dues other than those pertaining to Council's accommodation, namely, balance of house building or conveyance or any other advance, overpayment of pay and allowances or leave salary and arrears of Income Tax deductible at source under the Income Tax Act, 1961.

19.10 Adjustment and recovery of dues pertaining to Council's accommodation

19.10.1 The Head of Office shall scrutinize eight months before the date of retirement of the Council servant licence fee, if any, recoverable from him in respect of the period prior to eight months of his retirement, and ensure that outstanding licence fee is recovered in installments from the current pay and allowances. Where the entire amount is not recovered from the pay and allowances, the balance shall be recovered out of the gratuity before its payment is authorized.

19.10.2 The licence fee for the next eight months, i.e. up to the date of retirement of the Council servant shall be recovered every month from the pay and allowances of the employee.

19.10.3 The amount of licence fee for the retention of Council's accommodation for the permissible period of four months after retirement shall also be adjusted from the amount of gratuity together with the un-recovered licence fee, if any.

19.10.4 Withholding of 10% of gratuity from the retiring council servant on the basis of an order to this effect from the Head of Office on ground of:

- (a) To intimate Directorate of Estates order for withholding 10% of gratuity for outstanding licence fee;
- (b) To inform the ongoing disciplinary proceedings against the official. (*OM dated: 11.07.2013*)
- (c) The Head of office shall be responsible for the recovery of licence fee from an employee for retaining Council's accommodation beyond the permissible period of four months after the date of his retirement. However, any amount becoming due on account of licence fee for retention of Council's accommodation beyond four months after retirement and remaining unpaid may be ordered to be recovered by the Head of office through the concerned Finance & Accounts Officer from the dearness relief without the consent of the pensioner. In such cases, no dearness relief shall be disbursed until full recoveries of such dues have been made.

19.11 Adjustment and recovery of dues other than dues pertaining to Council's accommodation

19.11.1 For the dues other than the dues pertaining to occupation of Council's accommodation, the Head of office shall take steps to assess the dues two years before the date on which a Council servant is due to retire on superannuation; or on the date on which he proceeds on leave preparatory retirement, whichever is earlier.

19.11.2 The assessment of Council's dues referred to in sub- para (1) shall be completed eight months prior to the date of retirement of Council servant.

19.11.3 The dues assessed in sub-para (2) including those dues which come to notice subsequently and which remain outstanding till the date of retirement of the Council servant, shall be adjusted against the amount of gratuity payable to Council servant on his retirement.

19.11.4 The Head of Office should ensure that all dues recoverable from retiring Council's servant are assessed well before retirement and recovered from the salary/retirement gratuity and that no amount of Council's dues other than arrears of licence fee can be recovered from Dearness Relief.

19.12 Payment Procedure

19.12.1 Pension will be payable at the headquarters of Indian Council of Agricultural Research or at any Research Institute/Station/Sub-Station/Centre/Sub-Centre/State Bank of India.

- 19.12.2 The Pensioner will have to appear in person for receiving payment of pension. If he is unable, to receive payment in person, he shall furnish with the bill in the prescribed form, a life certificate signed by an officer of the Central or State Government or by a Magistrate, Registrar or Sub-Registrar, or by a retired officer who before retirement exercised the powers of the Magistrate or by a Munsif etc.
- 19.12.3 A pensioner resident in India can authorize another person in India, to claim and draw the pension admissible to him by giving a legally valid power of attorney in favour of the latter. As such, a person holding the power of attorney on behalf of an ICAR Pensioner if he is not an agent (including a Bank) who has executed a bond with the ICAR to refund overpayments, can either receive the payment in person from the Disbursing Officer after giving his acquittance, or if he desires to draw the pension through an agent or representative nominated by him, he may receive payment through him, but in either case of receiving payment in person or through an agent or representative, he will append to the bills for pension for each month a life certificate in respect of the persons duly signed by any of the above mentioned authorities and also furnish certificates signed by the Pensioner required under the Rules.
- 19.12.4 The Pensioners are required to produce the Pensioner's half of the Pension Payment Order with their claim for pension every month. The Disbursing officer is required to make a note under his attestation in the Disburser's half of the Pension Payment Order whenever any payment of pension is made.
- 19.12.5 The following procedure should be followed in the case of pension directly payable at the Headquarters Office or at a Research Institute/Station having an independent Audit & Accounts Branch.
- 19.12.6 On receipt of the bill duly signed by the Pensioner, payment of pension will be made by crossed cheque in his favour. In case a Pensioner does not want to take delivery of the cheque personally and wants to receive it by post, cheques made non-negotiable by crossing them 'Account Payee Only' would be sent by post in the name of the Pensioner himself. The postal charges would be borne by the Council in these cases. In either case, a stamped receipt will be furnished by the Pensioner. Payments to the bankers' direct, as authorized agents are not feasible as they have not executed a bond of indemnity in favour of ICAR, as in the case of Government servants.
- 19.12.7 When an ICAR pensioner has been permitted to draw his/her Pension through a Station/Sub-station/Centre/Sub-Centre functioning under a Research Institute/ Station of the Council, the following procedure shall be observed:
- (i) The pensioner will have to submit his/her pension and gratuity bills to the Head of such Research Station/Sub-Station/Centre/Sub-Centre who, after his countersignature may transmit the same to the Finance & Accounts Officer of the

Institute for pre-audit and arrangement of payment through him. The amount of pension etc. shall be remitted by the Finance & Accounts Officer to the Head of the Centre etc. after making a note in the disbursers half of the Pension payment Order by cheque/bank draft like that of pay and allowance of staff. On its receipt the Head of the Centre shall, disburse the amount to the pensioner or his authorized agent after necessary identification and receipt of acquittance. The Head of the Centre shall make a note of the payment under his signatures in the Pensioner's half of the Pension payment Order. He shall also furnish a disbursement certificate to the following effect to the Finance & Accounts Officer.

‘Certified that Rs (Rupees) Was disbursed to on account of pension bill of Shri/Smt..... for the period from to..... after ensuring that he/she was alive at the end of this period’.

- (ii) Both the receipts and disbursements relating to pensioners shall pass through the cash book of the Head of the Centre. The stamped receipts which shall be obtained by the Head of the Centre etc. at the time of actual disbursement will remain in his custody. The same shall be checked by the Finance & Accounts officer or his representative at the time of the internal audit of the Centre.
- (iii) With a view to ensure that a pensioner may not have to take the trouble of visiting the Centre more than once in a month for the receipt of his/her pension, it has further been decided that the last working day of the first week of each month may be fixed as the date on which, he/she may be required to approach the Head of Centre for the disbursement of his/her pension bill for the previous month. While receiving the pension for the previous month, he/she may also be required to present his/her pension bill in advance for the current month. The advance pension bill shall also be transmitted by the Head of the Centre for pre-audit etc. to the Finance & Accounts Officer in advance like bills for pay and allowances of staff.

19.13 Disbursing Officer's Checks

A disbursing officer should apply the following checks at the time of making payment of pensions:

- 19.13.1 On appearance of pensioner claiming payment of pension, his personal marks of identification shall be checked by the disbursing officer and the signature on the receipt shall be compared with the facsimile of the signature taken on the Disburser's portion of the Pension Payment Order. If the pensioner cannot sign his name, his thumb impression on the receipt shall be compared with original impression taken on the order. In case of doubt, payment may be made on the strength of the resemblance between the pensioner

and his photograph where one is pasted on the Disburser's portion of the Pension Payment Order, pending final settlement of any question which may arise about identification marks, signature or finger impression.

19.13.2A pensioner drawing pension for the first time shall be required to produce a copy of the order by which the sanction to his pension was communicated to him, and his, signature or thumb impression on the bill shall be compared with the specimen signature or thumb impression received with the Pension Payment Order.

19.13.3When a pensioner draws his pension through another person, the disbursing officer must take specific precaution against fraudulent presentation of claims and satisfy himself of the existence of pensioner and of the identity of the payee before any payment is ordered, and if he feels any suspicion, shall refer it to the pensioner before payment.

NOTE: In so far as the disbursing officer is concerned, the authority of a person to receive pension on his behalf remains unimpaired until its termination by the death of the pensioner or otherwise, becomes known to him.

19.13.4In view of the special risk of fraud involved in the payment of Pension of women who do not appear in public, special care shall be taken in the identification of such pensioners. The descriptive rolls, when originally prepared and the periodical certificates of the continued existence of such women shall be attested by two or more persons of respectability in the town, village or pargana.

19.14 Payment of Commutation Money

The Payment of the commuted value of a portion of Pension can be made upon the authority issued by the concerned Finance & Accounts Officer only to and upon the receipt of the person legally entitled to receive it and not otherwise.

19.15 Gratuity

19.15.1The payment of Gratuity can also be made only on the authority of the concerned Finance & Accounts Officer. The payee must be required to produce the copy of the authority by which the sanction of payment to the gratuity was communicated to him, and the disbursing officer shall record the fact of payment having been made on the copy of the authority so produced.

19.15.2Gratuity may be paid only to and upon the receipt of the persons legally entitled to receive them and not to, or upon the receipt of the Head of the Office or department in which the gratuity formerly served.

19.16 Audit Checks

19.16.1 The Pension payment orders issued by the Finance & Accounts Officer to the Pensioners are recorded in a Register of Pension Payment Orders which provides inter alia, columns for recording particulars of the Pension payment orders, the amount of monthly pension payable and so on.

19.16.2 The audit of payments of pensions besides testing the formal accuracy of bill is directed to seeing:

- (i) that, except in the case of pensions of persons who die before issue of a Pension Payment Order, no pension is paid for which a Pension Payment Order has not been issued;
- (ii) that the amount of pension claimed is not greater than the amount sanctioned;
- (iii) that the amount has been duly authorized;
- (iv) that the bill is duly supported by the prescribed life certificate, if the pensioner does not appear in person to receive payment;
- (v) that the prescribed certificates, e.g. regarding non-employment and non-marriage in the cases of pension terminable on marriage or re-marriage etc. are furnished as evidence of the continued title to pension.
- (vi) that claims to arrears of pensions are supported by requisite sanction of the competent authority, where necessary;
- (vii) that the rules regarding periodical identification of pensioner are duly observed; and
- (viii) that the pension payment order is returned for cancellation on the death of a pensioner.

19.17 Payment Vouchers

As the payment of pension bills is made after pre-audit and the charges are also debited to final heads in the books of the Institutes etc., the paid vouchers relating to pension shall not be sent to the Finance & Accounts Officer authorizing pension. The same should be recorded finally at the respective Institutes making payment of pension.

19.18 Issue of Identity cards to pensioners at their cost

It has been decided that Identity Cards will be issued by various Ministries/Departments/offices to its retired/retiring employees and the expenditure on providing a laminated Identity Card will be borne by the pensioner as per the specimen below. It will be the responsibility of the concerned Ministry/Department to work out the expenditure that may be involved in issuing a laminated Identity Card to pensioner and the card may be issued at the request of the pensioner on cost recovery basis.

(G.I., Deptt. of P&PW's O.M. No. 41/21/2000-P&PW (D) dated 16-11-2000)

SPECIMEN OF PENSIONER IDENTITY CARD FRONT

PENSIONER'S IDENTITY CARD	
INDIAN COUNCIL OF AGRICULTURAL RESEARCH	
NAME OF THE INSTITUTE: _____	
Space for Photograph	No.
	Name
	Residential Address:
	Telephone No.
	Blood Group
	Signature of card holder
Signature of Issuing Authority with seal	

REVERSE

Date of birth/superannuation*
Post held on Retirement/pay scale*
Last pay/average emoluments*
Qualifying service
Pension Originally sanctioned
P.P.O. No. and date
*In brackets

19.19 New Pension Scheme from 01.01.2004

19.19.1 The ICAR has adopted the Govt. of India New Defined Contribution Pension Scheme for employees joining Council's service on or after 01st January 2004. The rules, instructions/amendments issued by Govt. of India in this regard from time to time would,

therefore, be *mutatis mutandis* applicable in ICAR.

19.19.2The general procedure and checks of basic records etc. prescribed in this chapter will also be applicable in the case of employees covered under New Pension Scheme. Drawing & Disbursing Officers/Head of Offices, Finance & Accounts Officers have to see that the cases are processed and settled as per rules and orders of GOI/Council issued from time to time. As per the New Pension Scheme for Central Govt. servants as adopted by the Council, the Finance & Accounts Officers of the Institute acts as the PAO and the Director (Finance) acts as the Chief Principal Accounts Officer. The existing Drawing & Disbursing Officers at the Institute act as Drawing & Disbursing Officers in this regard as well. The Finance & Accounts Officer of Institutes make monthly deductions from the employees and remit the same along with the detailed statement online to the NSDL. The Finance & Accounts Officers must reconcile the monthly/annual contributions and the details of balances of their employees in the ledger account with reference to the statement provided by NSDL. All relevant records will have to be maintained by the concerned Drawing & Disbursing Officer/Finance & Accounts Officer/Director (Finance) as per the scheme.

19.19.3The Finance & Accounts Officer of the pension authorizing units also performs the duty of authorization with regard to the NPS.

19.19.4The instructions/guidelines/endorsements with respect to the NPS issued by the Council may strictly be adhered to.

Check of Provident Funds

20.1 General

20.1.1 The check of transactions pertaining to Provident Funds controlled by the Council mainly consist in seeing that these transactions conform to the rules and regulations governing the administration of each Fund and any subsidiary instructions issued there under. Subscriptions to Provident Fund can be received only from such Council's employees as are either required or permitted by the rules of the Fund to subscribe to it. Having satisfied himself on this score, the Finance & Accounts Officer must watch that subscriptions and other dues recoverable under the rules of the Fund are duly and regularly recovered from the employee concerned. In the case of Contributory Provident Fund, the Finance & Accounts Officer has also to examine that Council's share is properly calculated and brought to account. Finally the Finance & Accounts Officer must verify that the accounts of the funds are correct both in total and in the detailed accounts of the subscribers.

20.1.2 The procedure prescribed in this chapter is applicable to the following Provident Funds constituted under Bye-Laws 32 of the ICAR so far as it is not inconsistent with the provisions of the Provident Fund Rules themselves.

(i) ICAR General Provident Fund Rules which are similar to the General Provident Fund (Central Services) Rules 1960.

(ii) ICAR Contributory Provident Fund under the Provident Fund-cum-Gratuity Scheme introduced with effect from 01.09.1963.

20.2 Admission to the Fund

20.2.1 When a Council's employee applies to become a subscriber to the Indian Council of Agricultural Research Provident Fund, his eligibility should be examined with reference to the relevant rules. If he is found eligible, an Account Number will be assigned to him in the General Index Register. This number should be communicated to him, Establishment Section and Salary Section with the request that it should always be quoted in all communications with the Provident Fund Section as well as in the schedule of deduction.

20.2.2 The General Index Register in **Form 14** should be maintained separately for General Provident Fund and Contributory Provident Fund. Each register should have an alphabetical Index prefixed to it. When new numbers are assigned to old subscribers, the new number should be known as numerator and the old number as denominator in the Index Register so that their past records may be traced easily whenever required.

20.3 Nominations

- 20.3.1 A subscriber should at the time of joining the Fund, send a nomination in the appropriate form provided in the rules applicable to him along with his application for admission to the Fund. If the nomination is not furnished, the applicant, if eligible, may be admitted to the Fund but he should be advised to file the nomination in his own interest.
- 20.3.2 When a fresh nomination is received, it should after scrutiny be put up with Ledger Account to the Finance & Accounts Officer. The Finance & Accounts Officer should record 'N' and initial the entry on the top of the Ledger Account and will give a note of acceptance on the nomination. The nomination should then be entered in the General Index Register concerned under the Column head "Nominations when received" which should be attested by the Finance & Accounts Officer under his dated initials.
- 20.3.3 The nominations should be kept under lock and key in the personal custody of the Officer in-Charge of the Section and verified annually by the Finance & Accounts Officer. A certificate indicating the result of the annual verification should be re- corded by him under his dated signatures in each of the General Index Registers.
- 20.3.4 On completion of the verification, a list of missing nominations, if any, should be made out and immediate steps taken to obtain fresh nominations from the parties concerned.
- 20.3.5 When for any reason a nomination is removed, the fact should invariably be noted under the dated initials of the Finance & Accounts Officer in the remarks column of the General Index Register.
- 20.3.6 When a change in the Finance & Accounts Officer takes place, a certificate of handing over and taking over the nominations should be signed in the Stock Register by the relieved and the relieving Officer.
- 20.3.7 When a revised nomination is received, the superseded one should be cancelled and returned to the subscriber. The revised nomination should bear, a note of acceptance by the Finance & Accounts Officer and also remarks to the effect 'the old Nomination datedcancelled and returned to subscriber'. Similarly the old nomination should bear a note 'Cancelled vide revised Nomination datedreceived'. When a notice in writing is received from a subscriber for cancellation of the nomination, it should forthwith be cancelled and returned to the subscriber. This should be done even if the subscriber fails to furnish along with notice of the cancellation or separately, in due course a fresh nomination which is in accordance with the rules of the Fund concerned. If no fresh nomination is received after such cancellation Fund deposits become payable as a result of the death of the subscriber, the payment may be made in accordance with the rules of the Fund as if no valid nomination subsists.

20.4 Subscriptions

- 20.4.1 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 the Fund. In the case of subscription 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. For all months of the year it should also be seen that all compulsory subscriptions are paid except when an exemption or a lower rate is allowed. Whenever a subscription is discontinued by a subscriber, it should be seen that the discontinuance is permissible.
- 20.4.2 Subscription to the fund shall be stopped during suspension and at the option of the employee during leave on half pay, leave without pay and dies-non. Proportionate subscription to be recovered for the period of duty and any leave other than HPL/EOL. No subscription should be recovered during the last three months of the service. A note should, therefore, be made in the records well in advance of the superannuation of an employee.

NOTE: Any overpayment or short payment of subscription to the Fund in anyone month may be adjusted by deduction from, or addition to, the subscriptions in the subsequent months, wherever possible.

20.5 Temporary Advances

On receipt of a sanction for a temporary advance from the provident fund of a subscriber, the following checks should be exercised:-

- (1) that the sanction has been accorded by a competent authority;
- (2) that the conditions under which the advances can be granted under the rules of the Fund are fulfilled;
- (3) that the advance sanctioned is within the ceiling limits as laid down in the relevant rules of the fund and is covered by the balance at the credit of the subscriber; and
- (4) that the installments as fixed for the recovery of advance fall within the limits provided in the rules of the Fund.

A register should be maintained for the record of sanctions and the verification of recoveries of temporary advances posted in the ledger direct.

20.6 Part Final Withdrawals

The procedure prescribed in Para 19.13 shall be followed *mutatis mutandis* in the case of

sanctions for final withdrawals or part of the accumulations in the Fund for specific purposes like House Building; marriage expenditure etc., wherever admissible under the Provident Fund Rules.

20.7 Final Payments

- 20.7.1 The sum which accumulates to the credit of a subscriber will not be refunded until he finally quits the service of the Council. He may quit service by retirement or resignation or dismissal. As soon as such an event occurs the Head of the Office should report the fact to the Finance & Accounts Officer and ask the subscriber to apply for the final withdrawal of his Provident Fund money in the prescribed form. On receipt of the application, it will be forwarded to the Finance & Accounts Officer after recording necessary certificates thereon. The applications in respect of Contributory Provident Fund withdrawals should be forwarded to the Finance & Accounts Officer along with no demand certificate.
- 20.7.2 The amount payable to the subscriber or his nominee or nominees should then be worked out by the Audit & Accounts Branch after taking into account any advance drawn or withdrawal for house building, marriage expenditure etc. during the preceding twelve months. The account should be thoroughly checked by the Junior Accounts Officer/Section Officer before putting up the case to the Finance & Accounts Officer who will fully satisfy himself of the correctness of amount proposed for payment.
- 20.7.3 No final payment may be made unless it has been approved by the Director (Finance) or the Director of the respective Institute. Necessary bill for payment should be prepared by the Audit and Accounts Branch on the authority of this approval and submitted to the Finance & Accounts Officer for signing pay order.
- 20.7.4 In the absence of a natural guardian when the Provident Fund money payable to a child of a deceased subscriber exceeds Rs. 10,000/- it can only be paid on the production of a guardianship certificate. The production of a succession certificate by a major member of the family will not authorize the payment of the minors money to the person producing the certificate since the Provident Fund money is not the joint-family property but the separate property of the minors and there is nothing in law to prevent the court from granting a certificate of guardianship of the separate property of a member.

NOTE: The Proper Court to grant a guardianship certificate is the District Court having jurisdiction in the place where the minor ordinarily resides vide section 9 of the Guardians and Wards Act.

- 20.7.5. The progress of finalization of all cases of final payment of entire accumulation should be watched through a suitable Register. A note of all such payment should be kept in the respective ledger accounts under the initials of the Finance & Accounts Officer. In the case of payments to subscribers authorized through their Heads of offices, the

receipt of a certificate of disbursement should be watched and when received it should be noted in the subscribers account. Advance stamped receipts may be obtained in all other cases, wherever necessary.

20.8 Deposit Linked Insurance Scheme

On the death of a subscriber after having put in 5 years service, the person entitled to receive the amount standing to the credit of the subscriber, shall be paid an additional amount equal to the average balance in the account during the 3 years immediately preceding the death of such subscriber subject to a maximum of Rs.60, 000/- in respect of G.P.F. subscribers and Rs.30, 000/- for CPF subscribers.

The expenditure on this account shall be debited to 'Pension & other retirement benefits'. Payments will be made by Finance & Accounts Officer without formal sanction and in whole rupees.

NOTE: 1. The maximum limit is to be applied after arriving at the average of last 36 months and not at every stage.

2. The balance for March every year and for the last month of the 3 years .period will be inclusive of interest.

3. In the case of CPF 'balance' and 'average balance' would mean only employee's subscription and interest thereon.

4. Admissible on death even after working hours of the last working day but before 12 midnight as this will be treated as 'death while in service'.

5. In the case of missing employees, payment can be made to the nominee/legal heirs after expiry of a period of 7 years following the month of disappearance of the subscribers on production of a proper proof.

20.9 Transfer of Account

When a subscriber is transferred from one payment circle to another under the ICAR whether the transfer is permanent or temporary for a period exceeding one year, the Provident Fund balance at his credit may be transferred to the Books of the new Finance & Accounts Officer. For this purpose a copy of his ledger account together with the Nomination Form in original should be forwarded under intimation to the Director (Finance) to the new Finance & Accounts Officer who on their receipt will adopt the Provident Fund balance in his books and immediately send an intimation of the fact to the Director (Finance) and to the Finance & Account Officer transferring the GPF account for carrying out simultaneous adjustment in their books.

20.10 Compilation of Provident Fund Accounts Ledger

20.10.1 The accounts of subscribers should be maintained in bound ledgers in **Form 15** for subscribers to the General Provident Fund and in **Form 16** for subscribers to the Contributory Provident Fund. One complete folio is allotted to each subscriber. The fact of admission to the Fund and the receipt and acceptance of nomination in favour of a nominee or nominees should be noted at the top of the folio and the entries attested under the dated initials of the Branch Officer. All other entries relating to Name, Number, etc., for which space has been provided at the top of the folio should be attested by the Junior Accounts Officer/Section Officer. All the opening entries in the new ledger account viz. opening balances, advances outstanding, acceptance of nomination should be attested by the Junior Accounts Officer/Section Officer. In the case of cash payments either of subscription or refund of advance, the date of receipt should be noted invariably on the account.

20.10.2 There should be a separate ledger for each unit of Account. The pages of each ledger should be numbered consecutively on one series. When the account of a subscriber is closed, the date of and the reason for the closure should be noted in the ledger as well as in the Index Register.

20.11 Posting of Accounts

20.11.1 Provident Fund Accounts should be posted from the schedules, etc. as noted below:

- (a) Schedules of Provident Fund Deductions detached from pay bill.
- (b) Schedules of cash recoveries received from the Drawing Officer either supported by fund schedules or themselves containing all necessary information in respect of subscribers concerned.
- (c) Remittances from other Finance & Accounts Officers in respect of fund deductions made by them either supported by fund schedules or the forwarding letters themselves containing necessary information.
- (d) Vouchers of P.F. withdrawals and advances.

20.11.2 On their receipt in the Provident Fund Sections, the dealing clerk should see that the schedules and their covering lists are complete and get any omission found in them rectified and then check them carefully to see:

- (a) that the subscription paid is within the prescribed minimum percentage of pay;
- (b) that the amount paid agrees with the rate adopted in the first month of the year except when a subscriber is on leave or under suspension, and

- (c) that the variations in the rates of subscriptions or non-exhibition of recoveries against any name are satisfactorily explained.
- (d) The Institutes will send the monthly statement of Provident Fund balances to the Finance & Accounts Officer, Audit III Section of the Council Headquarters. If the recoveries are more than the payment, the amount will be remitted by the Institute to the Council. If in any month payments are more than the recoveries, the net amount will be remitted by the Finance & Accounts Officer, Audit III Section of the Council Headquarters to the concerned Institute.
- (e) After ascertaining himself that the schedules pertaining to a particular account have been completely received, the dealing assistant should post the transactions in the relevant columns of the ledger. Any irregularity, omission or discrepancy noticed in the course of posting should be recorded in the schedule concerned and communicated to the Drawing Officer of the Subscriber through the prescribed objection statement. The postings in the ledger should be reviewed by the Junior Accounts Officer/Section Officer each month.

20.12 Verification

- 20.12.1A broad-sheet in **Form 17** should be maintained separately for General provident Fund Accounts and Contributory Provident Fund accounts. Each Broad-sheet should be posted direct from the accounts in the ledger and the monthly totals calculated therein verified with those in the detail Posting Register. The total monthly credits and debits as worked out in the Broad-sheets should agree with corresponding monthly totals in the Detail Posting Register. Discrepancies, if any, between the Broad-sheet and detail Posting Register figures should be recorded in an 'Explanation Sheet' of differences and the adjustment of differences watched through that sheet.
- 20.12.2Each broadsheet along with the 'Explanation Sheet' of differences should be submitted every month to the Finance & Accounts Officer who will ensure that the figures are agreed and discrepancies adjusted promptly.

20.13 Annual Closing

- 20.13.1The work of calculation of interest due on each account should be completed on the end of the financial year. The amount of interest as well as total deposits, refunds and withdrawals and employer's contribution in the case of C.P. Fund accounts should be posted in the space provided for the purpose in the ledger account and the closing balance (s) for the year worked out in respect of every ledger account.
- 20.13.2The calculations in respect of interest and annual contribution as well as the closing entries in the ledgers should be checked in detail by an examiner and/or the Junior Accounts Officer/Section Officer. The Finance & Accounts Officer will also check the

same to the extent as may be prescribed by the Director (Finance).

20.13.3 The interest figure (s) in each individual account including interest paid during the year on closed accounts and Council's Contribution credited to each C.P.F. account should be posted in the respective Broad-sheets. The balance at the credit of each subscriber on 31st March including interest for the year should then be worked out in the Broad-sheets and their totals in each broad-sheet squared up. The totals of opening balances, total credits during the year, total disbursements during the year, interest credited for the year and totals of closing balances as per the broad-sheets should then be intimated to the Finance & Accounts Officer, Indian Council of Agricultural Research for verification.

20.13.4 All entries pertaining to the sum deposited, interest accrued and withdrawals made from the Provident Fund during the financial year are to be recorded under proper attestation in the Annual Statement (**Form 18**), of each of the subscriber as early as possible, preferably by 30th April.

20.14 Monetary Settlement of Provident Fund Transactions

20.14.1 As a separate Bank Account is being maintained for the ICAR Provident Funds, all recoveries of P.F. made from the employees have to be physically remitted to that account by Cheque/draft and similarly all Provident Fund payments have to be made from that account only.

20.14.2 In view of above, each institute shall send latest by 5th of every month to the Finance & Accounts officer (Audit-III), Indian Council of Agricultural Research a statement showing the total of debits and credits relating to Provident Fund transactions under the following columns:

- (i) Credits on account of subscription.
- (ii) Credits on account of refund of advances.
- (iii) Total credits.
- (iv) Debits on account of withdrawals.
- (v) Remarks.

20.14.3 In the case of Contributory Provident Fund accounts, the calculation of annual contribution due in each case should precede the calculation of interest. It should be taken up in the middle of March after the posting of current month's subscriptions and completed before 25th of that month. A bank draft for the total contributions payable for the year should then be obtained in favour of the 'ICAR Provident Fund' and forwarded to the Finance & Accounts Officer for credit to that account.

20.14.4 No monetary settlement is required on the part of the institutes etc. in respect of annual adjustments of interest made in individual provident Fund Account.

20.15 Consolidated Broadsheet

A consolidated broadsheet in respect of Provident Fund Accounts of the entire Council in **Form 19** will be maintained at the Headquarters office and will be posted every month on the basis of the statements of accounts referred to in the paragraph above. For the purpose of reconciliation, the Heads of Institutes etc. will also furnish to the Finance & Accounts Officer, Indian Council of Agricultural Research an annual statement in the prescribed **Form 20** showing the total credits and debits during the year and total balance at the close of the year and get these confirmed from the Finance & Accounts Officer, Indian Council of Agricultural Research.

20.16 Test Check by Finance & Accounts Officer (Inspection)

The ICAR Provident Fund Accounts maintained by the Institutes will also be subjected to a percentage check by the Finance & Accounts Officer (Inspection) of the Council during the inspection of Institutes.

20.17 Gratuity

20.17.1 Gratuity is payable to or in respect of those Council servants who have subscribed towards the ICAR Provident Fund for at least 5 years under the Contributory Provident Fund-cum-Gratuity Scheme before their retirement from the Council service or death.

20.17.2 As soon as a Council servant who had been subscribing under the Contributory Provident Fund-cum-Gratuity Scheme for a period of five years or more, retires from service or dies while in service, the Head of Office shall obtain an application for the payment of Gratuity in **Form 20** also in addition to their application for the final withdrawal of Provident Fund money. On its receipt, he will calculate amount of gratuity payable and forward the same to the Finance & Accounts Officer after indicating there in the amount payable and the basis of his calculation; together with the certificates required for the release of the gratuity, duly signed by him. The Finance & Accounts Officer should check the correctness of the amount recommended by the Head of Office for payment and after satisfying himself about its correctness should obtain the formal sanction of the Director for its release. Necessary bill for payment should be prepared by the Audit & Accounts Branch on the authority of this sanction and submitted to the Finance & Accounts Officer for signing the pay order.

20.18 G.P.F. Accounts of Government servants opting for the ICAR Services

20.18.1 If a Government servant who is a subscriber to the General Provident Funds of the Central Government or of a State Government is permanently transferred to ICAR service in a substantive capacity, the amount of subscriptions, together with interest thereon, standing to his credit in such other fund on the date of transfer shall be transferred to his credit in the Fund. Provided where a subscriber was subscribing to a

non-Contributory Provident Fund of a State Government, the consent of that Government shall be obtained. For further clarifications instructions and orders issued by the Government of India and ICAR and the GPF Rules may be followed.

- 20.18.2 If a Government servant admitted to the benefit of the Fund was previously a subscriber to any Provident Fund of a body corporate owned or controlled by Government, or an autonomous organization, registered under the Societies Registration Act, 1860, the amount of his subscriptions and the employer's contribution, if any, together with the interest thereon shall be transferred to his credit in the Fund with the consent of that body.
- 20.18.2 If a Council employee is transferred to Foreign Service or deputation outside India, he shall remain subscriber subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

Check of Deposits

21.1 Classification

Moneys received as deposits (including endowments and donations) with the Indian Council of Agricultural Research and its Institutes, and payments therefrom are recorded on the Receipt and payment sides respectively of the accounts under the Major Head Deposits which is sub-divided as shown below :-

- I. Earnest Money Deposit/ Bid Security.
- II. Security Deposits/Performance Security.
- III. Caution Money Deposits.
- IV. Deposits from Govt. Depts., /Bodies etc. against schemes to be financed by them.
- V. Endowments & Donations
 - (i) Endowments from
 - (ii) Donations from
 - (iii) Interest from Endowment Investments
- VI. Compassionate Fund.
- VII. Miscellaneous Deposits including Bank Guarantee.

NOTE:

- (i) Deposits not covered under any of the specified category discussed in this chapter are accounted for as Miscellaneous Deposits.
- (ii) Moneys received by the Institutes with the permission of the ICAR from any authority other than ICAR i.e. fellowships from CSIR, Ministry of Science & Technology, Department of Biotechnology, National Dairy Development Board, U.G.C. and others etc. are booked separately under each scheme under the sub-head 'Deposit from Government Departments/ other Bodies etc. against schemes' below the Major Head 'Deposits' in the accounts of the Institute.
- (iii) Moneys received as endowments from individuals or institutions for utilization on specified purposes are invested as fixed deposits with the State Bank of India/Nationalized Banks. The moneys received as endowments are shown under

separate sub-head Endowments from below Minor Head 'Endowments and Donations' subordinate to 'Deposits'. When the money is placed under fixed deposit is exhibited in accounts on the payment side as 'Investment of Endowment from' under the Major Head 'Investment',

- (iv) Amount of interest realized from the investment of the endowments are utilized on the subjects for which endowments are given by the individuals or institutions. The amount of interest when realized and expenditure there from are recorded under a distinct sub-head 'Interest from endowment investments' below the aforesaid minor head.
 - (v) Amounts received as Donations and expenditure there from are recorded under separate sub-head 'Donations' below the minor head 'Endowments and Donations'.
 - (vi) Compassionate Fund: Consequent upon the creation of compassionate fund to be fed by the annual grants of Rs,1,00,000/- from the Government of India a new sub- head 'Compassionate Fund' below the Major Head Pension and Gratuity on the Debit side and under 'Deposits' on both sides of the Receipt and Payment Account has been opened. On receipt of the sanction from ICAR headquarters, the Major Head Pension and Gratuity will be debited with a corresponding credit to the head 'Deposits Compassionate Fund'. When any payment is made out of this fund, the transactions thereof will also be accounted for under the head 'Compassionate Fund' below 'Deposits'.
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21.2 Register of Deposits

- 21.2.1 Each item of deposit received should at once be entered on the receipt side of the Register of deposits (**Form 21**) and numbered. There should be separate series of numbers for each register beginning a new each year. The Finance & Accounts Officer should check carefully the amount and particulars of each entry and then put his initials in the proper column under each item.
- 21.2.2 Every item should be recorded in the name of the person from whom and not that of the person through whom it is received. It should be passed through the accounts even though repaid on the day of receipt and be kept a distinct and should not be consolidated with others.
- 21.2.3 Each payment of deposit should at once be recorded both on the Payment and Receipt sides of the register of deposits, in the latter the date and amount of repayment being noted against the original receipt entry.
- 21.2.4 When a deposit is adjusted by transfer to some other head of Account, the head of account to which it is transferred and the Transfer Entry Number and Date should be noted both in the Receipt and Payment portions of the register. Its note should also be

kept against the original entry of receipt in Cash Book.

21.2.5 Deposits received at sub-stations of an Institute should be brought item by item upon the register maintained at the Headquarters of the Institute and must be numbered in the general series. When the Head of sub-station has occasioned to place in deposit items which according to rule should be dealt with and which he is empowered to pay on his own authority without formal authority from the Director of the Institute etc., a register of such deposits should be kept at the sub-station in addition to that at the Institute.

21.2.6 The register of deposits shall be closed at the end of each month when totals for each class of deposits shall be struck and abstracted under the heads indicated below Para 21.1.

21.3 Broadsheet of Deposits

21.3.1 Monthly totals in respect of each class of deposit should be posted in the broadsheet of deposits which will be maintained by each accounting unit in the following form, a separate page being allotted for each class of deposits.

Broad Sheet of Security Deposits for the year					
Month	Opening balance	Receipt during the month	Total of	Repayment Col. 2&3 during the month	Closing balance
1	2	3	4	5	6

April
May
June etc

21.3.2 The Broadsheet should be closed every month. The monthly receipts and payments posted in it should be got certified from the concerned Accounts Assistant with reference to the figures appearing in the monthly accounts. Immediate action should be taken to reconcile/resolve the differences, if any, between the broadsheet figures and account figures.

21.3.3 The F&AO has to see that balances in deposit accounts are correctly carried over from year to year, that the balance at the close of the year in each account is acknowledged as correct by the person or body concerned where necessary and practicable and that any deposit which has remained unclaimed for such period as may be prescribed in this behalf and are to be credited as revenue receipts of the Council, are properly adjusted to the revenue head in the accounts.

21.4 Check of Repayments

- 21.4.1 The check of repayments in the case of deposits is mainly confined to seeing that proper bills have been received in support of the amount to be repaid and that the repayments do not exceed the balance at credit of the particular account.
- 21.4.2 In the case of earnest money deposits, security deposits, caution money deposit etc., a refund bill in the prescribed Form along with the necessary sanction for the refund is received in the Audit and Accounts Wing from the concerned Administrative Section. A suitable note of refund should be recorded against the original entry of receipt of deposit in the Cash Book and certificate to this effect should be recorded on the voucher itself before passing the refund bill for payment.
- 21.4.3 The amount claimed should be verified with reference to the original entry of deposit in the Deposit Register and a necessary note of refund should also be recorded against that entry. The fact of this check having been done should be recorded on the refund voucher as well.
- 21.4.4 As soon as the payment is made, the voucher number etc. should also be recorded against the original entry in the Deposit Register.
- 21.4.5 Besides the above checks, the Audit and Accounts Wing should ensure that all acknowledgements previously granted are taken back, if possible, and defaced/cancelled with the rubber stamp 'Refunded vide voucher number.....dated.....'. The cancelled receipt will be treated as sub-voucher in support of refund bill. In case of non-production of receipt, a certificate may be had from the claimant to the effect that:
- (a) the original receipt has been lost;
 - (b) the refund of the deposit has not been claimed earlier; and
 - (c) a second claim will not be preferred if the original receipt is found at a later date.

21.5 Lapsed Deposits

- 21.5.1 Deposits not exceeding twenty-five rupees unclaimed for one whole account year, or residuary balances not exceeding the said amount out of deposits partly repaid during the year then closing, 'and all deposits or balances in excess of the aforesaid amount, unclaimed for more than three complete account years shall, at the close of March each year shall be credited to the Council. For this purpose, the age of a repayable item or of a balance of it may be reckoned as dating from the time when the item or balance, as the case may be was initially deposited. If however, a repayable item deposited by a party in connection with a contract or supply order is on request, decided to be reckoned as deposit against a subsequent supply order awarded to the same party, the age of the item will be calculated with reference to the date of the latter.

21.5.2 Of deposits and balances lapsing, Finance & Accounts Officers will prepare a list immediately after 31st March each year. This list should be reviewed by the Director/Head of the Office and submitted under his signatures to the Director (Finance), ICAR.

21.5.3 Deposits credited to the Council as lapsed and confiscated under the provision of an agreement or bond shall not be repaid without concurrence of the Director (Finance), Indian Council of Agricultural Research who will authorize payment on ascertaining:

- (i) that the item was credited to the Council as lapsed or confiscated, and
- (ii) the claimant's identity and title to money are certified by the Head of the Office. The amount repaid should be treated as refunds of receipts under the Major Head to which it was credited and the repayment should be noted in the Deposit Register against the entry for its credit to Council and also in the Lapsed Deposit Register.

20.6 Bank Guarantee

Bank Guarantee furnished by the firm must be examined scrupulously so that fake/forged Bank Guarantees are not accepted by office. Instructions have been issued by Council on the subject. This may strictly be adhered to by the office. The office must certify that the Bank Guarantee received by it is perfect in all respect and this should be forwarded along with the bill of the concerned firm to the Finance & Accounts Officer who will release the part payment against the Bank Guarantee only on receipt of such certificate from office administration. This, however, does not in any way, obviates the Finance & Accounts Officer from calling the original Bank Guarantee for test checks. (*F. No.: 42-2/2006-Vig, dated: 05th March 2008*)

Check of Advances

22.1 General

- 22.1.1 Advances are occasionally paid to officers and staff employed under the Council. The Finance & Accounts Officer should see that the conditions governing the grant and repayment of advances are strictly complied with and should exercise a close watch over repayment of principal and realization of interest thereon, if any. In reviewing the outstanding advances, special attention should be directed to irregularities in repayment.
- 22.1.2 Advances granted under special order of the competent authority to Council Officers for departmental or allied purposes may be paid on the responsibility and receipt of the officers for whom they are sanctioned, subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary.
- 22.1.3 Advance payment may be sanctioned by a competent authority in favour of outside bodies to get services or stores from them. A proper watch is necessary over their final adjustment as expeditiously as possible.
- 22.1.4 A bill on which an advance is drawn, must quote the authority sanctioning such an advance. The Finance & Accounts Officer will make payment of an advance only if the bill has been signed or countersigned by the authority competent to sanction such advance or if the sanction has been specially communicated to him.
- 22.1.5 For repaying an advance, the memorandum or challan presented in its support, or if the repayment is made by deduction from the amount of a claim against the Council, the bill for such a claim, must state the original date and account of the advance, or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified. Principal amount and interest thereon cannot be clubbed; details thereof are invariably required for proper accounting.

22.2 Advances to Council servants

- 22.2.1 Advances are normally admissible to permanent employees only. The same can be granted to temporary employees on obtaining a surety bond as prescribed in the relevant rules.
- 22.2.2 A suitable watch should be kept for ensuring that the outstanding loans and advances are duly recovered in respect of employees retiring or whose services are terminated etc.
- 22.2.3 The following types of advances are given to Council servants :-
- (a) *Interest Free Advances:*

- (i) Advance of pay on transfer.
- (ii) Advance of travelling allowance on tour/transfer.
- (iii) Advance of T.A. to the family of a deceased government servant.
- (iv) Advance of LTC.
- (v) Leave Salary Advance.
- (vi) Advance for medical attendance/treatment.
- (vi) Festival Advance.
- (vii) Flood/drought/cyclone/Earthquake etc. advances in the event of natural calamity.
- (viii) Advance on first appointment/deputation and leave ex-India.
- (ix) Advance in connection with legal proceedings.
- (x) Advance for training in Hindi through correspondence course.
- (xi) Advance for purchase of Bicycle.
- (xii) Advance for purchase of warm clothing.

(b) Interest bearing Advances: (Loans)

- (i) Advances for the purchase of conveyance i.e. motor cars/motor cycles/Scooters/bicycles.
- (ii) House Building Advance.
- (iii) Advance for purchase of Personal Computer.

22.2.4 Rules regulating the grant of advances to Central Government servants are applicable *mutatis-mutandis* to the employees of the Council. Deviations in procedure and forms shall, however, be made wherever necessary, ICAR being an autonomous body. The sanctions granting loans and advances to the Council employees should be audited to see that they are sanctioned by competent authorities in accordance with the rules and orders governing those loans and advances.

22.2.5 A record of interest bearing advances to Council servants' viz. House Building, Motor Car etc. advances sanctioned and paid under proper authority should be kept in Form 22, which would be regulated with reference to the rules governing such advances. Other

Advances recoverable in large number of installments and their recoveries will be recorded in prescribed format (Form 23). The Finance & Accounts Officer should report without delay any default in payment, either principal or interest, to the authority which sanctioned the loan or the advance.

- 22.2.6 The payments and recoveries shown in these Broadsheets **Form 22 and 23** should be reconciled monthly with the figures shown in the Detailed posting register. Any discrepancy between the two sets of figures being noted on separate pages, which should be set apart at the end of the broadsheets in order that their eventual adjustment may be watched. The fact that this monthly verification has been made should be recorded on the Broadsheet itself month by month at the time it is submitted to the Finance & Accounts Officer.
- 22.2.7 Interest bearing advances and interest free advances are booked in the Council's accounts under section 'Loans and Advances'.
- 22.2.8 Advances of pay and travelling allowances made under proper sanction to a Council servant on transfer to enable him to join his post or in other circumstances will be debited to the head 'O.B. Advances' under Section 'Advances'. If the Council servant is proceeding to another payment circle (except reversion to the lending department) the outstanding amount will be recovered from him through the Finance & Accounts Officer of the other circle. These advances will be recorded by the latter Finance & Accounts Officer in the relevant columns of the objection book through which their recoveries will be watched.
- 22.2.9 In the case of an employee taking advance of pay and travelling allowance on reversion to his parent department the procedure is as follows:-
- (i) The Finance & Accounts Officer of the Council shall be responsible for adjustment of the recoveries as the advances will remain outstanding in his books; and
 - (ii) The Finance & Accounts Officer of the lending department shall be responsible for effecting recovery of these advances. On receipt of the last pay certificates in the case of Gazetted Officers or of a separate intimation of the grant of advances in the case of non-gazetted employees from the Finance & Accounts Officer of the Council, the Pay & Accounts Officer of the lending department shall take the items in his objection book without making any adjustment and watch the submission of the adjustment of travelling allowance bill and the recovery of the advance of pay granted by the Council.
 - (iii) In reverse cases, where the Council happens to be the lending department, the action required under sub-para (2) will be taken by the concerned Finance & Accounts Officer in the Council. The amounts of the advances instead of being taken to the

column 'Advances Recoverable' should however be taken to the Column 'for other reason' under the heading "Items adjusted but awaiting clearance in the Objection Book.

- 22.3.1 Special type of advances viz advances against gratuity balances to families of deceased Council servants, wherever granted are debited to the head 'Objection Book Advance' under Section 'Advance', and recovery thereof watched through the Objection Book.
- 22.3.2 Festival Advances which are adjusted against the pay of subsequent months are classified separately under Section 'Advances' and their recovery is watched through a separate Broadsheet in Form 23 suitably modified.
- 22.3.3 The debit on account of first as well as subsequent installment of House Building Advances granted to a Council servant should be adjusted in the books of the Finance & Accounts Officer who makes payment of the first installment of the advance, and credits of all recoverable, even when made in another payment circle to which the Council servant may be subsequently transferred (though remaining under the Council) are also adjustable by the Finance & Accounts Officer who paid the first installment. Likewise, credits on account of recoveries of advances for purchase of conveyance as well as any other advances debit to 'Loans and Advances' are also passed on to the Finance & Accounts Officer by whom the advances were paid.

22.4 Contingent Advances to departmental officers

- 22.4.1 As there is a stores and administrative machinery functioning at each of the Institute, contingent advances by their very nature should be rare and resorted to in the most exceptional circumstances. The Competent Authority may, however, sanction advances to an employee for purchase of goods or services or any other special purpose needed for management of the office subject to the following conditions:-
 - (a) the amount of expenditure being higher than the Permanent Advance available cannot be met out of it,
 - (b) The purchase or other purpose cannot be managed under the normal procedures envisaging post-procurement payment system.
 - (c) The amount of advance should not be more than the power delegated to the said authority for the purpose.
 - (d) The Head of Office shall be responsible for timely recovery or adjustment of the advance.
 - (e) The advance shall be given to the officials' equivalent to gazetted status.
- 22.4.2 No advance should however be given to an officer from whom account for the previous advance has not been received. In case where it becomes absolutely necessary to grant a

second advance to an officer due to exigencies of service, the same should be sanctioned with the specific prior approval of the Director of the Institute. The account of the advance should be rendered within 15 days of the date of drawl of the advance failing which the advance or balance shall be recovered from his next salary (ies). The responsibility to adjust the advance lies with the person who has drawn the advance and with the Drawing & Disbursing Officer. In all cases of non-settlement of contingent advances, within the prescribed time limit, recovery of the same should invariably be made along with penal interest as laid down in Government of India decision 2 below Rule-2 of Part-II of GFR (Compendium of Rules on Advances) from the pay of the concerned officer if the adjustment account is not rendered within the prescribed period. With a view to ensure that the concerned officials take adequate interest in the work, recovery should be effected from the salary of all those in the administrative branch responsible for adjusting the advances.

22.5 Advance Payment to supplier

22.5.1 Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.
- (ii) Advance payment demanded by firms against fabrication contracts, turnkey contracts, etc. Such advance payments should be considered as per provisions of GFR and as per extant instructions of Ministry of Finance (MoF) from time to time protecting the interest of the office.

22.5.2 While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc. should be obtained from the firm.

22.5.3 Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

22.5.4 The detailed accounts of individual advances granted in terms of the rules containing in Section IV, V, V-A, X, XI and XV of the compendium of Rules on Advance in GFR Part 11 (Generally referred to as short term advance) will be maintained by the Heads of Office/DDO's who will submit returns to the F&AO in the manner indicated in Annexure 'A' to the compendium. (ii) Detailed accounts of individual advances in respect of advances paid under the rules contained in Section-III & XVII of the compendium, (Part II of GFR's) generally referred to as long term advances, will be maintained by the F&AO.

22.6 Procedure for acceptance of balance

22.6.1 The following procedure should be followed for facilitating prompt acceptance of balances outstanding as on 31st March every year of loans/advances to the employees.

- (a) In respect of long term advances the Finance & Accounts Officer will verify the outstanding balance shown in the schedules of recovery with those worked out in their offices every month and take up the matter with Drawing Officers, if there is any discrepancy. They will send to every Drawing Officer a communication confirming the correctness of the balances shown in the schedules of recovery appended to the bills for February paid in March or pointing out discrepancy, if any in the same.
- (b) In respect of short term advances each Drawing Officer will record a certificate on the monthly abstract for the month of April each year that the total (namely Rs.....) of the amounts outstanding on 31st March ... (excluding recoveries from pay bills for March) against employees on the rolls of the office on that date and accepted by them individually as correct is equal to the closing balance indicated in the abstract of February, plus payments made minus repayments received in cash during March of that year.

22.6.2 In view of adopting the accrual accounting in ICAR the adjustments with reference to the outstanding advances are required to be made while preparing the annual accounts. The DDO's/Heads of Offices and the Finance & Accounts Officers will, therefore, give utmost importance to the issues related to their accounting and adjustments so that a clear picture can be taken on close of the year.

22.7 Cash Imprest

22.7.1 Cash imprest/permanent advances is normally granted to officers who have to make payments before they can obtain funds by drawing bills for meeting urgent and unforeseen expenditure of contingent and miscellaneous nature. The amount of imprest is required to be kept as low as possible and it can be varied from time to time, under intimation to the Council to suit special requirements so that while adequate money may be available to meet urgent needs in fluctuating circumstances, there may not also be any surfeit of cash with the imprest holder. For this purpose, the Finance & Accounts Officer should review the imprest accounts from time to time and report the results of his review to the Secretary, ICAR at the Headquarters and Director of the Institute for necessary action, if any. While reviewing the following checks should be carried out:-

- (i) The Finance & Accounts Officer has to see that the permanent advances are sanctioned by a competent authority.
- (ii) The amount sanctioned does not exceed the limit fixed by ICAR for any office or for the sanctioning authority.

(iii) The advance sanctioned is not larger than is absolutely necessary and is based on average monthly contingent expenditure for twelve months and ;

(iv) The advances are not multiplied unnecessarily.

22.7.2 Cash imprest will not be accounted for like other advances mentioned in the preceding paragraphs. The amount of the imprest will not be classified to any head of account as it will continue to remain part of the balance as per the Bank Cash Book. The transaction will be posted in the main cash book in the prescribed manner.

22.7.3 At the end of the year (i.e. on 31st March) the imprest holder should send a certificate in the following form to the Finance & Accounts Officer.

‘Certified that an Imprest balance of Rs..... is available with me at the close of the day. (Rsin cash and Rsin the form of cash vouchers awaiting adjustment)’

22.7.4 The Finance & Accounts Officer of the Institutes having a number of Imprest holders will also maintain an Imprest Register in **Form 24**, which will present at one place, the particulars of imprest holders and the amounts held by them. A test check of the imprest should be conducted occasionally in order to see that the amounts held by various disbursing officers are not in excess of their requirements. These advances should also be checked by the inspection/local audit parties during local inspection/audit of the offices/institutes concerned in order to see that the amounts held by various disbursing officers are not in excess of their normal monthly requirements and that the imprest is being utilized as per rules and for the purposes it is sanctioned.

Check of Publication Expenditure

23.1 General

- 23.1.1 The audit of publication expenditure is a semi-technical process. It is for this reason that the audit of bills containing publication expenditure should be carried out in consultation with the concerned officers of the Publication Unit. Broadly, the scrutiny of Publication bills can be divided into two parts viz. the Audit check and the Technical check. The audit check has to be conducted by the Audit and Accounts Branch on the basis of the technical check which will have to be carried out by the concerned technical officers of the Publication Unit. There may be two types of cases (i) where publication is got done from a private firm/printer/contractor and (ii) where the publication is got done either in Government Press or in the institute's Press by purchasing/obtaining necessary items/articles. Hence, the following checks must be exercised keeping in view whether it is a publication got done through a private printing press or got done in the Government/Institute Press. There may be some minor differences in the bill forms and the checks to be exercised.
- 23.1.2 Separate bills for printing, blocks, reprints etc. are received from the printers. As a rule, the bills are received after the consignment of publications etc. has been delivered at the appropriate store. After due verification, the receiving Store Officer records the necessary receipt certificate on the copies of the printers bills. Thereafter the bills are passed on to the Audit and Accounts Branch for check.
- 23.1.3 On receipt in the Audit & Accounts Wing, the bill may be entered in the Bill Register and subject to necessary audit checks. Thereafter it may be passed on to the Publications Unit for technical check. After the technical check is completed and a certificate to this effect is recorded, necessary pay order will be recorded and the bill sent for issue of cheque or for making e-payment.
- 23.1.4 The expenditure on publications viz. Books, Journals, Forms and Registers, Reprints etc. can be divided under the following heads:
- (i) Printing charges
 - (a) Composing
 - (b) Printing
 - (c) Binding or stitching
 - (ii) Block making
 - (iii) Paper
 - (iv) Honorarium to authors

(v) Other misc. expenditure

23.1.5 In case the publication of Books, journals, forms and registers through word-processing programs over desktop publishing system and getting the print of final document through offset printing, the expenditure may be divided into preparation of post-script file and offset printing charges apart from paper cost approved for the printing.

23.1.6 The following audit checks will be exercised on receipt of all the bills containing and block making etc. charges:

- (i) that the claims are made in accordance with rules and are in proper form;
- (ii) that the expenditure is in accordance with a sanction properly accorded and the authority sanctioning it is competent to sanction it;
- (iii) that the rates claimed for work done or supplies made are in accordance with any schedule or contract prescribed by the competent authority;
- (iv) that the stores billed for have been brought on charge in the stock register;
- (v) that the bills are pre-receipted, and revenue stamp affixed wherever necessary;
- (vi) that the arithmetical calculations etc. in the bill are correct;
- (vii) if rate for any item mentioned in the bill is not available in the prescribed schedule/contract, it will be ensured that the rate is sanctioned by the Competent Authority before the bill is finally passed.

23.1.7 The following additional checks will be exercised in relation to the various type of bills shown hereunder.

(A) Bills pertaining to printing of journals

- (i) Number of pages in the journals as claimed in the bill is correct.
- (ii) A certificate, to the effect that the quality of paper used in the journal is the same as supplied by the Council, or as per prescribed specification has been recorded on the bill.
- (iii) A certificate regarding the quality of printing has been endorsed.
- (iv) Composing charges for full page advertisements are not claimed by the press

(B) Bills pertaining to supply of blocks

- (i) A certificate, to the effect that the blocks were got prepared under specific instructions and have actually been utilized, is endorsed on the bill.
- (ii) Specification and sizes of blocks used in the Journal have been certified as correct.
- (iii) In support of the amount of sale tax /VAT/GST claimed, the following certificate has been annotated on the bill.

‘Goods on which sales tax/VAT/GST has been charged have not been exempted under the State Sales Tax Act/VAT/GST Act and rules made there under and that the charges on account of sales tax/VAT/GST on those goods are under the provisions of that Act or the rules made there under’.

(C) Bills pertaining to supply of reprints

- (i) A certificate to the effect that the quality of paper used is the same as supplied by the Council or as per specification endorsed on the bill.
- (ii) Cost of additional reprints supplied to the authors etc. has been/is proposed to be recovered.

(D) Bills pertaining to Honoraria to authors

- (i) That the honorarium pertains to the journals for which payment of honorarium is permissible.
- (ii) The amount of the honorarium is not more than the amount prescribed for such articles.
- (iii) that the articles etc. have actually appeared in the journal.

(E) Bills pertaining to publications

- (i) The necessary composing chart has been furnished with the bill.
- (ii) It has been certified that the specification and quantum of paper consumed on the Publication is correct.
- (iii) The total number of pages as shown in composing chart agrees with those of the Publication In support of the amount of sales tax/VAT/GST claimed, the following certificate has been annotated on the bill;

‘Goods on which sales tax/VAT/GST has been charged have not been exempted under the State Sales Tax Act/VAT/GST Act and rules made there under and that the

charge on account of Sales Tax/VAT/GST on these goods is under the provision of that Act or the rules made there under’

(F) Bills pertaining to Honorarium to authors of publications

- (i) The chapters/book has actually been published.
- (ii) The stamped receipt is obtained and furnished by the appropriate authorities.

(G) Bills pertaining to local purchase of Photographic etc. materials

- (i) The prescribed purchase procedure has been followed.
- (ii) In case, prescribed procedure is not followed, the reasons for doing so are available in writing with the approval of the competent authority.
- (iii) Prima facie only the authorized types of items have been purchased.
- (iv) A certificate to the effect that the articles are not available from the proper source of supply (if any) has been recorded.
- (v) In support of sales tax/VAT/GST charged, the prescribed certificate is available on the bill.
- (vi) Articles billed for are the same as shown in the supply order.

23.2 Forwarding Research Papers to Scientific Journals

23.2.1 ICAR has issues instructions and guidelines for forwarding of Research Papers to Scientific Journals. (F. No.: 10-11/77-Pers. IV, dated: 09th November 1977 subsequently revised vide F. No.: IP&TM-8(5)/2012-IPR, dated: 21st September 2014.

23.2.2 Page charges for publication in scientific journals may be provided in the cases of higher rated NAAS journals or journals having international impact factor. This expenditure can be done either from the budget head of Non-Plan (Grant-in-aid general), or from the funds available in case of externally funded projects. Such decision to allow the page charges should emanate from a Committee constituted for this purpose and its recommendations duly approved by the Director of the Institute.

Check of Works Expenditure

24.1 General

24.1.1 The expenditure on works incurred by the Council is of two types :-

- (iii) Expenditure on works executed through CPWD or other similar agency; and
- (iv) Expenditure on works executed directly.

24.1.2 For the purpose of sanction and execution, original works are sub-divided into :-

- (i) Major Works -estimated to cost more than Rs.10.00 lakh.
- (ii) Petty Works -estimated to cost up to Rs.10.00 lakh.

Note:

- (i) Original works means all new constructions, additions and alterations to existing works, special repairs to newly purchase or previously abandoned buildings or structures, including re-modeling or replacement.
 - (ii) Repair works means works undertaken to maintain building and fixtures.
 - (iii) For purpose of approval and sanctions, a group of works which forms one project shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consist of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other.
 - (iv) Any anticipated or actual savings from a sanctioned estimate for a definite project shall not be applied to carry out additional work not contemplated in the original project.
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24.1.3 The checks to be exercised by the Finance & Accounts Officer in relation to works expenditure will vary according to the mode of their execution.

24.2 Basic requirements

24.2.1 No work, except as provided in sub-rule (2) of G.F.R. 129 or in cases covered by any special rules or orders, can be commenced or liability incurred in connection with it until:

- (i) administrative approval has been obtained from the authority appropriate in each case;
- (ii) sanction to incur expenditure has been obtained from the competent authority;
- (iii) a properly detailed design and estimate has been sanctioned;
- (iv) Plans and estimates in respect of works exceeding Rs. 5.00 lakh have been approved/vetted by the Director (Works), ICAR.
- (v) Funds to cover the charge during the year have been provided by the competent authority.
- (vi) Tenders/quotations invited and processed in accordance with rules.
- (vii) a work order issued.

24.2.2 Administrative approval, expenditure sanction and technical sanction in respect of works are valid for a period of five years.

24.2.3 The present system, rules and procedures in respect of execution of Council's works through CPWD will continue as per the provisions of GFR. The Finance & Accounts Officer should see that the work is not awarded on nomination basis to public sectors as emphasized by the CVC.

(CVC circular no.: 18/12/12, dated: 11.12.2012 and guideline vide no.: 23/7/2007, dated: 05.07.2007)

24.2.4 While examining the proposals related to civil works the Finance & Accounts Officer should see that the basic principles of undertaking works have been followed and processing has been done as mentioned in the "Manual on Policies and Procedure for Procurement of works" issued by the Ministry of Finance.

24.3 Check of Deposit Works Expenditure

24.3.1 The advance payment made by the Council/Institutes to the C.P.W.D. etc, against specific works entrusted to them will be straightaway debited to the relevant scheme or final head of account. Their final adjustment should, however, be watched through the Objection Book or other register specifically opened for the purpose. Any unspent balance received back will be shown as a reduction of expenditure under the relevant scheme and it will also be shown as reduction of expenditure under final head of account, if it is received during the same year. In case of change of the financial year, it will be accounted for under miscellaneous receipts.

24.3.2 In the case of construction programmes to be executed through the agency of the CPWD

it has been agreed by the Government of India, Directorate General of works, CPWD that instead of depositing entire estimated cost of such works the amount may be deposited as indicated below:

- (i) Deposit 33.33% as the first installment, and there after the expenditure incurred will be reimbursed through monthly bills as per the progress of works. The deposit of first installment i.e., 33.33% shall be retained for adjustment against the last portion of the estimated expenditure.

(Lr. No. CPWD/DCW/Acctt/241, dated. 13.02.1995 & ICAR Lr.No.1-9/95.Engg.Cell, dated14.05.1996)

- (ii) With regard to deposit on account of maintenance and petty works, the above procedure will not be applied and in these cases advance deposit to CPWD can be made in one installment or any such number of installments as may be demanded by CPWD as per the clarification issued. *(F.11 (26)/84-IU dated 13.02.1996 by Director (Finance), ICAR.)*

24.3.3 Works carried out by the CPWD on behalf of the Council are treated by that organization as 'Deposit Works'. In regard to deposit works, a schedule of deposit works is prepared by the Divisional Engineer every month. This schedule shows in respect of, each work the amount of deposit received and the expenditure incurred, both during the month and up to date. It is the duty of the Divisional Engineer concerned to provide full information in connection with the progress of the expenditure to the officers of the Council/ Institute on whose behalf the deposit work is undertaken.

24.3.4 A register of Deposit Works in **Form 25** should be maintained by the Finance & Accounts Officer in order to keep a record of deposits made to the CPWD and progressive expenditure incurred against them. This should be completed with reference to the adjustment accounts received from the concerned administrative authority who should be reminded for the same, if necessary, from time to time.

24.3.5 It is the duty of the concerned administrative authority under the Council to obtain the progressive reports of work and expenditure incurred thereon from time to time. Adjustment accounts on the basis of the reports along with requisite certificates shall be prepared by them and furnished to the Finance & Accounts Officer for clearance of the outstanding in his books.

24.3.6 It should be certified on the adjustment account that the work has been completed satisfactorily as per the terms and conditions, necessary entries have been made in the Register of Properties etc. at the appropriate place. A copy of the taking over certificate in respect of completed work should also be sent to the Finance & Accounts Officer with the adjustment account.

24.4. Check of Departmental Works Expenditure

24.4.1 The check of departmental works transactions shall be conducted by the Audit and Accounts Branch in two stages :-

- (i) Pre-audit similar to that conducted by the Divisional Accountants in the Public Works Division; and
- (ii) Internal test check.

24.4.2 The Works Engineer/Officer in charge of the works will function in all respects like a Divisional Engineer of a Public Works Division. However, instead of a pay order in the Measurement Book or bill, a 'Pass' order should only be recorded by the Works Engineer/Officer-in-charge, Works as the case may be on these documents. The pay order on the bills will be given by the Finance & Accounts Officer.

24.4.3 The Finance & Accounts Officer should check works expenditure with the estimates to ensure that the charges incurred are in pursuance of the objects for which the estimate was intended to provide. In the case of works the expenditure on which is recorded by sub-heads (i.e. items of work such as brick-work, etc.) the Finance & Accounts Officer is responsible for checking the expenditure on each sub-head with the estimated quantity of work to be done, the sanctioned rate, and the total sanctioned cost, so that he may bring to notice all deviations from the sanctioned estimate/work order.

24.4.4 The Finance & Accounts Officer should see that without the orders of competent authority the authorized gross expenditure on a work is not exceeded and that any surplus recoveries of expenditure are not utilized towards additional expenditure. He should also see that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilized towards an unauthorized object.

24.4.5 As payments will be made by the Audit and Accounts Branch, accounts will be compiled in that Branch from the classification over the bills and vouchers. Consequently, the submission of monthly accounts by the Works Branch is not required. But initial and subsidiary accounts under P. W. System will continue to be maintained in the Works Branch for exercising an effective check over the expenditure.

24.5 Check of Works Bills

24.5.1 Works bills should be prepared by the Works Branch in the usual public works forms and sent to the Audit and Accounts Branch after they have been passed for payment by the Works Engineer and posted in the Works Abstracts, Contractor's Ledgers, Tools and Plants accounts and Stock Accounts etc. The bill should contain necessary particulars regarding sanction for the expenditure, Accounts classification, particulars of works to

which the charges are debitable, allotment of funds, sanctioned (technical) estimate, reference to agreement, Council's orders, where necessary, approving of the distribution of works without calling for tenders. Certificates should also be recorded showing that the work has been done as per specifications and if not whether the Works Engineer considers the work acceptable. If part payment is allowed, a certificate to that effect should be given in a covering form. Name of the work and number of the Running Account Bill, in the case of running account bills, should invariably be mentioned. Memorandum of payment in the bill should clearly show the deduction on account of security deposit, cost of materials or on any other accounts with necessary classification. The Finance & Accounts Officer will post all works bills paid by him in a subsidiary Register in **Form 26** as and when each bill is paid. At the end of each month, monthly lump-sum figures in this register should be posted in the Work Audit Register in **Form 27** after reconciliation thereof with the corresponding figures in the Register of Works maintained by the Works Branch. Since the Council has adopted the accrual accounting and started preparing Income & Expenditure Account and the Balance Sheet, all details about advances paid, status of the work, work-in-progress and the expenditure incurred should be kept by the Works Branch/DDO and the Finance & Accounts Officer so that due effects/adjustments can be reflected in the Annual Accounts.

- 24.5.2 The Measurement Book containing the abstract of measurements should be sent to the Finance & Accounts Officer along with the bills for purposes of check and noting the fact of payments. A certificate by the Works Engineer of the check of the bills with the estimate, agreement and measurement books should accompany the bills. The certificate should be in the following form:-

“Certified that the connected measurements in Bill No._____ have been arithmetically checked under my supervision and the items in the Bill checked with the estimate and agreement”.

Check of Purchases

Procurement of Goods & Outsourcing of Services

25.1 General

- 25.1.1 The term goods/stores used in this chapter applies-generally to all articles and materials purchased or otherwise acquired for the use of council and its research institutes, including not only expendable and issuable articles in use or accumulated for specific purposes but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment, fixtures and livestock, etc., but excluding books, publications, periodicals, etc., in a library. In so far as the books acquired by various libraries under Council are concerned, necessary records should be maintained in the Accession Register. The purchase of stores/goods for Council's service may be regulated in a way as to encourage development of indigenous production of stores/goods to the utmost possible extent and to make the country self-sufficient in the matter of its own requirement.
- 25.1.2 While examining proposals related to procurement, the Finance & Accounts Officer should borne in mind that instructions contained herein are not exhaustive and they are advised to refer to the General Financial Rules (with subsequent amendments) and the "Manual on Policies and Procedures for Purchase of Goods" and subsequent instructions issued by Government of India and ICAR from time to time.
- 25.1.3 The Finance & Accounts Officer are also advised that the instructions of issued by the Government of India with regard end to end e-procurement are followed by the institute while procuring goods and services.

25.2 Fundamental Principles of public buying

- 25.2.1 Every authority delegated with financial powers of procuring goods/stores in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.
- 25.2.2 The procedure to be followed in making public procurement must conform to the following yardsticks:
- (i) the specifications in terms of quality, type etc. as also quantity of goods/stores to be procured should be clearly spelt out keeping in view the specific needs of the procuring organization. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features,

which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying cost;

- (ii) offers should be invited following a fair, transparent and reasonable procedure;
- (iii) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision, and
- (vi) a demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand. The Store Officer may see as to whether the demands of all the indenting officers received at the time have been taken together as far as possible to secure the advantage of bulk supply rates etc.

25.3 Efficiency, Economy and Accountability in Public Procurement System.

Public procurement procedure is also to ensure efficiency, economy and accountability in the system. To achieve the same, the following key areas should be addressed:

- 25.3.1 To reduce delay, appropriate time frame for each stage of procurement should be prescribed. Such a time frame will also make the concerned purchase officials more alert.
- 25.3.2 To minimize the time needed for decision-making and placement of contract, the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.
- 25.3.3 The institutes should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- 25.3.4 The institutes should bring into the rate contract system more and more common user items which are frequently needed in bulk by various functionaries. It should also be ensured that the rate contracts remain available without any break.
- 25.3.5 Expenditure proposals needs to be examined and controlled with regard to the economy instructions issued by the Ministry of Finance, Department of Expenditure, which is in

addition to instructions contained in the General Financial Rules. Finance & Accounts Officer needs to see that these instructions are adhered to while scrutinizing purchase and expenditure proposals. These instructions issued by MoF, DoE prevail over the instructions issued by ICAR during the period of their currency.

25.4 Purchases through DGS&D

- 25.4.1 DGS&D will host the specification, prices and other salient details of different rate contracted items, appropriately updated on the website for use by the procuring departments/agencies and the Institutes may continue operating DGS&D rate contract for procurement of their supplies where considered necessary by placing indents on the D.G.S&D. along with a demand draft towards approximate cost of stores in favour of the Pay and Accounts Officer, Department of Supply & Technical Development concerned. The amount to be deposited in each case is to be ascertained from the DGS&D direct.
- 25.4.2 All payments made in advance to the DGS&D should, as far as possible, be charged to final heads of expenditure and its adjustment watched through Objection Book. For this purpose, the Pay and Accounts Officer concerned may be addressed after the supply of the stores/equipment etc. and the question of refund of any amount deposited in excess pursued with him.
- 25.4.3 In connection with the purchases made through D.G.S&D. it may be ensured that in the Council/ institute there is a system of inspection of supplies immediately on their receipt and that of reporting the discrepancies and damages detected by the consignee to the Pay & Accounts Officer/ D.G.S&D. promptly. The existence of such a system is necessary with a view to guarding against the presentation of claims to the Finance & Accounts Officer against defective and/or short supplies, bogus or overvalued railway receipts etc.
- 25.4.4 For other items of stores the Institute will be free to procure on DGS&D rate running contracts directly from the contractual firms at their discretion without going for the observance of codal purchase procedure provided this is considered advisable in the larger interest of economy subject to the following conditions:
- (i) The supplies are procured on the same rates, terms and conditions as are prescribed by the DGS&D for its Direct Demanding Officers except that with regard to the requirement of pre-delivery inspections, the Institute concerned will make necessary arrangements and assume full responsibilities to ensure supplies according to the prescribed specifications. For ensuring this inspection they may utilize the services of their staff holding the requisite expertise or may obtain assistance from outside sources (other Institutes, State Government departments, Universities or other Government undertakings etc.) as may be locally available.
 - (ii) The supplying agency undertake to make the supply on our order form on the same rates, terms and conditions as applicable to DGS&D and proper contract is

entered into by the concerned Institute with the supplying agency to ensure full safeguard.

- (iii) The payment is made on receipt of material or on proof of dispatch or otherwise in accordance with normal financial rules.
- (iv) The expenditure so incurred on the purchase does not exceed amount which would have been incurred in case the purchase would have been effected through DGS&D.

25.5 Registration of Supplier

- 25.5.1 With a view to establishing reliable sources for procurement of goods commonly required for Government use the Central Purchase Organization (e.g. DGS&D) will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as “Registered Suppliers”. The Council/Institute may utilize these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. The Institutes may also register suppliers of goods which are specifically required by them.
- 25.5.2 Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background, etc. of the supplier (s) should be carefully verified before registration.
- 25.5.3 The supplier (s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier (s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.
- 25.5.4 Performance and conduct of every registered supplier is to be watched by the Institute/ Council. The registered supplier (s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply sub-standard goods or make any false declaration or for any ground which, in the opinion of the institute, is not in public interest.

25.6 Enlistment of Indian Agents

As per the Compulsory Enlistment Scheme of the Department of Expenditure, Ministry of Finance, it is compulsory for Indian agents, who desire to quote directly on behalf of their foreign principals, to get themselves enlisted with the Central Purchase Organization e.g. DGS&D. However, such enlistment is not equivalent to registration of suppliers as mentioned above in para 25.5.

25.7 Reserved Items

The Central Govt., through administrative instructions, has reserved all items of handspun and hand woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by Central Govt. departments for exclusive purchase from KVIC and/or from the notified handloom units of ACASH (Association of Corporations and Apex Societies of Handlooms). The Central Govt. has also reserved some items for purchase from registered Small Scale Industrial Units. The Council/Institute are to make their purchase for such reserved goods and items from such units as per the instructions issued by the Central Govt. in this regard.

25.8 Purchase of goods without quotation

Purchase of goods up to the value of Rs.15,000/- (Rupees fifteen thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format :

‘I... am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price’.

Note: Competent authority in this case shall be the authority competent to sanction the purchase as declared by the Director at the Institute and by the Secretary, ICAR at the Headquarters.

25.9 Purchase of goods by Purchase Committee

Purchase of goods costing above Rs.15,000/- (Rupees fifteen thousand) only and up to Rs. 1,00,000/- (Rupees one lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Director/Secretary, ICAR. The Committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:-

‘Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question’.

25.10 Rate/running contracts with suppliers/manufacturers

The Institute conclude rate/running contracts with the leading suppliers/manufacturers themselves for items of common nature. The period of currency of such rate/ running contracts should normally be for one year which can be extended for another one year by mutual agreement provided it is considered in the interest of the Council. Adequate safeguard should also be taken while finalizing rate contracts to ensure timely supplies, quality material, pre- delivery inspection and also post purchase maintenance wherever required.

25.11 Purchase of goods by obtaining bids

Except in cases covered under previous paragraphs, the Council/Institutes shall procure goods/ stores by following the standard method of obtaining bids in:

- (i) Advertised Tender Enquiry;
- (ii) Limited Tender Enquiry;
- (iii) Single Tender Enquiry.

25.12 Advertised Tender Enquiry

25.12.1 Subject to exceptions of limited/single tender enquiry, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs.25 lakhs and above. Advertisement in such case should be given in the Indian Trade Journal (ITJ) published by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily having wide circulation.

25.12.2 Also publish all the advertised tender enquiries on the web site and provide a link with NIC website. It should also give its website address in the advertisements in ITJ and newspapers.

25.12.3 The Institute/Council should also post the complete bidding document in its website and permit prospective bidders to make use of the document downloaded from the website. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft etc., along with the bid.

25.12.4 Where the Council/Institute feels that the goods/stores of the required quality, specifications etc. may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, it may send copies of the tender notice to the Indian embassies abroad as well as to the foreign embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods/stores in such countries.

25.12.5 Ordinarily, the minimum time to be allowed for submission of bids should be three weeks

from the date of publication of the tender notice, or availability of the bidding document for sale, whichever is later. Where the institute/Council contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

25.13 Limited Tender Enquiry

25.13.1 This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty five lakhs and the institute has completed the process of registration of suppliers in accordance with para 25.5 of this manual. Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms which are borne on the list of registered suppliers for the goods in question. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web-based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

25.13.2 Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five lakhs in the following circumstances:

- (i) The competent authority certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Council/Institute should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.
- (ii) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- (iii) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
- (iv) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

25.14 Two bid System

For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under:-

- (a) Technical bid consisting of all technical details along with commercial terms and conditions; and
- (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed. The technical bids are to be opened by the Council/Institute at the first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

25.15 Late Bids

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

25.16 Single Tender Enquiry

Procurement from a single source may be resorted to in the following circumstances:-

25.16.1 It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.

25.16.2 In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.

25.16.3 For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

Note

- (i) The items manufactured by a single firm only can be considered as the proprietary items with the approval of Director in respect of institute and the secretary in respect of the Headquarters will decide the issue of the proprietary nature of the item.
 - (ii) The Head of the concerned division should sign the Proprietary Article Certificate in the form given in Rule 154 of General Financial Rules before procuring the goods from a single source.
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25.17 Contents of bidding document

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters. These Standard Bidding Documents may be used as per the “Manual on Policies and Procedures for Purchase of Goods” circulated by the Ministry of Finance.

25.18 Maintenance Contract

25.18.1 Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may, however, be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

25.18.2 Institutes enter into AMC and ARC for various equipment and services. The terms and conditions of AMC and ARC should ensure that the interest of the office is taken care of and these are not signed on the dotted lines or printed agreement form furnished by the firm.

25.19 Bid Security

25.19.1 To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two per cent to five per cent of the estimated value of the goods/stores to be procured. The exact amount of bid security should be determined accordingly by the Institute/Council and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

25.19.2 Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.

25.20 Performance Security

25.20.1 To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status, etc. Performance security should be for an amount of five to ten per cent of the value of the contract. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt or Bank Guarantee from a Commercial Bank, in an acceptable form safeguarding the purchasers' interest in all respects.

25.20.2 Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

25.20.3 Bid Security should be refunded to the successful bidder on receipt of Performance Security.

25.20.4 Bank Guarantee furnished by the firm must be examined scrupulously so that fake/forged Bank Guarantees are not accepted by office. Instructions have been issued by Council on the subject. This may strictly be adhered to by the office. The office must certify that the Bank Guarantee received by it is perfect in all respect and this should be forwarded along with the bill of the concerned firm to the Finance & Accounts Officer who will release the part payment against the Bank Guarantee only on receipt of such certificate from office administration. This, however, does not in any way, obviate the Finance & Accounts Officer from calling the original Bank Guarantee for test checks. (*F. No.: 42-2/2006-Vig, dated: 05th March 2008*)

25.21 Transparency, competition, fairness and elimination of arbitrariness in the procurement process

25.21.1 All purchases should be made in a transparent, competitive and fair manner to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

- (i) The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia:-
 - (a) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.
 - (b) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc., which may require to be met by the successful bidder;
 - (c) the procedure as well as date, time and place for sending the bids;
 - (d) date, time and place of opening of the bid;
 - (e) terms of delivery;
 - (f) Special terms affecting performance, if any.

- (ii) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/or rejection of its bid.
- (iii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- (iv) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- (v) The bidders should be given reasonable time to send their bids.

25.21.2 The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.

25.21.3 The specifications of the required goods/stores should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible. Efforts should be made to use standard specifications which are widely known to the industry.

25.21.4 Pre-bid Conference: In case of turnkey contract(s) or contract (s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date.

25.21.5 Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.

25.21.6 Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.

25.21.7 Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.

25.21.8 Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiations against an adhoc procurement is

necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.

25.21.9 The Central Vigilance Commission vide their office order No. 005/CRD/12 dated 3.3.2007 has clarified that:-

- (a) As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- (b) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
- (c) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite time frame should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalized within their validity period.
- (d) As regards the splitting of quantities, some organizations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in cases where the organizations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that

the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.

- (e) Counter offer to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter offer thereafter to L-2, L-3, etc. (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.

In case L-1 backs out, there should be a re-tender.

25.21.10 Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.

25.21.11 The name of the successful bidder awarded the contract should be mentioned in the Institute/ Council's notice board or bulletin or website.

25.22 Buy-Back Offer

When it is decided with the approval of the competent authority to replace an existing old item (s) with a new and better version, the Institute/Council may trade the existing old items while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

25.23 Inspection of Stores

All stores and equipment before acceptance should be arranged to be inspected on receipt by an appropriate officer designated for the purpose, normally within 24 hours of the receipt of the stores. Stores such as electrical goods, mechanical instruments, refrigeration material should be inspected/ functionally tested by persons of technical competence. Inspection/functional tests of sophisticated instruments should be carried out by the indenter himself with the assistance of the experts concerned. Stationery items should be inspected by the Stores Officer with the assistance of the officers having

expertise in the field. The Officers charged with the responsibility of inspection of goods should invariably record and certify all inspections and inspector's reports should be countersigned by the Head of Division/Project concerned after making random checks.

25.24 Dealing with different functions of stores

The functions of the stores relating to (i) Purchase and (ii) Custody, accounting and distribution should be dealt with by separate units/officers except in cases where it is not possible due to limited manpower.

25.25 Payment to parties

Unless otherwise agreed upon between the parties, payments for supply of stores and equipment etc. shall be made on the submission of bills in respect of goods delivered and accepted by the purchaser.

25.26 Advance Payments to Suppliers

25.26.1 Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payment in the following types of cases :-

- i. Advance payment demanded by firms holding maintenance contracts for servicing of Air conditioners, Computer, other costly equipment etc.
- ii. Advance payment demanded by firms against fabrication contracts, turnkey contracts etc Such advance payments should not exceed the following limits :-
 - (a) Thirty per cent of the contract value to private firms;
 - (b) Forty percent of the contract value to a State or Central Govt. agency or a public sector undertakings; or
 - (c) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

25.26.2 Director-General, ICAR may relax, in consultation with Financial Advisor the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee etc. should be obtained from the firms, Bank commission etc., if any, being borne by the supplier.

25.27 Part payment to Suppliers

Depending on the terms of delivery incorporated in a contract, part payment to the

supplier may be released after it dispatches the goods from its premises in terms of the contract.

25.28 Check of Purchase Bills

In addition to the above, the following checks of general nature will also be exercised on the store purchase bills:-

- (i) that the bills are prepared in ink; the vouchers are in the proper form; they are in original and are preferred by the persons authorized to do so;
- (ii) that the bills are signed in ink;
- (iii) that all alterations in the documents are attested; and there are no erasures;
- (iv) that revenue stamps are affixed on all bills in excess of Rs.5000/- and are defaced;
- (v) that the purchase of stores has been sanctioned by the competent authority;
- (vi) that the bill bears an order of the competent authority to pay a specified sum if the sanction does not specify the amount to be paid;
- (vii) that vernacular signatures, except those in Hindi, are transliterated into English and thumb impressions are attested by some responsible person;
- (viii) that the receipt of the stores has been duly acknowledged and the prescribed certificates regarding entries in the stock registers, reasonability of sales tax charged on the bill under the dated signature of the officer authorized to do so;
- (ix) that all the supporting documents to the purchase bills are stamped as 'Cancelled' and due precautions have been taken to guard against the passing of a second claim for the same stores;
- (x) that a reference to the approved rates is quoted on the bill;
- (xi) wherever Security deposit is required to be recovered from the bill as per the terms of the purchase order, it has been deducted from the bill.
- (xii) that items were supplied or services rendered by the supplier/contractor on or before the last date of supply or work, otherwise liquidated damages have been charged.

25.29 Procurement of Services

25.29.1 The Council/Institute may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion or outsource certain services.

25.29.2 The fundamental principles applicable to Ministries or Departments regarding engagement of consultant(s) and outsourcing of services are *mutatis mutandis* applicable for the ICAR. This has been outlined in the “Manual for Policy and Procedure for Outsourcing of Services”. ICAR has also issued instructions on the subject vide F. No.: 17(1)/2010-Estt.II, dated: 11th June 2010, which may also be referred to by the Institutes. Some of the fundamental principles are as under:

- (i) **Identification of Work/Services required to be performed by Consultants:** Engagement of consultants may be resorted to in situations requiring high quality services for which the ICAR does not have requisite expertise. Approval of the competent authority should be obtained before engaging consultant(s).
- (ii) **Preparation of scope of the required work/service:** Council should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and pre-qualification criteria to be met by the consultants should also be clearly identified at this stage.
- (iii) **Estimating reasonable expenditure:** The institute/Division proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organizations engaged in similar activities.
- (iv) **Identification of likely sources:**
 - (a) Where the estimated cost of the work or service is up to Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organizations involved in similar activities, Chambers of Commerce & Industry, Association of Consultancy Firms etc.
 - (b) Where the estimated cost of the work or service is above Rupees twenty five lakhs in addition to (a) above, an enquiry for seeking ‘Expression of Interest’ from consultants should be published in at least one national daily and the Council’s website. The website address should also be given in the advertisements. Enquiry for seeking ‘Expression of Interest’ should include in brief, the broad scope of work or service, inputs to be provided by the Council, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant’s past experience in similar work or service. The

consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

(v) **Short-listing of consultants:** On the basis of responses received from the interested parties, consultants meeting the requirements should be short-listed for further consideration. The number of short listed consultants should not be less than three.

(vi) **Preparation of Terms of Reference (TOR):** The TOR should include-

- (a) Precise statement of objectives;
- (b) Outline of the tasks to be carried out;
- (c) Schedule for completion of tasks;
- (d) The support or inputs to be provided by the Council to facilitate the consultancy;
- (e) The final outputs that will be required of the Consultant.

(vii) **Preparation and Issue of Request for Proposal (RFP):** RFP is the document to be used by the Council for obtaining offers from the consultants for the required work/service. The RFP should be issued to the short-listed consultants to seek their technical and financial proposals. The RFP should contain:-

- (b) A letter of Invitation
- (c) Information to Consultants regarding the procedure for submission of proposal
- (d) Terms of Reference (TOR)
- (e) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.
- (f) List of key position whose CV and experience would be evaluated.
- (g) Bid evaluation criteria and selection procedure.
- (h) Standard formats for technical and financial proposal.
- (i) Proposed contract terms.

- (j) Procedure proposed to be followed for mid-term review of the progress of the work and review of the final draft report.
- (viii) **Receipt and opening of proposals:** Proposals should ordinarily be asked for from consultants in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelope duly sealed and submit the same to the Council by the specified date and time at the specified place. On receipt, the technical proposals should be opened by the Council at the specified date, time and place.

Note:

- (1) Late bids i.e. bids received after the specified date and time of receipt should not be considered.
 - (2) Technical bids should be analyzed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Council. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated by it.
 - (3) The financial bids of only those bidders who have been declared technical qualified by the Consultancy Evaluation Committee will be opened for further analysis or evaluation and ranking and selecting the successful bidder for placement of consultancy contract.
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- (ix) **Consultancy by nomination** – Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Council. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

25.30 Outsourcing of Services

Council/Institutes may outsource certain services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines:

- (i) **Identification of likely contractors:** The Council/Institute should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries or Departments and Organizations involved in similar activities, scrutiny of 'Yellow pages' and trade journals, if available, web site etc.
- (ii) **Preparation of Tender Enquiry:** The Council/institute should prepare a tender enquiry containing, inter alia :-

- (a) The details of the work or service to be performed by the contractor;
- (b) The facilities and the inputs which will be provided to the contractor;
- (c) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (d) The statutory and contractual obligations to be complied with by the contractor.

(iii) **Invitation of Bids:**

- (a) **For estimated value of the work or service up to Rupees ten lakhs or less:** The Council/Institute should scrutinize the preliminary list of likely contractors, decide the prima facie eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should not be less than six.
- (b) **For estimated value of the work or service above rupees ten lakhs:** The Council/Institute should issue advertised tender enquiry asking for the offers by a specified date and time, etc., in at least one popular largely circulated national newspaper and website of the Institute/Council.
- (iv) **Evaluation of Bid received:** The Council/Institute should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.
- (v) **Outsourcing by choice:** Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the Competent Authority in the Council may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.

25.31 Audit of Procurement

The Finance & Accounts Officer of Institute are expected to audit the procurement in the same manner as these are audited by the auditors of the office of C&AG while carrying out performance audit of an organization. These instructions may be seen under Appendix: II pertaining to “Audit of Procurement” of this manual.

Accounting of Transactions under Training, Consultancy & Contract Research

26.1 General

- 26.1.1 The Council has framed the rules, regulations and guidelines on training, consultancy, contract research and contract service. This has been revised and updated in 2014 with the approval of Governing Body. The revised guidelines are effective from 01st October 2014. [Communicated vide F. No.: IP&TM-1-6/2005-Policy (Pt-III), dated: 21.09.2014 by ADG (IP&TM)]. The Finance & Accounts Officer should see that training, consultancy and contract research proposals have been sanctioned as per these guidelines and that the costing, expenses and distribution of resource person fee/ honorarium are done as per these guidelines.
- 26.1.2 For the purpose of accounting, the Finance & Accounts Officer shall maintain (a) a separate ledger in respect of each individual training/ consultancy/contract research/contract service scheme and also (b) a consolidated ledger for “Income generated from Internal Resource Generation Scheme” as per guidelines and in the formats decided by the Council from time to time.
- 26.1.3 Since no separate bank account has been allowed to open for such schemes the Finance &Accounts Officer shall have to route all such transactions through the main cash book.
- 26.1.4 The Finance & Accounts Officer has to ensure that the prescribed procedure and the pattern/ceiling etc., if any, for sharing of the amount realized from contract, research project, contract service and licensing of intellectual properly with ICAR staff, is followed. The Finance & Accounts Officer, wherever necessary, shall seek the guidance of Director (Fin) regarding the interpretation of rules, regulations and guidelines on training, consultancy, contract research, and contract service in ICAR system.
- 26.1.5 The Council may subject to such restrictions and conditions, if any, as it may think fit to impose, dispense with or relax the provisions of any of these rules.
- 26.1.6 ICAR has formulated its guidelines for Intellectual Property Management and Technology Transfer/Commercialization. The Technology Management Committees at different levels is the highest decision making body for the purpose. At ICAR Hqrs. A high powered committee viz the Central Technology Management Committee (CTMC) chaired by DG, ICAR will be the highest decision making body on issues related to IP Management and technology transfer/commercialization in ICAR. The Financial Advisor, ICAR/DARE is a member of this Committee.

26.1.7 At the second level the Zonal Institute Technology Management Committee (ZITMC) chaired by the Director of the identified zonal institute will address specific and emergent IP related matters/concerns with respect to the ICAR institutions in the zone. The Chief/Senior Finance & Accounts Officer of the zonal institute is a member of this Zonal Committee. At the institute level the Finance & Accounts Officer may ensure that the decisions of the CTMC/ZITMC in respect to their institute, as the case may be, are suitably implemented as per the financial terms and conditions of project.

SECTION: IV

LOCAL AUDIT

Chapter 27 : Inspection/Internal Audit

Chapter 28 : Investigation

Chapter 29 : Statutory Audit

Inspection/ Internal Audit

- 27.1** Audit team from the Council's headquarters / other agencies nominated by Council Hqrs with the approval of Governing Body go round the Institutes periodically for the inspection of the detailed working of the Audit and Accounts Branches set up there. They apply a test check on the paid vouchers and the initial documents, service records etc. from which bills and accounts are rendered in order to see that they are being properly maintained.
- 27.2** The primary object of such an inspection is to enable the Council Headquarters to judge whether the ultimate responsibility for the efficient maintenance of the Accounts of the institutes is being adequately discharged. This will also enable the Heads of the institutes to satisfy themselves about proper discharge of the duties and responsibilities of the Drawing and Disbursing Officers as well as that of Finance & Accounts Officers.
- 27.3** The primary aim of such inspection/ internal audit is to assist the Institutes in obviating financial irregularities and to see that:-
- (i) accounts maintained truly represent facts; there exists an effective method of budgetary control including prompt reporting and analysis of variations between expenditure and budgetary allotments;
 - (ii) the accounting systems provide for well designed documents and forms;
 - (iii) the accounting records maintained for resources and operations are informative, clear and generally adequate;
 - (iv) control exist to safeguard against errors and irregularities in operational and financial data;
 - (v) the accounting system is adequate as per Council's instructions, if any, conforms to the generally accepted accounting principles and includes such forms and records as are absolutely necessary to provide sound accounting and financial reporting;
 - (vi) Each unit in the institute is adopting sound practices so as to ensure proper internal control. These include locked store rooms with access restricted to authorized persons, surprise physical verification of cash, bank reconciliation, payments after pre-check, dual custody of valuables negotiable assets, independent periodic verification of the existence of recorded material resources, etc.;

- (vii) that the rules and orders framed by the competent authorities have been obeyed;
 - (viii) that the expenditure is regular;
 - (ix) that the claims are correctly prepared, proper records are kept of initial transactions, bills are checked according to rules and regulations and properly classified accounts have been kept;
 - (x) various processes of pre-audit and the procedural rules and regulations for maintaining the accounts, service records and registers are being followed properly and efficiently;
- 27.4** Whenever the inspection is carried out in an Institute, the report should not only point out mistakes but also indicate how they may be rectified and avoided in future. It must aim to educate the staff concerned of the Institutes.
- 27.5** Ordinarily, the accounts relating to one month in a year will be subjected to detailed scrutiny with all relevant initial records but the Inspection Team can increase the extent of check wherever it considers it necessary subject to ex-post-facto approval of the Director (Finance). Other months' Account from the last inspection will also be generally seen. The Finance & Accounts Officer (Inspection) should specially scrutinize the Cash Book together with vouchers, receipt books etc. He should inter-alia examine the adequacy of the system of control over the custody, disbursement and accounting of cash and stores. It may also be seen that the arrangements made for prompt and correct disposal of un-disbursed cash and sums otherwise payable to the Bank are satisfactory. The Terms of Reference including records and documents that will be produced to the auditors may be seen in Appendix.
- 27.6** Audit/ Inspection Plan during the financial year will be drawn up by the Inspection Unit at the beginning of each year and the Head of Institute proposed to be inspected should be given sufficient notice.
- 27.7** While the inspection is in progress, as and when the points arise the same will be discussed at appropriate levels for obtaining necessary clarification, securing a verification of the facts and initiating remedial action wherever possible without delay. Important matters requiring urgent consideration will be discussed with the Head of the Institute and the formal Inspection Report, will be issued subsequently. The Director may nominate the Head of the Office to liaison with the audit in all matters for smooth conduct of audit.
- 27.8** Every endeavour will be made by the institutes for production of records/documents etc. as demanded by the Inspection Team within 24 hours so that the inspection is conducted in time as per schedule. The necessary logistic support and facilities of photocopying and computer, etc. may be ensured to Inspection Team. The concerned officers/dealing hands

should be advised to clarify the observations, if any, on the spot and render all necessary assistance to the team. Production of records is an obligatory duty of the Institute. After receipt of Inspection Report and corrective measures should be taken and necessary replies be sent to Council Headquarters within a period of one month.

- 27.9** The Inspection Unit is also required to serve as a liaison between Audit and the Council as well as the Institutes by pursuing the objections raised by the Audit till their final settlement and issuing instructions, wherever considered necessary, to see that the irregularities noticed by audit do not reoccur. The progress reports on internal audit done by the Finance & Accounts Officers of the Institutes and settlement of objections as well as matters arising from internal audit on which the Finance & Accounts Officers will like to seek advice of the headquarter office will be dealt with by the Inspection Unit.

Investigation

28.1 General

28.1.1 Investigation means an inquiry into the accounts of an organization for a special purpose. It is a kind of special audit with a limited or extended scope according to the purpose for which it is conducted. It not only involves a thorough examination of the books of accounts for a particular year or a number of years but its scope may even extend beyond the books of accounts.

28.1.2 The Finance & Accounts Officer may be called upon sometime to investigate into a suspected fraud. While taking up such assignment, he must get in writing the objects or the purpose of investigation and the period to be covered.

28.1.3 The investigator should first study the system of accountancy and internal check followed in the organization. If he finds that there is any loophole and there is a possibility of fraud, he must go deep into the question. It is very difficult to lay down the modus operandi of different kinds of fraud as human ingenuity has and will ever devise various and peculiar way to commit frauds. Each case must be handled on its merits. But it must be remembered that fraud is usually committed by those who handle cash and goods. Fraud may also be committed by manipulating accounts. Fraud is usually committed in the following ways:

- (i) By misappropriating cash - (usually committed by the employees).
- (ii) By misappropriating goods - (committed by the employees).
- (iii) By manipulating the accounts - (committed by those at the helm of affairs).

28.2 Misappropriation of Cash

28.2.1 Cash may be misappropriated in any of the following ways :-

- (i) Omitting to enter the receipt of cash.
- (ii) Entering less amount in the cash book than what had been received.
- (iii) Entering fictitious payments.
- (iv) Entering more amount than what has actually been paid.

28.2.2 The investigator should follow the line of action as detailed below:

- (i) Examine the internal check system regarding cash sales and see whether there is any loophole, if so, must probe into the matter.
- (ii) Sales of goods might have been omitted from the books so that when cash is received from the buyers, it is misappropriated.
- (iii) He should compare the counterfoils of pay-in-slips with the entries in cash book and the Bank Pass Book to see that less amount than that stated in the counterfoils might not have been deposited in the bank.
- (iv) He may seek permission of the competent authority to issue a circular to the debtors asking them to confirm the balance owing by them. The letters of confirmation should be sent direct to the investigation.
- (v) List of bad debts should be examined and enquiry should be made whether the bad debts are really bad debts or in fact money might have been received from the debtors and misappropriated and the amount written off as 'Bad Debt'.
- (vi) The system of payment of salaries and wages should be looked-into. It is possible that payment might have been made to fictitious employees or undisbursed salaries in respect of employees who might have left service, misappropriated.
- (vii) Special attention should be paid to Petty Cash Transactions as they are usually a source of fraud. He should see whether after payment, the sub-voucher, are stamped paid or not.
- (viii) Delay in depositing the cash receipts into the Bank should be looked into.
- (ix) Cases of delay in rendering the accounts of advances for local purchase as well as of imprest particularly in respect of temporary imprest should be examined.
- (x) Cash received on account of unusual receipts such as sale of waste materials, cash received from debtors who might have been written off as 'bad' in the past, allowance received etc., could have been mis- appropriated.
- (xi) Cash can be misappropriated by showing more discounts allowed than actually in the case. The rules regarding grant of discount should therefore be examined.
- (xii) Duplicates must be obtained for missing vouchers.
- (xiii) He must pay attention to bill transactions. It is possible that some bills might have been paid, proceeds misappropriated and the transactions might have been

passed as if the bills had been dis-honoured for non- payment. Such supposed dis-honoured bills must be examined. Since they have not been dis-honoured, they would not be available. Similarly bills might have been discounted and cash proceeds misappropriated but the bills might have been shown as if they are still in hand.

(xiv) Cash can be misappropriated if cheques are drawn in favour of Council's Officers instead of ultimate payees except for.

- a. Salaries, allowances and other personal payments of establishment;
- b. Recoupment of imprest of drawing officers.
- c. Purchasing money orders.

(xv) Cash deduction from pay bills which the Cashier may be required to deposit with outside body viz. water and electricity demands in respect of employees, Insurance premium, cooperative dues etc. can also prove a source of misappropriation.

(xvi) Not conducting regular physical verification of cash and also surprise check of cash gives scope for misappropriation of cash.

(xvii) Non-checking of totals of Cash Book by a person other than Cash Book writer.

(xviii) Details of un-disbursed amount not worked out at the end of each month and non-refund of amounts remaining un-disbursed for more than 3 months.

(xix) Drawl of Salary for the period of EOL.

28.3 Misappropriation of Goods

Pilfering of goods is very difficult to detect specially when they are small in bulk and are very costly. This can be avoided only through maintenance of proper stock accounts. As such:

28.3.1 The Investigator should check the receipt and issue of goods and the stock Accounts. The Order Received Book, Sales Book, Godown Keeper's Book, Gate Keeper's Book and the invoices etc. should be compared.

28.3.2 The investigator should see whether the physical verification of stock is done periodically or not and how the reports in respect of physical verification have been pursued.

28.3.3 Goods can be misappropriated in the name of free distribution. The rules regarding free distribution of goods should be examined.

28.3.4 When goods are issued against coupons sold in advance, it should be seen (i) whether a proper account of the receipt and sale of coupons is kept; and (ii) whether the coupons when received back in exchange for goods sold have been defaced in such a way that they cannot be misused by resale.

28.4 Manipulation of Accounts

Proforma accounts might have been manipulated for showing more profits by omitting to enter expenses or debiting the revenue expenditure and capital accounts suppressing of purchase invoices, overvaluation of closing stock, or showing fictitious sales etc.

Statutory Audit

29.1 Audit Arrangements

- 29.1.1 The Accounts of the Indian Council of Agricultural Research Society are audited by the Comptroller & Auditor General of India in terms of Rule 76 read with Bye-law 19 of ICAR Rules and Bye-laws which prescribe that the Accounts of the Society shall be audited by such person or persons as may be nominated by the Central Government. When he audits the accounts of the ICAR as the Auditor of the Society in terms of its Rules and Bye-laws he also fulfill his statutory obligation relating to audit of the proper utilization of the grants given by the Government of India to the Society.
- 29.1.2 The Comptroller & Auditor General of India discharges his functions as the Auditor of the Society through the Director General of Audits (Central Expenditure) who acts as the 'Principal Audit Officer' of the Council.
- 29.1.3 If expenditure from the funds of the Society consists of a grant to any authority or individual under the audit of any other Audit Officer of Government or Chartered Accountant, Bye-law 19 of ICAR provides the Audit Officer of the Society will satisfy himself that the purpose of the grant is within the scope of it and will accept a certificate of audit of that Officer or Chartered Accountant in respect of expenditure from the grant. The Secretary will arrange to obtain and produce such certificate of audit.
- 29.1.4 In the case of grants exceeding Rs. 1.00 lakh per annum recurring and Rs. 5.00 lakh non-recurring the accounts of the grantee are also open to test check by the Finance & Accounts Officer (Inspection) of the Society.
- 29.1.5 The respective Finance & Accounts Officers at the Headquarters and Institutes of the ICAR will function as Liaison Officers at the time of audit by the Director General of Audit (Central Expenditure). It may be so arranged that all Audit Memos issued by the Audit Party and replies there to issue by the concerned Council Officers are routed through the Officer acting as the Liaison Officer.

29.2 Duties and Privileges of Auditors

- 29.2.1 As provided in Bye-laws 19 of ICAR read with the relevant provisions of GFR, the audit of accounts of the Society will be conducted by the Auditor's in accordance with the Principles and Procedures as may, from time to time, be laid down by the Government of India in consultation with the Comptroller & Auditor General of India.
- 29.2.2 The 'Auditors' and any other person appointed by them in connection with the audit of the accounts of the Society, have under Bye-laws 19 of ICAR, the same rights, privileges

.and authority in connection with such audit as the Comptroller and Auditor General has in connection with the audit of the Government Accounts and in particular shall have right to demand the production of books, accounts, connected vouchers and other necessary documents and papers.

29.3 Results of Audit

- 29.3.1 Under Bye-law 20 the results of audit are required to be communicated by the Audit Officer to the Governing Body of the Society. A copy of the Audit Report along with the observations of the Governing body shall be passed on to the Government of India, Ministry of Agriculture, Department of Agricultural Research and Education. The Audit Officer shall also forward a copy of the report direct to the Government of India, Ministry of Agriculture, Department of Agricultural Research and Education.
- 29.3.2 The Governing Body may, as provided in Bye-laws 20 deal with the audit objections raised by the Audit officer and take such action as they may deem appropriate.
- 29.3.3 The audited accounts of the Society along with auditor's report thereon are required to be placed under Rule 80 before the Society at the Annual General Meeting and also on the tables of the Houses of Parliament.
- 29.3.4 Inspection Unit at the Council's headquarters is responsible for the coordination of all work connected with the audit of the accounts of the Council and presentation of the audited accounts to the respective bodies under the Rules and Bye- laws of the Society.

29.4 Audit Fee

- 29.4.1 Director General of Audit (Central Expenditure) and their branch offices shall carry out the external audit of all the ICAR Units. The concerned branch offices of the DGA (CE) will submit the audit fee bill to the Director of the concerned ICAR unit on completion of the audit programme. The Finance & Accounts Officer will verify the claim with respect to the fee prescribed by the Comptroller & Auditor General of India and certify the same. He will thereafter forward this to the Head of Office who will obtain the sanction of the Director of the Institute for releasing the audit fee to the concerned branch offices of the audit.
- 29.4.2 With regard to the internal audit of ICAR units, conducted by the team of empanelled Chartered Accountant firms/auditors of IPAI, the CA/IPAI firm will obtain a certificate from the Finance & Accounts Officer of the Institute with regard to the number of days audit conducted and auditors engaged for audit. This certificate along with the bill is thereafter submitted by the concerned CA/IPAI firm to the Inspection Unit of the ICAR Headquarters for arranging payment of audit fee.

SECTION: V

RESULT OF INTERNAL CHECK

Chapter 30 : Raising and Pursuance of Objections

Raising and Pursuance of Objections

Part I - General Principles and Rules

30.1 Introduction

- 30.1.1 Audit depends for its effective value in its right and duty to report results to the proper authority so that appropriate action may be taken to rectify the irregularity or impropriety, where possible, or to prevent a recurrence of it.
- 30.1.2 It is in the treatment of results of audit that the audit functions demand, the highest qualities of understanding, balanced judgment and sense of proportion and it is to enable him to deal with results adequately that the auditor has been accorded a high degree of independence and prestige. An auditor must develop an instinct for assessing the importance of an individual irregularity.
- 30.1.3 The auditor must keep, before him his primary functions of securing the substantial correctness of accounts and the regularity and propriety of individual financial transactions. He must decide, therefore, when the detailed audit 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 exercising this discretion regard will be paid to the statement of general principles in paragraphs 3.1.2 to 3.1.5. 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 wholly unintelligent audit. 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 particular irregularity but also of ensuring regularity and propriety in similar cases for the future. At the same time failure to appreciate the significance of what appears to be a trifling irregularity may lead to failure to discover an important fraud or defalcation. Again, notice may be taken of the cumulative effect of numerous petty errors or irregularities as indicating carelessness and inefficiency in the maintenance of accounts or in financial administration generally.
- 30.1.4 The final discretion whether an objection should be pressed or dropped rests with the auditor. Where a transaction requires the authorization of a higher authority Audit must insist that such authorization be obtained; or where a sum of money is recoverable, Audit must insist on recovery save where authority to waive recovery has been delegated, the competent authority has directed that recovery should be foregone.

- 30.1.5 All observations and objections must be conveyed in courteous and impersonal terms, and must be clear and intelligible.
- 30.1.6 It is of the utmost importance that any statement of criticism or of irregularity in an audit report should be accurate, fair, moderately worded and dispassionate. Innuendo is forbidden; if a charge cannot be substantiated, there should not be even any hint of it.
- 30.1.7 Objections and observations in relation to any accounts or transactions subjected to audit 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 prescribed records maintained in the Audit Branch.
- 30.1.8 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 Council, 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.
- 30.1.9 Every query or observation made by Audit in relation to any accounts or transactions should be taken promptly into consideration by the disbursing officer or any other authority to which it may be addressed and returned with the necessary vouchers, documents or explanation to the Finance & Accounts Officer concerned within such time as may be prescribed by him. As irregularities rectified to the reasonable satisfaction of Audit will not ordinarily be pursued further it is to the advantage of the disbursing and departmental officers to expedite disposal of audit queries.

30.2 Pursuance and clearance of objections

- 30.2.1 The responsibility for the removal of objections, and the settlement of other points raised in audit, devolves primarily upon disbursing officers, head of office and controlling authorities. To assist the Council in the maintenance of financial regularity and of a proper system of accounts, the Heads of Audit & Accounts branches are 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.
- 30.2.2 While it is the duty of Audit to call attention to any disbursement which it considers to be improper, it is the function of the executive authorities to order recovery of the amount to confirm the disbursement or to forego the recovery of the sums improperly disbursed.
- 30.2.3 When an amount is outstanding for recovery against a Council servant and money is also due to him by Council, but has remained undrawn for a considerable period owing to the

death or resignation of the Council servant or any similar cause the Finance & Accounts Officer may adjust the amount due to him by Council and thus clear the objection.

30.2.4 In order to avoid unnecessary expenditure of time and labour on cases of a simple and unimportant character, the Finance & Accounts Officers have following powers, which may not be delegated to subordinate officers.

30.2.5 Finance & Accounts Officer of the rank indicated below may forego recovery of irregular expenditure not exceeding the amount specified against each in any individual case:

Authority	Amount
Director (Finance)	2500
Chief Fin. & Accounts Officer (Sr. Class I)	1000
Sr./Finance & Accounts Officers (Class I & II)	500

NOTE: If the irregularity is such that it is likely to recur, it must be brought to the notice of the Council servant responsible that the expenditure was irregular even if no recovery is made.

30.2.6 Some items are placed under objection, not because the whole or any portion of the expenditure is unjustifiable in itself but because it is not exactly covered by rule; or the authority for it is insufficient; or full proof, such as is afforded by sub- vouchers, that it has been incurred has not been produced. In such cases, the Director (Finance) may forego recovery up to the limit of Rs.2,500/- in each case, if the conditions (i) to (iii) set forth below are fulfilled

- (i) The expenditure must not be of a recurring nature.
- (ii) Where the objection is based on insufficiency of sanction, the Director (Finance) must be satisfied that the authority empowered to sanction the expenditure would accord sanction if requested to do so.
- (iii) Where the objection is based on insufficiency of proof of payment, the Director (Finance) must be satisfied that undue trouble would be caused by the insistence on submission of full proof and must see no reason to doubt that the charge has actually been paid.

30.2.7 Where expenditure under objection, has, for any reason, become irrecoverable, Director (Finance) may write off an amount not exceeding Rs. 2500/- in each case.

NOTE: The powers conferred upon Finance & Accounts Officers under the foregoing provisions of this paragraph should not be exercised in respect of items for the check or audit of which they have no authority.

- 30.2.8 If in the course of audit a Finance & Accounts Officer notices that something more is due to a Council servant than has actually been claimed he should bring the short payment or over deduction (unless the amount be insignificant) to the notice of the disbursing officer. The Audit & Accounts Wing will have done its duty when it has warned the drawing & disbursing officer that he has a further claim and it cannot compel him to prefer it.
- 30.2.9 It is not necessary to report individual cases of serious financial irregularity to the Director (Finance) unless his intervention is deemed desirable, but in cases of doubt or difficulty, the Finance & Accounts Officers may seek his advice. All serious and interesting cases of fraud or forgery, and cases indicating the need for change of procedure should, however, be reported at once for the information of the Director (Finance).

NOTE: In all communications to the Director (Finance) for advice, a clear statement should be made of the point at issue, of the view the Finance & Accounts Officer thinks should be adopted, of any action he has already taken and of the action he proposes to take. Copies of relevant reports and correspondence should accompany, where these may be necessary to explain any points in detail.

30.3 Treatment of Erroneous Payments Admitted in Audit

When erroneous payments have been admitted in audit for a considerable time, owing either to a wrong interpretation of financial rules or oversight, the following course should be observed:

- (a) When a wrong interpretation of financial rule has been followed, the new interpretation should in the absence of special instructions to the contrary, take effect from the date of issue, by competent authority, of the orders stating the correct interpretation.
- (b) When erroneous payments have been left unchallenged through oversight, the Finance & Accounts Officer should not, on his own, undertake a re-audit of bills paid more than one year, previously. He should report the facts of the case for orders to the Council and a re-audit should not be made only with the prior approval of Council.

NOTE: Pre-audit has to rely a lot upon certificates and it is desirable to check such certificates by examination of original documents at the time of internal audit or at local inspections. Such examination is not a re-audit for purpose of this clause.

30.4 Reports on Defalcations and other Losses

On receipt of a report on the defalcations or loss of Council money or property, the Finance & Accounts Officer should call for such further information as he may require on the subject and carefully examine the case and ascertain whether the defalcation or loss was rendered possible by any defect in the rules, or whether it was due to the neglect of rules or for lack of supervision on the part of the authorities. He should then report the result of such examination to the Head of the Institute etc. If for any special reasons he considers necessary, the Director (Finance) should also be informed of the same.

Part II

Detailed procedure in connection with the communication of results of Audit to Executive and Controlling Authorities

30.5 Introductory

Subject to the general principles and rules laid down in part I of this Chapter the detailed procedure in connection with communicating the results of audit to the proper executive and controlling authorities is described in this part.

30.6 Registration of Objections

- 30.6.1 Objections and observations arising out of audit should be communicated at the earliest opportunity, but objections should first be registered in detail in the prescribed records maintained in the Audit Branch.

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- Note:**
1. the instructions in this part of the chapter apply generally to all objections arising out of audit whether conducted as pre-audit or internal audit. As an exception, objections against disbursing officers which have arisen out of internal audit, but cannot be expressed in money values, need not be registered in Objection Books.
 2. Mere instructions for future guidance need not be registered in the Objection Books maintained in the Audit Branch. If the pursuance of an objection indicates the need of prescribing a new procedure for general observance, such procedure should be communicated by a general letter and not by any form or statement intended solely for the communication of objections.
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- 30.6.2 The instructions requiring the registration of all objections arising out of audit are subject to the qualification that objections which are trivial or have been waived by the Finance & Accounts Officers under any of the provision of paragraphs 30.2.5 and 30.3 should not be included in Objection Books, though a separate record of objections waived should be maintained for production at the inspection of the Finance & Accounts Officer (Inspection) of the Council.

NOTE: The maintenance of a separate record may be dispensed with in the case of objections waived under paragraph 30.2.5.

30.6.3 The objection should be recorded in the objection book officer-wise, as far as possible. It is not necessary to keep objections separately by major heads and Finance & Accounts Officer should comply with any specific directions from the Council.

30.6.4 For an efficient review of objections and of the progress of their clearance, it is desirable to keep the objections of each year separate, even though their clearance may be effected in a subsequent year.

NOTE: In the-case of progressive expenditure, an objection to excessive expenditure not covered by proper authority or sanction should be held to relate to the year in which it was first raised in audit, even though further expenditure may be incurred in a subsequent year.

30.6.5 All records of audit objections maintained in the Audit Branch should be written up with care, and watched closely by the Accounts Head of the Institute. Even though the Objection Statements have not actually been dispatched, an objection once raised can be removed from the records of objections only after the Finance & Accounts Officer has examined that due authority exists for the removal of the objection and put his initials against the item concerned in token of his having done so.

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

30.7 Clearance of Objections

30.7.1 The adjustment of each individual objection should be watched through the prescribed records until clearance or withdrawal, as the case may be.

30.7.2 Finance & Accounts Officers with report to the Director (Finance) of the progress of adjustment, periodically

30.7.3 When an objection once raised has been withdrawn either on reconsideration or in the light of information which was not available previously, the DDO or other authority to whom the objection was originally addressed should be informed forthwith.

30.8 Money values of objections

30.8.1 In order to make a collective presentation, whether to controlling authorities or to the Council of (1) the results of audit, and (2) the progress of the clearance of audit objections, it is found necessary to express the records of objections in money values, money columns should be opened therein for this purpose. There are, however, classes of objections which cannot be suitably expressed in money value, or which, if so expressed, do not give an adequate or fair statement of the degree and extent of deviation from rule. It is permissible, therefore, to omit values altogether in certain cases; in other cases, where values alone are misleading, other particulars may be recorded in addition or values may be dispensed with altogether, as may be decided by the Director (Finance).

30.8.2 Money values should be recorded in respect of objections of the classes enumerated below or similar objections:

- (i) Want of sub-vouchers and payees receipts (if not received when the relevant accounts are under audit).
- (ii) Want of sanction to advances, losses, etc.
- (iii) Want of sanction to special charges.
- (iv) Want of any other specific sanction required by rule.
- (v) Overpayments and short recoveries.
- (vi) Delays in the recovery of sums due to Council/ Government, if not recovered within a reasonable period.
- (vii) Expenditure placed under objection on ground of financial propriety.
- (viii) Want of allotment of funds.
- (ix) Excess over allotment.

30.8.3 Money values need not be indicated in the records of objections of the following classes:-

- (i) An objection which takes the form of a simple direction for future guidance, or of a call for a document, the absence of which is not likely to affect the amount admissible.
- (ii) Stamp not affixed on a voucher otherwise complete.
- (iii) Delays in the settlement of debts due by Council.

- (iv) Habitual delays in the submission of account returns, vouchers, etc.
- (v) Fictitious adjustments and manipulations in accounts unless an actual loss has resulted.
- (vi) Deviations from rule which are indicative of disregard or evasion of rule, but do not represent charges incurred without proper sanction.
- (vii) Errors in accounts, vouchers, etc., which do not indicate any deficit or surplus.
- (viii) Instructions, and other remarks, regarding the form of accounts etc.
- (ix) Demand for information not received.
- (x) Enquiries and remarks on doubtful points.
- (xi) Remarks calling attention to minor errors of procedures.

30.9 Overlapping of Objections

- 30.9.1 When a single transaction relating to a work or distinct object of expenditure becomes open to two or more objections and it is customary to maintain the statistics of each of the classes of the objections separately, the several objections on the transaction should be booked separately, as if they relate to different transactions. This feature of the system of registration should, however, be borne in mind, and in all statistics and reports where in the money values of objections of several classes may be commented upon, or presented collectively, every effort should be made to make due allowance for the exaggeration caused by this overlapping of objections and the existence of the overlapping and the steps taken for their remedy, should be mentioned specifically.
- 30.9.2 In some cases, it will be found impracticable to make allowances for the elimination of exaggerations. In such cases, it will be advisable to exclude from all collective statistics, the whole figure relating to a particular class of objections and to mention this fact prominently in all reports and statements connected with the statistics.

30.10 Objections to insufficient or irregular sanctions

There is a class of important objections which cannot be omitted from collective reports or statistics, but must be excluded from the ordinary records of the objections booked against DDO. These are objections to insufficient or otherwise irregular sanctions accorded by any authority above the disbursing officer. A record of these objections should be kept in special Registers in **Form 28**. Correspondence relating to such objections should be addressed to the authority which accorded the sanction. The disbursing officer or officers should, however, be informed simultaneously that the

sanction has been held under objection. If at any time before the removal of the objection it is considered necessary to retrench the amount disbursed, such retrenchment order shall be communicated to the disbursing officer through the sanctioning authority.

30.11 Audit of Expenditure vis-a-vis Grants, Appropriations and Units of Appropriation

30.11.1 In regard to objections for “Want of allotment of funds” and “Excess over allotment”, it should be remembered that objections falling under these heads are capable of being looked at from two distinct points of view. In cases in which the further orders of a controlling authority will be sufficient to regularize the actual expenditure, there is a financial irregularity the clearance of which has usually to be watched by the Audit Branch on behalf of the Director (Finance). But, in as much as an irregularity under either of these heads may cause a deviation from the Grant or Appropriation as specified in the budget approved by the Governing Body, there may (but not necessarily will) exist a financial irregularity the clearance of which has to be watched by the Audit Branch on behalf of the Governing Body.

30.11.2 The scope of check of expenditure against provision of funds is defined in Chapter 7. The objection raised should always be expressed in money value (paragraph 30.8.2).

30.11.3 Objections relating to allotment of funds are removed during the course of the year, on receipt of orders regarding the necessary allotment, re-appropriation or a Supplementary Grant as the case may be. No allotment or re-appropriation within the Grants of a year can be authorized at any time after the expiry of the year. In consequence of this rule, objections for “Want of allotment” and “excesses over allotment”, if the official year has closed, cannot be met by the issue of a formal order of appropriation.

30.12 Objection Statement

30.12.1 Form and Preparation

In most cases audit objections should be intimated direct to the DDO or other responsible authority in special printed audit memoranda and other half-margin forms. The audit clerk should have before him, at the time he deals with the bills etc. the requisite objection Statements, special printed audit memoranda and other half-margin forms and should write these up as each point requiring notice becomes evident during the course of his scrutiny. All objections, communicated direct to responsible authority should be entered in the Objection Book. A register of half-margin should be kept in each audit section showing the issue, return and disposal of these audit memoranda and half-margins.

30.12.2 Communication of Objection

Each Objection Statement will issue in original, over the signature of the Finance &

Accounts Officer after the review of audit and objections. Before communicating (which must not be delayed) the objections must be neatly posted into the Objection Book by the audit clerk **Form 29**. The Finance & Accounts Officer/Section Officer / JAO should take precautions to secure the entry in the Objection Book of all the items in the pass statement, whether or not their amounts are carried into any money column.

30.12.3 Disposal and Return

The return of the Objection Statements must be watched with utmost care.

30.13 Audit Clerks Responsibility

The Audit and Accounts Section is responsible for the prompt disposal of the Objection Statement. If a recovery is ordered, or a sum is debited under Advances Recoverable against a Council servant, he is responsible for watching the recovery. It may be possible that the concerned Council servant may have been transferred to another office, however, the item will not be removed from the Objection Book of the previous office and only a note of transfer will be made to the new office. This will also be noted on the Last Pay Certificate issued to the Council servant. On the occasion of a transfer of an officer of gazetted status, against whom an order of retrenchment has been issued, the Audit & Accounts Section should ascertain what amount is still outstanding and inform the Finance & Accounts Officer on assumption of charge.

30.14 Retrenchment Slip

30.14.1 The consideration whether the pay and allowances drawn are admissible, involves disallowances of improper claims and watching the recovery of money improperly drawn. When it is considered necessary to order the recovery of any erroneous payment, the Finance & Accounts Officer should intimate the Council servant and the Head of the Office concerned by a slip in **Form 30**, in which the ground of the retrenchment should be stated clearly. This slip will give the Council servant an opportunity to forward to the Finance & Accounts Officer an explanation which may cause the recovery to be dispensed with. The withdrawal or modification of an order for recovery should be communicated to the DDO.

30.14.2 Similar slips notices should be sent for short payments or over-deductions. They should be noted for future guidance in the Objection Book, but need not be entered in any money column of the Objection Book, for the audit Branch has done its duty when it has informed the Council servant that he has a further claim and cannot compel him to prefer it (see paragraph 30.2.8).

30.15 Objection Book

Form and Contents

The Objection Books are the permanent office record of entries which have been made in the Objection Statements prepared upon the examination of auditable records. But, besides these objections, they contain also note (1) of all amounts debited under Advance Recoverable and (2) of items adjusted but not cleared, even though not under objection. They are kept in **Form 29** and the objections are detailed under the following heads:-

Advances Recoverable
Items adjusted but awaiting final clearance
Service payments for recovery

It is imperative that entries pertaining to two months, accounts should not be entered in the same page

30.16 Adjustment Register

30.16.1 The adjustment is to be posted in the Adjustment Register (**Form 31**), and also against the original item in the Objection Book.

30.16.2 The mode of adjustment adopted with reference to each item will be shown in the column “How adjusted” and the Finance & Accounts Officer or Section Officer or JAO will initial each entry in proof of his having examined and found it correct in every particular.

30.16.3 In the Objection Book, in the columns of amount under ‘Mode of adjustment’, will be entered each successive fragment disposed of each entry in the Adjustment Register must have its distinct answering entry in these columns, and both entries will be initialed by the Finance & Accounts Officer/Section Officer/JAO at the same time.

NOTE:

1. In the case of objections against which no amounts are entered in the money columns of the Objection Book, no entries should be made in the Adjustment Register.
2. The entry in the Objection Book of each adjustment may be certified by the initials of the Finance & Accounts Officer/Section Officer /JAO provided that the entry is made in the Adjustment Register clearly, and in all cases in which the order communicating the objection has not been complied with fully on the authority of an order signed by the Finance & Accounts Officer in-charge. The Finance & Accounts Officer will, of course, review not only the Objection Book but also the Adjustment Register at frequent intervals.
3. If, in the case of items awaiting clearance, a real objection is afterwards found to exist (e.g., recovery is ordered of part of the charge), only the part cleared will be entered, and the rest will still remain outstanding till disposed of. Care

must be taken that the real objection, when found, is duly communicated to the concerned authority or concerned officer and noted in the Objection Book below the original objection or as a foot-note to it.

30.17 Closing of Objection Book

After communication of objection statements for each month, the money columns in the Objection Book should be totaled, the balance of the past month should be added, the totals of adjustment should be made in the Adjustment Register and entered in the Objection Book and the balance struck. The Finance & Accounts Officer/Section Officer/JAO will sign the certificate at the bottom of the page or last page of the Objection Book for each month, which will be closed and balanced on the 7th of the following month.

NOTE: The outstanding balance in each column of the Objection Book is to be carried forward from month to month and from year to year.

30.18 Broadsheet of Advances

30.18.1A Broadsheet in **Form 32** is maintained of the debits, credits and balances under the head 'Objection Book Advances'. The debits and credits are posted monthly from the Objection Book and adjustment Register, and their totals agreed monthly with the posting in the Broadsheet submitted to the Finance & Accounts Officer for inspection. The opening balances are brought forward from the past year's Broadsheet after the correct balances are worked out in it in the column for March Final. The monthly balances in the New Year's Broadsheet can then be struck, and will agree with corresponding balances in the detailed Register or Broadsheet of Debt, Deposit and Remittance Transactions month by month.

30.18.2All the balances shown on the Broadsheets of Advances should, for purposes of verification and control, be resolved quarterly into the items of actual transactions, which should be reviewed by the Finance & Accounts Officer.

NOTE: In the quarterly analysis of balances outstanding under 'Objection Book Advances' the Finance & Accounts Officer may at his discretion dispense with details by individual items relating to the immediately preceding quarter.

30.18.3The general accounts of Advances Recoverable in the Register of Debt, Deposit and Remittance Transactions should be broken up into as many detailed heads as are convenient for the purposes of audit and account.

30.19 Watching and Testing

An abstract in **Form 33** must be attached to each Objection Book. The previous year's balance posted in the first column on the opening of the book will be the preliminary balance in last year's abstract. Later on, this will be corrected in red ink into the March Final balance as worked out in the last year's Objection Book and Abstract of Objections. The other entries in the first column will be made at the closing of each month. The adjustments of each month should be distributed over the period of objection from the information in the Adjustment Register and posted in the proper line at the time of closing the book for the month.

30.20 Review of Objections

It is the duty of the Finance & Accounts Officer concerned to watch carefully all outstanding objections. Items left unsettled for six months should be entered in a six monthly register. A summary of all relevant correspondence should be recorded against each item in the six monthly register and all subsequent correspondence should also be recorded. This register should be submitted at least once in each month to the Finance & Accounts Officer, who should review carefully all items therein.

Appendix: I

AUDIT OF CONTRACTS

Contract Management forms a major component of a wide variety of programmes cutting across the diverse sectors. The audit guidelines is intended to facilitate the identification of issues involved in contract management. Finance & Accounts Officer should refer to the audit guidelines outlined here which is to be taken as facilitative rather than mandatory in their application.

S. No.	Audit Objectives	No	Issues
(I)	Whether there exists a system in the Organization for proper project appraisal and whether this system is functioning effectively?	1	Whether the organization has a policy for project appraisal and to what extent it is applied?
		2	Whether the system provides for consultation at appropriate time with :- • Relevant disciplines, e.g. finance, technical, planning and legal ; • External bodies, e.g. other public authorities and statutory undertakings.
		3	Whether the need are verified by a person other than the person initiating the need?
		4	Whether needs are given a preliminary ranking of priority within the appropriate category?
		5	Whether the system provides for preliminary assessments of the options available to meet the identified needs together with broad indications of their likely costs?
		6	Whether the feasible options are ranked in order of preference, taking into account such matters as cost, disruption and timing and such ranking documented?
		7	Whether the tender documents dispatched to tenderers are in accordance with the project's approvals and the requirements of the detailed brief?
		8	Whether the preferred tender is in accordance with the project's approvals and the detailed design brief is not qualified in a manner which would invalidate such approvals or exceed the detailed design brief requirements? Whether there exists a system in the organization for proper project appraisal and whether this system is functioning effectively?
(II)	Whether the systems for admitting contractors to the approved list and for reviewing their performance and current viability are functioning efficiently?	1	Whether procedures exist for the compilation and subsequent amendment of the approved list and frequency of overall review?
		2	Whether public notice has been given regarding the intention to compile the approved list?
		3	Whether requirements have been prescribed in relation to advertising in local newspapers etc. and the closing date for applications?
		4	Whether applicants have been asked to supply full information from which their operational capacity, ability

			and financial standing could be assessed?
		5	<p>Whether Financial and operational appraisals of contractors have been carried out? Such appraisals should cover the following criteria :-</p> <p>(i) Financial</p> <ul style="list-style-type: none"> • Examination of the latest three years published accounts including the application of accounting ratios and trend analysis; • Examination of external auditors certificates; • Consideration of the contract value in relation to the turnover of the company; • Bank or business information reports; • Consideration for the need to obtain performance bonds. <p>(ii) Technical</p> <ul style="list-style-type: none"> • Particulars of recent contracts completed by the contractor, their nature and value; • Trade references and personal visits, if necessary, by technical personnel; • Assessment of the contractor's management, labour and plant resources; • Information from in house systems for monitoring contractors performance
(III)	Whether the methods for the selection of contractors invited to tender is effective?	1	Whether the organization's policies state the methods to be adopted for the selection of tenderers e.g. open, competitive, selective, restrictive or negotiated?
		2	Whether the policies stipulate the circumstances in which the formal tendering procedures, as opposed to quotations, will apply and state the contract value above which tendering procedures are mandatory?
		3	Whether Exemption procedures exist for emergency work and single source of supply?
		4	Whether requirements are stated in connection with advertising in local newspapers, the period of public notice to be given and the closing date for application?
		5	Whether final selection is based on a financial and technical appraisal?
		6	Whether final selection of contractors is made by members or authorized officers and such selection are properly recorded?
(IV)	Whether the system for regulating the tendering procedures and the letting of contracts is	1	Whether the organization has a set of policies or procedures concerning tendering and the letting of contracts and that they are formally reviewed periodically taking into account technical, legal and financial advice?
		2	<p>Receipt of Tenders</p> <ul style="list-style-type: none"> • Whether all tender envelopes received have been endorsed with the time and date of receipt and the staff receiving the

(A)	functioning efficiently and effectively? Custody of Tenders		<p>envelope or subsequent custodian do not open any tender envelope?</p> <ul style="list-style-type: none"> • Whether delivery is not refused simply because a tender is received late? • Whether all matters pertaining to tenders are strictly confidential? <p>In the case of tenders received electronically whether sufficient safeguards in respect of all the above issues have been incorporated?</p>
		3	Whether an officer is designated as custodian of all tender envelopes received.
		4	Whether the custodian keeps a register of all tenders “received in time” and keeps a similar record of tenders “delivered late” and notifies late deliveries immediately to the officer responsible for convening opening sessions
		5	Whether the custodian keeps all unopened tenders in a locked cupboard until they are requested on or after the date for receipt of tenders by the officer convening an opening session?
(B)	Opening Tenders of	6	Whether all tender envelopes are opened at the same time, not earlier than the time prescribed for the receipt of tenders?
		7	Whether all tenders are opened by at least two senior designated officers of different disciplines, neither of whom has been involved in the tender invitation?
		8	Whether tender openers sign the tender documents including the summary of bills of quantities as well as any correspondence from the tenderer?
		9	Whether the organization has a policy for dealing with late tenders (received after the cutoff date & time) and that this policy is followed?
(C)	Recording of Tenders Received	10	<p>Whether a register of tenders received is compiled containing:- (a) for each contract:-</p> <ul style="list-style-type: none"> • contract name and reference number; • the latest date and time for receipt of tenders and; • The names of the contractors invited to tender. <p>(b) for each tender opened:-</p> <ul style="list-style-type: none"> • date and time received; • date and time of opening; • amount of tender and; • Any qualification/ alternative offer/ unsigned tenders. <p>(c) for each contract after the tenders have been opened and recorded:-</p> <ul style="list-style-type: none"> • the signatures of the tender openers; • signature of person to whom the opened tender have been passed;

			<ul style="list-style-type: none"> • the names of those contractors not submitting a tender; • the name of the successful tenderer recorded after evaluation and acceptance and; • The reason for considering any late tenders.
(D)	Tender Evaluation	11	Whether there are procedures for tender evaluation which relate to:- <ul style="list-style-type: none"> • Security and confidentiality, and any changes in tenders as submitted
		12	Whether a formal record of the following matters is kept as required:- <ul style="list-style-type: none"> • the Engineer's estimate; • arithmetical check; • rates & prices; • percentage adjustments; • balancing items; • ambiguities/ qualifications; • alternative offers; • adjustment to tendered rates or prices made subsequent to tender; • all contacts made with tenderers; • running costs and; • Technical officers' recommendation.
(E)	Acceptance of Tenders	13	Whether Engineer's report is available to the person-authorizing acceptance of tender?
		14	Whether acceptance of tenders, including any changes thereto, is properly reported and duly authorized?
		15	Whether unsuccessful tenderers are informed to that effect and EMDs returned?
		16	Whether procedures exist for the adequate retention of all unsuccessful tenderers?
(V)	Whether there exists an effective system for reviewing the suitability of Conditions of Contract and Tender documents?	1	Whether the organization has a policy as to the Conditions of Contract to be used for works?
		2	Whether procedures exist for the periodic review of Conditions of Contract and the making of recommendations to the organization concerning modifications to standard forms?
		3	Whether such procedures take account of technical, legal, and financial advice and any modification to the Conditions of Contract approved by the organization's legal services?
		4	Whether a system exists to report points of weakness or uncertainty centrally for consideration and action is taken as a result of any such report by way of examination, correction and notification to users?
		5	Whether specific points, where considered necessary, are taken up with the Conditions of Contract Standing Committee?

		6	Whether the organization has determined the type and content of documents for tendering including, for example, specific requirements relating to bribery and corruption, power to accept the tender in whole or in part etc?
		7	Whether a checking system exists to ensure that:- <ul style="list-style-type: none"> • Tender documents do not contain conflicting provisions; • Specifications do not contain conditions of contract and vice versa; • Bills of quantities are checked for compliance with the Civil Engineering Standard Method of Measurement and that any departures are properly incorporated; • Tender documents contain adequate particulars as to the nature of the site and soils, such information excluding statements of opinion; • The appendix to the Form of Tender is completed as far as required by the Management e.g. minimum amount of insurance, liquidated damages. • All sets of tender documents are identical; • The correct documents are sent out; • Detailed instructions are given to the tenderer as to the organization's regulations and other requirements concerning the submission and consideration of tenders.
(VI) (A)	Whether the Insurance and Bonding procedures prescribed in the organization are consistent with the best practices? Insurances	1	Whether the inclusion of an amount of insurance cover in contracts is in accordance with the policy of the organization?
		2	Whether any recoveries made by the contractors under insurances are not duplicated by contract claims payments?
		3	Whether contractors insurances are checked for adequacy of cover and current premiums are paid prior to him entering on the site?
(B)	Performance Bonds (Surety Bonds)	4	Whether performance bonds are required on contracts according to the policy of the organization?
		5	Whether tenders are notified of the organization's intention to require a surety bond?
		6	Whether the bond is acceptable to the organization i.e. a reputable financial institution?
		7	Whether the surety bond is received prior to the commencement of the work?
		8	Whether the method of payment for the surety bond is clear, e.g. included in the contractors' tender price?
		9	Whether the bond is notified, by the organization, of any event likely to affect his responsibilities and obligations under the terms of the bond?
		10	Whether the surety bond is held in safe custody during its currency and release of the surety bond is in accordance

			with its terms?
	STAGE 'B'		CURRENCY OF CONTRACT
(VII)	Whether the system for providing financial information enables costs to be adequately controlled including reporting procedures?	1	Whether the system provides for written monthly reports on contract and project expenditure to the organization? (Much of the detailed information will be submitted by the Engineer)
		2	<p>Whether the contract report by the Engineer covers the following:-</p> <p>(a) Expenditure to date and a projected final value compared with the original contract sum with a detailed breakdown over the following heads with any significant differences being subject to a detail explanation:-</p> <ul style="list-style-type: none"> • Measured works, • Prime cost items, • Expenditure against provisional sums, • Day works, • Contract variations excluding day works, • Contractual claims, • Contract price fluctuations. <p>(b) Contractual claims being listed as:-</p> <ul style="list-style-type: none"> • Those accepted and value ascertained, • Those accepted but not ascertained in full, • Those not accepted <p>(c) A request for additional financial provision where it is likely that the authorized sum for the contract will be exceeded beyond the authorized tolerance.</p>
			<p>Whether the project report by the Project Controlling officer covers the following:-</p> <p>(a) Expenditure to date and expected final cost compared with the original estimated cost for the project including, where appropriate, all "on costs" are listed under the following heads of expenditure:-</p> <ul style="list-style-type: none"> • Site investigation, • Design, • Supervision, • Fees, • Land acquisitions, • Compensation payments, • Direct works carried out by the organization, • Materials and other services provided by the organization. <p>(b) A request for additional financial provision where it is</p>

			likely that the authorized sum for the project will be exceeded beyond the authorized tolerance.
			Whether the above reports are forwarded to the organization in conjunction with technical reports on the progress of the contract works?
(VIII)	Whether there exists a sound system of on- site control regulating valuations of work for Interim payments?	1	Whether statements are submitted by the contractor and are strictly in accordance with the Conditions of Tender or the organization's requirements?
		2	Whether valuations of work for interim payment are based on the Contractor's statement?
		3	Whether quantities are supported by site measurement records?
		4	Whether rates and prices are checked to the Contract Bill of Quantities?
		5	Whether valuations of ordered variations are substantiated?
		6	Whether amounts payable in respect of Provisional Sums are supported by receipts or other vouchers where appropriate?
		7	Whether contract Price Fluctuations are calculated in accordance with Conditions of Contract?
		8	Whether amounts payable in respect of any claims submitted are substantiated by particulars supplied by the Contractor?
		9	Whether retention is determined in accordance with the Conditions of Contract?
		10	Whether amounts payable in respect of any goods or materials on or off site and not yet incorporated in the Permanent Works are calculated as provided in the Tender, and are subject to ascertainment of title?
		11	Whether the arithmetic correctness is checked?
		12	Whether any amendments made by the Engineer to Contractor's statements are shown clearly?
		13	Whether contractor's statements are annotated to indicate the checks carried out?
		14	Whether the net amount payable is determined by deducting any previous payments on account?
(IX)	How effective is the system for the examination and control of price fluctuations and variations?	1	Whether the contract includes the formula adopted by the organization?
		2	Whether the elements and proportions of the work attributable to the price indices are included in the tender documents?
		3	In those cases where tenderers challenge any elements prior to tender submission, whether any ensuing revisions are communicated to other tenderers?
		4	Whether the contractor submits any price fluctuations claims?

(B)	Variations	5	Whether there is a designated person responsible for checking the claims received?
		6	Whether the measurement data is consistent throughout the contract?
		7	Whether all the agreed Contract Price Fluctuation claims are properly certified?
		8	Whether adequate records are maintained of all calculations and amounts paid?
	Variations	1	Whether variations are issued solely by those authorized to do so under the contract?
		2	Whether variations are ordered in writing?
		3	Whether variations specify the particular Conditions of Contract under which the order/ instruction is given?
		4	Whether copies of orders for variations are sent to the:- • Contractor. • Engineers representative. • Engineer.
		5	Whether a numbering sequence identifies each variation?
		6	Whether contractors' confirmation notes (of oral instructions given by the Engineer and which involve a variation to the Works) are immediately dispatched to the Engineer for acceptance or rejection?
		7	Whether contractors written confirmations of oral instructions, if accepted, are taken into and form part of a numbered sequence?
		8	Whether proposed major variations, and reasons therefore, are reported, and considered by organization before ordering (emergencies accepted)?
		9	Whether variations specify the method of payment at the time of issue?
		10	Whether any payments on account are certified without the existence of an order (and also without the contractors written confirmation duly accepted)?
		11	Whether payments for variations are identified against a discrete order or instruction?
		12	Whether the Engineer informs the organization, on a monthly summary basis, of the net effect of variations on the cost of the Works and any necessary action required by the organization?
		13	Whether the day work sheets endorsed to identify the variation to which they refer, are signed (when agreed) by the Engineer's representative and are sent to the organization with original supporting documents at each monthly valuation?
		14	Whether the day work payment rates and calculations are correct?
		15	Whether day work sheets are used solely for processing

			payments for day work and are not used merely as a means of recording time spent on claims items and valued elsewhere?
		16	Whether the organization reviews the valuations of variations periodically and tests compliance with the organization's valuation principles and the order in which those principles are to be applied in the valuation of variations?
(X)	Whether the procedures for the receipt and evaluation of contractual claims are consistently applied within the organization?	1	Whether consideration is given solely to claims submitted by notice in writing from the contractor?
		2	Whether claims state the clause in the contract under which they are being made?
		3	Whether the receipt of each claim is acknowledged by the Engineer and forwarded to the organization?
		4	Whether claims are numbered consecutively as they arise?
		5	Whether any claim for a rate higher than one notified by the Engineer is properly substantiated?
		6	Whether acknowledgements of claim notification contain instructions as to any records to be kept by the Contractor?
		7	Whether engineer notifies the organization and the contractor of any decision in principle reached in connection with any claim?
		8	On receipt of each claim (and without prejudice to the Engineer's subsequent scrutiny), whether the contractor is instructed to submit monthly interim valuations of amounts he considers due together with supporting particulars?
		9	Whether the principle of the claim has been decided by the Engineer before any payment is made?
		10	Following the Engineer's decision in principle, whether interim payments are made on account of the claim, and that they are based on the degree of substantiation produced to date and accepted by the Engineer?
		11	Whether payments in respect of claims are listed separately in valuations?
		12	Whether claim settlements identify the payment of costs separately from those for profit in the case of cost plus contracts?
		13	Whether claims based on "cost" are ascertained as costs actually and reasonably incurred by the contractor?
		14	Whether claims clearly identify any inclusion for price fluctuation?
		15	Whether claims are settled individually and that no duplication of payments occurs between two or more claims?
		16	Whether the Engineer reports on claims to the organization, preferably at monthly intervals, stating:-

			<ul style="list-style-type: none"> • Claim number and brief details, • Decision in principle (if any), • Amount claimed to date, • Amount paid to date, • Estimate of total amount likely to be paid against the claim?
		17	Whether claim settlements are reviewed periodically by the organization and any points of difference taken up with the Engineer using the dispute procedures in the Conditions of Contract, if necessary?
	STAGE 'C'	-	FINAL CONTRACT
(XI)	Whether the system ensures that when the final account is produced, it is complete and accurate? INVESTIGATIONS	1	Whether the final account is supported by detailed documentation showing how the final account value is built up?
		2	Whether the rates and prices have been checked to the contract?
		3	Whether the measured work items have been re-measured on completion and are supported by site measurement records?
		4	Whether variations are valued in accordance with the contract; day works being supported by daily agreed records of labour, plant and materials?
		5	Whether variations are supported by the written authorization to carry out the work?
		6	Whether where applicable, amount payable in respect of Prime Cost Items and Provisional Sums are supported by invoices accompanied by proof that these invoices have been paid?
		7	Whether on variable price contracts the Contract Price Fluctuation calculations are in accordance with the contract?
		8	Where contractual claims are part of the final account, whether their entitlement and evaluation are in accordance with the contract?
		9	Whether any retention monies or outstanding obligations under the contract are allowed for in determining any final amounts payable?
		10	In determining the final amount payable, whether allowance is made for previous payments, tax matters, credits and deletion of Prime Cost Items, Provisional Sums and Contingency Items not used.
(XII)	Whether the system ensures that liquidated damages have been recovered	1	Whether the liquidated damages incorporated in contracts are in accordance with the policy of the organization?
		2	Whether the organization's policy on the deduction of liquidated damages is adhered to?
		3	Whether the calculation of amounts of liquidated damages

	where appropriate?		represent the “genuine pre-estimate of loss” and there is a consistent method used in the calculation?
		4	Whether a permanent record is held of the calculation of the damage figure?
		5	Whether the tender contains rates for damages and the periods for which each amount is to be deducted (for deviation from work plan)?
		6	Whether the original due date for completion of the Works, or any Section, can be ascertained from the contract?
		7	Whether the Engineer’s assessment of any extensions of time granted to the contractor prior to the original due dates for completion are notified to the organization?
		8	Whether the Engineer considers “time” at the original due date for completion and notifies the organization of any initial extension of time?
		9	Whether the Engineer considers “time” again at the end of any extension of time and notifies the organization of any further extension of time?
		10	Whether the organization records all decisions as to time in the contract register?
		11	Whether the organization reduces the appropriate amount of damages recoverable by virtue of completed parts or sections of the Works?
		12	Whether the correct amount of damages is being deducted according to the extension of time and completion information on hand?
		13	Whether there has been a correct repayment of damages as a result of a revised period of extension of time being granted?
		14	Where damages are repaid with interest, whether the correct payment of interest is made?
		15	Whether liquidated damages are deducted by the organization when paying the certified sum and not by the Engineer on his certificates?
		16	Whether there is proper authorization for any decision not to deduct for damages?
(XIII)	Whether there exists an effective system in the organization for collation and dissemination of information on likely failures on the part of contracting	1	Whether the organization has prescribed adequate procedures to monitor the performance of contract and to take corrective measures in the event of likely failure of the contracting agencies?
		2	Where failures do occur, whether the organization has enough safeguards that the contractors have not been paid in excess of the value of work done or services rendered, especially in the case of front end loaded contracts?
		3	Where termination of the contract is required, whether sufficient performance security is available with the

	agencies and for termination of contracts consistent with the tender conditions?		organization to guard against any excess payment in the case of front end loaded contracts?
		4	Whether the procedures in the organization preclude any further payments being made to defaulting contractors until the milestones agreed upon have been achieved?
		5	Whether any Sureties are informed and kept informed of the developing situation?
		6	. In the event of termination of contract, whether the state of the Works is assessed as follows: • The value of work done by the contractor up to forfeiture. • The estimated costs, at current rates, of any remedial work. • The estimated value of uncompleted work at current rates
		7	Whether anything remaining on site (plant, materials etc.) which has become the organization's property under the terms of the contract is listed, valued, marked as being in the organization's possession and made secure?
		8	Whether a decision on how the works should be completed has been made in accordance with the organization's approved procedures?
		9	Whether a separate account has been established and maintained of all costs involved in completing the original contract works?
		10	Whether the Engineer has prepared a final account for the work undertaken by the defaulting contractor up to the date of the termination?
		11	Whether the extra cost in completing the balance work is recovered from the defaulting contractor as per the approved procedures?
	STAGE 'D'	-	POST COMPLETION
(XIV)	Whether there exists a system in the organization that provides for a review of the outcome from the contracts?	1	INVESTIGATIONS Whether re-appraising the project to examine whether the benefits expected at the outset have been achieved and whether the criteria for the project were reasonable in the light of up-to-date information?
		2	Whether the performance of the contractor is assessed to determine if he provided good value for money or if he should be overlooked for future contracts? • Whether the consultant's performance is reviewed in a similar manner, for example, fees charged ability, competence, etc.?
		3	Whether the organization's own departmental costs and the performance of the departmental staff involved in the project is reviewed?
		4	Whether there exists a system to ensure that when the final account is produced; it is complete and accurate?

Appendix: II

AUDIT OF PROCUREMENT

Procurement forms a major component of a wide variety of programmes cutting across the diverse sectors. The audit guidelines is intended to facilitate the identification of issues involved in procurement. Finance & Accounts Officer should refer to the audit guidelines outlined here which is to be taken as facilitative rather than mandatory in their application.

S. No.	Audit Objectives	No	Issues
(I)	Policy guidelines and documentation by the Organization for procurement —Whether the organization has uniform and well documented policy guidelines so that procurement is done of specified quality, at most competitive rates, in a fair and just manner, ensuring efficiency, economy and accountability?	1	Whether there exists a well-documented purchase manual containing detailed purchase procedures, guidelines, and proper delegation of powers?
		2	Has the procurement manual been regularly updated?
		3	Whether the codified purchase manual assures systematic and uniform approach in decision making process for procurement?
		4	Whether accountability centers have been properly identified and demarcated?
		5	Have appropriate time frames for each stage of procurement been prescribed by the Departments, to reduce delays in meeting the operational, production and maintenance requirements and make concerned purchase officials more alert?
		6	Whether delegation to lower functionaries, with approval of competent authority, has been done for speedy decision making and placement of contract?
(II)	Record management and documentation of purchase / procurement —Whether adequacy of the documentation and filing system of decisions and deliberations of individuals /Tender Committee has been assessed so as to prevent	7	Whether detailed recording/documentation procedures of all procurement exist?
		8	Have decisions/deliberations of individuals / Tender Committee been properly documented so that accountability can be fixed if serious lapses are established?
		9	Were part files which are opened as and when new action is initiated, merged with the main file so as to ensure continuity and prevent arbitrariness in decision making?
		10	Were files properly paginated?

	dilution of accountability and arbitrariness in decision making.		
(III)	Requirement/provisioning —Whether quantities purchased were not in excess of requirement and of standard quality so as to avoid wasteful expenditure and avoidable inventory carrying cost?	1	Were excessive, fraudulent or infructuous purchases avoided by taking into consideration important aspects e.g. consumption during last 3-5 years, during current year, average rate of consumption, available stocks, outstanding dues/supplies, past consumption pattern, average life of equipment/items etc.?
		2	In making forecasts, did the indenting agency only consider “True issues” i.e. actual consumption excluding inter-depot adjustments, non-recurring issues etc.?
		3	Was inventory carrying cost assessed especially in respect of material lying unutilized for years?
		4	Were there cases of purchases less than the actual requirement that might have adversely affected the progress of works and resulted in subsequent procurement at additional and may be higher costs?
		5	Were demands for stores received from different wings/units clubbed together so as to reap the benefits of bulk buying?
		6	Were requirements intentionally bifurcated/ split so as to avoid approval from higher authorities?
		7	Was obsolescence factor taken into account by ensuring that the equipment to be purchased conformed to the latest specifications and technology available in the market?
		8	Were the specifications drawn up with emphasis on factors like efficiency, optimum fuel/power consumption, use of environmental friendly materials, reduced noise and emission levels, low maintenance cost etc.?
		9	Did the specifications take care of the country’s mandatory and statutory regulations, if any, applicable for the goods to be purchased?
		10	Where Indian Standards exist for the required goods, whether the same was adopted?
		11	Was preference accorded to procure goods which carried the Bureau of Indian Standards (BIS) mark?
		12	Where Indian standards do not exist or, alternatively, decision was taken to try the foreign market also, were International Standards (e.g. ISO etc.) adopted?
		13	Was cost benefit analysis done to establish justification for procurement?
		14	Were requirements prioritized so as to ensure optimum utilization of scarce resources?
		15	Was there rush of expenditure on procurement at the close

			of the financial year or fictitious booking merely with the view to utilizing budget grants?
(IV)	Rate analysis/Estimated rates —Whether estimated rates were worked out realistically so as to establish the reasonableness of prices?	16	Whether the rates were estimated in a professional manner and not simply by extrapolating prices of low capacity equipment or by applying uniform yearly compounded escalation over prices of similar equipment purchased earlier?
		17	Was Rate analysis done in a realistic and objective manner on the basis of prevailing market rate, last purchase prices, economic indices for raw material/labour and other input costs etc.?
		18	Whether comparison of rates vis-à-vis other departments/zones procuring similar commodities was done through exchange of information?
		19	Was last purchase price (LPP) of past successfully executed orders of similar magnitude and scope of supply, used as an input for assessing rates?
(V)	Inviting Tenders —Whether the procedure ensured wide publicity, generated competition and obviated favouritism?	1	Whether in respect of standard type, common user items, needed on a recurring basis for which DGS&D has concluded rate contracts, the Department has operated such rate contracts, in order to save time, effort and other related costs in repetitive tendering and reduce lead time in procurement?
		2	Whether prices paid by a Department, which directly procured DGS&D's rate contracted goods from the suppliers, were not more than those stipulated in the rate contract?
		3	Were other salient terms and conditions of the purchase in line with those specified in the rate contract?
		4	Whether the tender enquiry was the most preferred and transparent mode of Tendering viz Global Tender Enquiry/Advertised Tender Enquiry?
		5	Was the estimated value of procurement proposed for Limited Tender Enquiry within the financial limit prescribed under extant rules?
		6	Was the number of supplier firms in Limited Tender Enquiry, at least three?
		7	In cases where Limited Tender Enquiry was adopted even where estimated value was more than permissible limit, was there a certification by the competent authority that the demand was urgent, the nature of the urgency, the reasons why the procurement could not be anticipated and that the additional expenditure involved in not procuring through advertised tender was justified in view of urgency?
		8	Was there confirmation by the procuring agency that the sources of supply were definitely known and possibility of

			fresh sources beyond those being tapped was remote in cases of Limited Tendering?
		9	Whether the credentials of the firms and criteria adopted for selection of limited number of vendors were recorded?
		10	Whether detailed justification was given/ recorded for propriety purchases and selecting a single vendor?
		11	Was there a certification by the user department that only a particular firm was the manufacturer of the required goods?
		12	Was there recorded advice of a competent technical expert, duly approved by the competent authority, that for standardization of machinery or compatibility of spare parts to the existing set of equipment, the required items was to be purchased only from a selected firm?
		13	Was a list of firms of known reliability, periodically examined and revised, maintained for the purpose of “limited” and “single” tender procedures?
		14	Were firms registered as approved suppliers, done carefully, after assessing the capacity cum capability and financial standing, credentials, manufacturing capability, quality control systems, past performance, after sales service, financial background etc. of the firm, using the services, if required, of DGS&D.
		15	Whether the performance and conduct of a supplier was regularly monitored/watched by the concerned organization through a vendor development cell?
		16	Whether addition/deletion of suppliers from the approved list was effected every year in consideration of their performance and conduct?
		17	Was sufficient/wide publicity given so as to generate competition and avoid favoritism to select vendors?
		18	Were tender notices put on the web-site of the organization?
		19	Whether the advertisement was issued in National News Papers in Indian Trade Journal (Govt. Publication) and on e-portal? Were tender notices sent by post to past successful suppliers and likely suppliers registered with the department?
		20	In case of imported stores, were copies of tender notices forwarded to Indian Missions/ Embassies?
		21	Whether adequate time was given in order to receive sufficient responses from the competent suppliers?
		22	In cases where tenders were opened within very short periods, was the urgency/ emergency recorded and established?
		23	Whether in respect of such short-term tenders based on urgency of requirement, the processing was also quick and fast?

		24	Were sale of tenders kept open for adequate period or were they closed much in advance of tender opening thereby defeating the purpose of generating competition?
		25	Whether detailed instructions in respect of 2- bids system been indicated in the document inviting tender as to the requirements of submitting technical bid and financial bid separately?
		26	Whether Government's instructions on reservation of items and price preference to SSI units were incorporated in the bid documents?
		27	Whether purchase preference policy (PPP) applicable to Public Sector Enterprises as per the latest guidelines of July 2005, circulated by Department of Public Enterprises been incorporated in the bid document?
		28	Was PPP support extended as per DPE guidelines, only to the contracts of the value of Rs. 5 crore and above but not exceeding Rs.100 crore?
		29	Was PPP applied only to Central Public Sector Enterprises (CPSE) and their subsidiaries and not also to joint ventures owned by a PSE and a private sector partner?
		30	Whether the PSE which had the benefit of PPP, on failing to perform, was also subjected to payment of liquidated damages or any other penalty included in the contract?
(VI)	Tender Document —Whether the bid documents have been comprehensively prepared, have adequately addressed the interest of the Govt. and ensured evaluation of bids on equitable and fair basis and in a transparent manner?	1	Were the terms and conditions in the bid documents, sketchy and insufficient, conflicting and vague, resulting in wrong interpretation, disputes, time and cost over runs?
		2	Was the tender document complete in all respects and included instructions to tenderers, date, time and place of opening the bid, general and special conditions of contract, specifications, schedule giving particulars of stores to be supplied, price schedule to be utilized by the bidders for quoting their prices, agreement form to be signed by tenderer, statement of deviations from specifications, statement of deviations from conditions of contract?
		3	Whether the important clauses relating to Earnest Money, Delivery Schedule, Payment terms, Performance Warranty, Bank Guarantee, Pre-despatch inspection, Arbitration, LD/penalty for the delayed supplies, Risk purchases, settlement of disputes etc. been incorporated in the bid documents?
		4	Whether the earnest money was reasonable and justifiable to establish the earnestness of the bidder and eliminate frivolous/speculative bidding?
		5	Was the EMD/bid amount an absolute amount and not a percentage of the quoted value of goods to be purchased?
		6	Was the bid security in the form of Account Payee Demand

			Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any commercial bank in an acceptable form, duly safeguarding the purchaser's interest in all respects?
		7	Were suitable clauses incorporated to check technical and financial capability of suppliers, past experience and performance, manufacturing facilities etc.?
		8	Were evaluation/ loading criteria with respect to important items like payment terms, delivery period etc. specified in unambiguous terms in the bid document, so that evaluation of bids after tender opening could be made without any subjectivity?
		9	Were payment terms clearly stipulated to prevent bidders from quoting prices based on varying advance payments and thereby also enabling evaluation on an equitable basis?
		10	Whether detailed technical specifications including performance parameters and technical evaluation criteria, if required, were specified in the bid document in unequivocal terms so as to ensure evaluation of offers on an equitable basis, avoid subjectivity in decision making and prevent leverage to bidders?.
		11	Whether training, technical support, after sales service and annual maintenance contract requirements, if any, recorded suitably?
		12	Have specific delivery periods as per terms of delivery such as FOR station of dispatch/ destination been incorporated?
		13	Have specific dates been stipulated not just for supply of equipment but also for installation and commissioning, where this is to be carried out by supplier?
		14	Have specific pre dispatch inspection dates, been indicated especially where terms of delivery are on CIF/FOR destination basis?
		15	Whether a detailed warranty clause was incorporated and whether it was reckoned from the date of installation/commissioning so as to ensure that warranty did not expire before installation?
(VII)	Postponement and Correction/Changes to Tender notice	16	In case of "buy back", when existing items are being replaced with a new one, whether a suitable clause was incorporated in the bidding document so that prospective and interested bidders could formulate their bids accordingly?
		1	Whether corrections/changes in the Notice Inviting Tender have taken place?
		2	Whether any correction/changes made in the bid document have been notified to all the bidders sufficiently in time?

	—Whether equal opportunity has been given to all bidders?	3	Was the tender opening date extended in view of corrections/amendments in order to give prospective bidders adequate and reasonable time?
		4	Has the notice of extension been published in newspapers?
(VIII)	Receipt of Tenders — Whether the system is tamper proof?	1	Whether a proper arrangement for receipt of tenders at scheduled date and time through tender box been devised?
		2	In cases where tenders are too bulky to be put in the tender box, whether officers were designated for receiving the same and did the latter issue receipts bearing date and time to the bearer of the tender, record the bids received, in a register and store them in safe custody?
		3	Whether the procedure for receipt of tenders ensures that tampering is over ruled?
(IX)	Opening of Tenders — Whether the system ensures complete transparency?	1	Was total value of tender the criteria for deciding the 'competent authority' for acceptance of the tender?
		2	Was the Tender Committee properly constituted comprising of representatives from Accounts, Indenting Departments, and Inspecting Agency etc.?
		3	Whether the tenders have been opened in public i.e.in presence of the trade representative thereby preserving the sanctity of tendering system and ensuring total transparency?
		4	Were bids not accompanied with earnest money deposits along with tenders, ignored/ rejected?
		5	Whether at the time of opening, tender documents have been numbered serially, initiated and dated at the first page?
		6	Whether the pages of the tender documents were numbered and particularly important items like prices, important terms and conditions etc. been encircled and initiated?
		7	Whether technical bid and financial bids were duly superscripted and sealed separately in cases of 2-bids system?
		8	Whether technical bids were evaluated by the competent authority at the first stage?
		9	Whether financial bids were considered only after a technical bid was found acceptable?
		10	Whether at the second stage only those financial bidders were considered that were technically acceptable and ranked before awarding a contract?
		11	Was the EMD in case of a two bid system incorporated at a fixed amount on the basis of estimated value of the purchase, instead of as a stated % of tender value so as to obviate the possibility of giving the bidders an indication of prices quoted by competitors and using this information to the disadvantage of his competitor if prices are subsequently modified?

		12	Were overwriting attested by the tender opening officer/committee to make it clear that such alterations were present on the tenders at the time of opening?
		13	Were bidders permitted to alter or modify their bids after expiry of the deadline for receipt of bids?
		14	Were 'late bids' i.e. those received after the specified date and time for receipt of bids, also considered?
		15	Whether 'On the Spot Statement' was recorded by the tender opening officer/ Committee giving details of the quotations received and other particulars like the prices, taxes duties and EMD etc., as read out in the opening of tender been recorded?
		16	Was the tender finalized within the initial validity of offer?
		17	Whether additional features which were never a part of the original conditions or <ul style="list-style-type: none"> • Whether during any post tender negotiation CVC guidelines were followed? Was negotiation done with other than L-I? • Whether in case the quantity to be ordered was much more than what L-I alone could supply, the quantity order was distributed in a fair, transparent and equitable manner?
		18	Whether contract was awarded to the lowest bidder whose offer conform to the technical specification and other conditions given in the tender document, without recourse to extrinsic evidence?
(X)	Post tender Negotiation Whether post tender negotiation was on lines permissible by extant guidelines/ orders and one major source of corruption was plugged?	1	Whether during any post tender negotiation CVC guidelines were followed? Was negotiation done with other than L-I?
		2	Whether in case the quantity to be ordered was much more than what L-I alone could supply, the quantity order was distributed in a fair, transparent and equitable manner?
(XI)	Advance payment Whether advance payment was unavoidable and if resorted to, was done with suitable safeguards to fully protect Govt. interest?	1	Whether current policy of Govt. of no advance was adhered to?
		2	If unavoidable, was payment of advance agreed to only in exceptional cases of contract for manufacturing of equipment system or for a project with long execution time?
		3	Whether advance payment was made to successful bidder/supplier only against appropriate Bank Guaranty?
		4	Whether mobilization advance if paid, was interest- free, in contravention of CVC guidelines?

(XII)	Performance Bank Guarantee(PBG) Whether adequate measures were taken to avoid loss to Govt. in the event of Nonperformance of the contract?	1	Was PBG too low in comparison to contract value?
		2	Was the guideline of the BG checked from the issuing Bank?
		3	Was the validity of the BG monitored, and in case of extensions in delivery period, whether the BG was appropriately extended?
		4	Whether Bank Guaranty accepted was conditional and thereby against the financial interest of the organization?
(XIII)	Contract Management Whether the contract terms and conditions were comprehensively drawn up, and whether they are unambiguous, free from uncertainties, indefinite liability and Misinterpretation and serve to protect Govt. interests? Completeness of the contract	1	Whether documents forming integral part of a contract were together viz., (i) tender comprising instructions to Tenderers, conditions of contract, standard of special specifications, schedule of items, quantities and rates Agreement form and Tender form (ii) Formal Acceptance of tender?
		2	Did the contract place beyond all reasonable doubt all the matters upon which parties intended to agree viz., (i) What the contractor is to do, when, where and to whose satisfaction it is to be done; (ii) What Govt. is to do; and on what terms (iii) What payment is to be made; what is to cover, to whom it is to be made and the method and basis of making it. (iv) The responsibility of the contractor in respect of adequate supervision, care of Government property. (v) The terms on which variations and modifications, if any are to be permitted the authority; competent to order and to assess them, and the occasion and basis of such assessment. (vi) The measures to be adopted in the event of a breach of a contract by either party thereto, and the method of and grounds for the determination thereof. (vii) The method of settling disputes.
		3	Whether legal advice was sought for, before drafting and entering into a contract agreement?
(B)	General Conditions	1	Whether the terms of contract were precise and definite and free from ambiguity or was there misconstruction thereon?
		2	Whether the contract was placed only after tenders have been invited and cases where the lowest tender was not accepted reason there for recorded?
		3	Whether a standard form of contract was used and terms thereof scrutinized beforehand?
		4	Whether the terms of contract including scope and specifications were materially varied after entering into, without consultation of the competent financial authority?
		5	Where material variation in any of the terms or conditions in a contract were unavoidable, whether such changes in the

			form of an amendment to the contract duly signed by all parties to the contract?
		6	Whether there were any uncertain or indefinite liabilities or any condition or an unusual character having no consent of the competent financial authority?
		7	Whether at least a written agreement has been made for placing an order where a formal written contract has not been made?
(C)	Price Variation	1	Whether a price variation clause has been provided even in short terms contracts not exceeding 18 months?
		2	Where a price variation clause is provided, whether the price agreed upon has specified the base level viz. the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year?
		3	Whether a formula for calculation of the price variation has been incorporated in the contract document, in case of long term contract by using indices published by the Government of Chambers of Commerce periodically?
		4	Whether the Price Variation Clause incorporated in a contract specified a cutoff date for material and labour before the scheduled delivery date, as the inputs taper off well before scheduled delivery date?
		5	Whether the Price Variation Clause provided a ceiling on price variation, in terms of percentage or an overall ceiling or both?
		6	Whether there is a clause stipulating a minimum percentage of variation of the contract price above which price variations will be admissible e.g. where resultant increase is lower than two percent, no price adjustment will be made in favour of the supplier?
		7	Whether a stipulation of non-admissibility in price variation was made in the Price Variation Clause on such portions of the price after the date of such payment, where advance or stage payments were involved?
		8	Whether a stipulation has been incorporated in the conditions of contract that no price variation would be admissible beyond the original scheduled delivery date for defaults on the part of the supplier?
		9	Whether a clause has been included in the contract for price variation beyond the original scheduled delivery date by specific alteration of that date through an amendment to the contract in cases of Force Majeure or defaults by Government?
(D)	Delivery	1	As time is the essence of any contract, has the period for delivery of the ordered goods, and completion of allied

			services e.g. installation, commissioning, operators training etc., been properly specified with definite dates?
		2	Have vague terms such as 'immediate', 'as early as possible' etc. been used to immediate delivery period?
		3	As terms of delivery, date of delivery and quoted prices are closely linked, have terms of delivery been clearly specified viz ex-works, (date the supplier delivers the goods to purchaser at its (supplier's) factory premises); FOR, Station of Dispatch, (date on which goods are placed by supplier on rail with clear RR); FOR Destination (date on which the ordered goods reach the destination railway station specified in the contract); CIP, Destination (date on which delivery is effected at destination mentioned in contract); FAS, port of shipment, (date on which supplier delivers the goods alongside vessel at specified port of shipment); CIF, port of destination (date on which goods arrived at the destination port)?
(E)	Taxes and Duties	1	Does the contract include a provision for payment of all applicable taxes by the contractor to the supplier?
		2	Where contracts are for supply of imported equipment, goods etc. (subject to customs duty and foreign exchange fluctuations) and/or are locally manufactured (subject to excise duty and other duties and taxes) have the % and element of duties and taxes been specifically stated and selling rate of foreign exchange element taken into account in calculation of price of the imported items?
		3	Have the mode of calculation of variations in duties and taxes and foreign exchange rates and documents to be produced in support of claims for such variations also been stipulated in the contract?
(F)	Warranty Clause	1	Has a warranty clause been incorporated in the contract requiring the supplier to, without exchange, repair or rectify defective goods or to replace such goods with similar goods free from defect?
		2	Was there stipulation that goods required or replaced by the supplier shall be delivered at the buyer's premises without costs to buyer?
(G)	Remedies for — Liquidated Damages etc.	1	Whether provision has been made to give purchaser options/remedies for delays in supply/non-supply for which supplier is responsible?
		2	Whether clause for Liquidated Damages, forfeiture of performance security, cancellation, imposition of other sanctions/ penalties been incorporated in the contract condition?
		3	Whether a condition has been incorporated in the contract for levy of Liquidated Damage on the price for delivery

			beyond the scheduled date, as varied by the operation of the Price Variation Clause?
		4	Whether provision exists to cancel the contract for failure to deliver within the time period or non-performance of any other obligation at any time after the expiry of notice period when entering into a long term contract?
		5	Whether provision exists to terminate the contract, by written notice, without compensation, if the supplier becomes bankrupt or insolvent?
(H)	Dispute reconciliation	1	. Has legal advice been sought wherever disputes arrive before initiating action for referring to conciliation or arbitration or to file a suit?
		2	Whether draft of the plaint has been vetted by obtaining legal advice?
		3	Have documents to be filed in the matter of resolution of dispute, if any, been carefully scrutinized before filing, to safeguard Govt. interest?
(XIV)	Post Contract Management	1	Has implementation of the contract been strictly monitored and notices issued promptly wherever a breach of provisions occur?
(A)	Whether priority was accorded to post contract follow up including disciplining of suppliers so as to avoid time and cost over runs, loss to Govt. and/or undue benefit to suppliers?	2	Have requisite databases/registers in prescribed format been maintained by designated officials e.g. rejection registers showing names of firms found to be unreliable in view of rejected supplies; register of purchase orders which contains important information relating to delays in supplies; register of defaulting firms containing details of firm's failure to supply in terms of contract; funds register which enables watching the incurrence of liabilities against the budget grant; history cum rate card which is an index card usually kept by the purchase section in Railways dealing with the item that gives a complete history of the past procurement and also the position of current duties including branches still to be supplied by the firms?
	Monitoring of Contract	3	Whether procedure for same custody and monitoring of Bank Guarantees or other instruments has been laid down and is being followed?
		4	Is the review of the progress of supply being monitored?
		5	Whether extensions of Bank Guarantee or other instruments, where warranted, have been sought immediately?
		6	Have extensions of the scheduled delivery or completion dates been granted as provided for in the contract and followed by formal amendments duly signed by the parties?
		7	Have such extensions without imposing penalty on the supplier been accorded only in cases of delay where contractor was not responsible e.g. delay in approving

			sample though submitted by the supplier in time?
(B)	Inspection	1	Whether as soon as the contract was awarded for articles which required inspection and/or testing during manufacture or before dispatch/ shipment, a complete copy of the contract with specifications, drawings, conditions of contract and other relevant documents were sent to the nominated inspecting agency?
		2	Did the nominated inspecting agency comprise of technically qualified and competent personnel?
		3	Whether the contractor was informed of the agency, nominated to carry out the inspection and with whom they should further coordinate?
		4	Were all articles subjected to inspection before acceptance and did they conform to specifications and/or satisfied the prescribed tests?
(C)	Rejected Stores	1	Were rejected stores removed to a place set apart for the purpose to avoid possibility of their getting mixed up with other stores?
		2	Was the supplier informed that such stores would lie at his own risk and that he should arrange for their removal within specified days from the date of issue of rejection memo?
		3	In case the stores have not been removed within the specified period, whether the Department has exercised its rights to dispose of such stores at the contractor's risk and recover ground rent and demurrage charges?
(D)	Risk purchase	1	In case of defaulting firms did the contracting agency purchased the material elsewhere, at the risk and cost of defaulting firm?
(E)	User readiness	1	Did the user keep site and/or space in readiness for installation and/or storage of equipment and materials?
		2	Were adequately trained personnel/manpower in position for operationalization of machinery and equipment especially in cases of procurement of new technologies?
		3	Was training to be provided by the suppliers and if so, was the same done before expiry of contract?
		4	Did the material or equipment lie unutilized or get damaged due to lack of trained manpower?
		5	Were there changes in site location from that envisaged at the time of contracting thereby giving the suppliers ample excuse/opportunity to justify delays on their part?
(F)	Modifications of contract terms	1	Were specifications diluted by authorizing alternatives make/ models of lower price, thereby giving undue benefit to the supplier?
		2	Were payment terms amended in favour of the supplier e.g. advance payments being authorized even when there was no provision in the contract for making advance payments or

			higher advance payments being made than that stipulated in the contract?
		3	Whether pre dispatch inspection though incorporated in the contracts was waived without any reasons, thereby jeopardizing the quality aspects?
		4	Was submission of Performance Bank Guarantee waived?
		5	Whether despite contracts being placed on FOR destination, the locations of the consignees were changed nearer to the supplier's premises, without considering the benefit of freight charges accruing to the supplier?
		6	Have maintenance contracts (paid maintenance) been entered into even for the period of warranty which required free maintenance by supplier, in maintenance of contractual provisions?
		7	Whether in cases even after expiry of delivery schedule stipulated in the contract and without extension of time granted by the purchaser, the consignees kept the contract alive by exchanging correspondence with the suppliers thereby creating possibility of legal complications especially if it is intended to cancel the contract?
(G)	Repeat Orders	1	Was there adequate justification that additional quantities required during the contract period were not sufficiently large to justify invitation to fresh tenders or would not have resulted in more favourable terms?
		2	Was there sufficient evidence to indicate that it was not placed to split requirement to avoid sanction of the next CFA?
		3	Whether it had been ascertained that there was no downward trend in prices as determined through market intelligence?
(H)	Dispute reconciliation	1	Has legal advice been sought wherever disputes arise before initiating action for referring to conciliation or arbitration or to file a suit?
		2	Whether draft of the plaint has been vetted by obtaining legal advice?
		3	Have documents to be filed in the matter of resolution of dispute, if any, been carefully scrutinized before filing, to safeguard govt. interest?
(I)	Post-procurement actions	1	Does a system for obtaining feedback from users exist and how effective is it?
		2	How many/often have suggestions and/ or recommendations of users been implemented and to what effect?
		3	Has the organization deployed information technology to enhance the efficiency and effectiveness of its functioning?

APPENDIX-III

List of Pension authorizing units & distributions attached to each of them

1. ICAR Headquarters, New Delhi

- (i) ICAR Headquarters, New Delhi.
- (ii) Directorate of Knowledge Management in Agriculture (DKMA), New Delhi.
- (iii) Agricultural Scientist Recruitment Board (ASRB), New Delhi.

2. Indian Agricultural Research Institute, New Delhi

- (i) Indian Agricultural Research Institute (IARI) including its all centers/sub-centers.
- (ii) National Centre for Integrated Pest Management (NCIPM), Pusa, New Delhi.
- (iii) National Research Centre on Plant Biotechnology (NRC-PB), Pusa, New Delhi.
- (iv) Directorate of Floriculture Research, Pune.
- (v) Indian Institute of Maize Research (IIMR), Pusa, New Delhi

3. Indian Veterinary Research Institute, Izatnagar

- (i) Indian Veterinary Research Institute (IVRI) including its all campuses & regional centres.
- (ii) Indian Institute of Soil & Water Conversation (IIS&WC), Dehradun.
- (iii) Indian Grassland and Fodder Research Institute (IGFRI), Jhansi.
- (iv) Central Agro Forestry Research Institute (CAFRI), Jhansi.
- (v) Central Institute for Research on Goats (CIRG), Farah (Mathura).
- (vi) Dte. Of Cold Water Fisheries (DCWF), Bhimtal
- (vii) Central Institute on Cattle Research (CIRC), Meerut.
- (viii) Central Avian Research Institute (CARI), Izatnagar.
- (ix) Vivekananda Parvatiya Krishi Anusandhanshala (VPKAS), Almora.

- (x) Indian Institute of Farming System Research (IIFSR), Meerut.
- (xi) Project Directorate on Foot & Mouth Diseases (PD-FMD), Mukteshwar.

4. National Dairy Research Institute, Karnal

- (i) National Dairy Research Institute (NDRI) including its all centres/sub-centres.
- (ii) Central Institute for Research on Buffaloes (CIRB), Hissar.
- (iii) National Research Centre on Equines (NRC-E), Hissar.
- (iv) National Bureau of Animal Genetics Resources (NBAGR), Karnal.
- (v) Indian Institute of Wheat & Barley Research (IIWBR), Karnal
- (vi) Central Soil Salinity Research Institute (CSSRI), Karnal
- (vii) Central Institute of Post-harvest Engineering & Technology (CIPHET), Ludhiana
- (viii) Agricultural Technology Application Research Institute, (ZC Zone-I), Ludhiana

5. Central Arid Zone Research Institute, Jodhpur

- (i) Central Arid Zone Research Institute (CAZRI), Jodhpur
- (ii) Central Sheep & Wool Research Institute (CS&WRI), Avikanagar
- (iii) National Research Centre for Camel (NRC-C), Bikaner.
- (iv) National Research Centre for Groundnut (NRC-G), Junagarh
- (v) Central Institute of Arid Horticulture (CIAH), Bikaner,
- (vi) National Research Centre on Seed Spices (NRC-SS), Ajmer,
- (vii) Directorate of Rapeseed & Mustard Research, Bharatpur
- (viii) Directorate of Medicinal & Aromatic Plant Research, Anand.
- (ix) Agricultural Technology Application Research Institute, (ZC Zone-VI), Jodhpur

6. National Bureau of Soil Survey & Land use Planning, Nagpur

- (i) National Bureau of Soil Survey & Land use Planning (NBSSLU&P), Nagpur.

(ii) Central Citrus Research Institute. (CCRI), Nagpur.

(iii) National Research Centre for Citrus (NRC-C), Nagpur.

7. National Academy of Agricultural Research & Management (NAARM), Hyderabad.

(i) Indian Institute of Oilseeds Research (IIOR), Hyderabad.

(ii) National Academy of Agricultural Research & Management (NAARM), Hyderabad.

(iii) Dte. Of Poultry Research, Hyderabad.

(iv) Indian Institute of Rice Research (IIRR), Hyderabad.

(v) Indian Institute of Millet Research (IIMR), Hyderabad.

(vi) National Research Centre on Meat (NRC-M), Hyderabad

(vii) Agricultural Technology Application Research Institute (ZC Zone-V), Hyderabad

(viii) Central Dryland Agricultural Research Institute (CRIDA), Hyderabad

8. Central Tobacco Research Institute (CTRI), Rajahmundry

(i) Central Tobacco Research Institute (CTRI), Rajamundry including its Centres/ Sub-Centres.

(ii) Indian Institute of Oilpalm Research (IIOPR), Pedavegi

9. Central Plantation Crops Research Institute (CPCRI), Kasaragod

(i) Central Plantation Crops Research Institute (CPCRI), Kasaragod including its Centers/Sub-Centers etc.

(ii) Indian Institute of Spices Research (IISR), Calicut

10. Central Institute for Research on Cotton Technology (CIRCOT), Mumbai

(i) Central Institute for Research on Cotton Technology (CIRCOT), Mumbai

(ii) Central Institute of Fisheries Education (CIFE), Mumbai

(iii) National Research Centre for Grapes (NRC-G), Pune

(iv) Directorate of Onion & Garlic Research, Pune

- (v) Central Coastal Agricultural Research Institute, Goa.
- (vi) National Research Centre on Pomegranate (NRC-P), Solapur
- (vii) National Institute of Abiotic Stress Management (NIASM), Baramati.

11. Indian Institute of Horticultural Research (IIHR), Bangalore

- (i) Indian Institute of Horticultural Research (IIHR), Bangalore.
- (ii) National Bureau of Agricultural Insect Resources (NBAIR), Bengaluru.
- (iii) Directorate of Cashew Research, Puttur.
- (iv) National Institute of Veterinary Epidemiology & Disease Informatics (NIVEDI), Bangalore
- (v) National Institute of Animal Nutrition & Physiology (NIANP), Bangalore
- (vi) Agricultural Technology Application Research Institute (ZC Zone-VIII), Bangalore

12. Central Marine Fisheries Research Institute (CMFRI), Cochin

- (i) Central Marine Fisheries Research Institute (CMFRI), Cochin.
- (ii) Central Institute of Fisheries Technology (CIFT), Cochin.
- (iii) Central Tuber Crops Research Institute (CTCRI), Thiruvananthapuram.

13. Central Potato Research Institute (CPRI), Shimla

- (i) Central Potato Research Institute (CPRI), Shimla including Centres/Sub-Centres.
- (ii) Directorate of Mushroom Research (DMR), Chambaghat, Solan (HP)
- (iii) Central Institute of Temperate Horticulture (CITH), Srinagar

14. Central Inland Fisheries Research Institute (CIFRI), Barrackpore (WB)

- (i) Central Inland Fisheries Research Institute (CIFRI), Barrackpore
- (ii) National Research Centre on Yak (NRC-Y), Arunachal Pradesh
- (iii) National Research Centre on Pig (NRC-P), Guwahati

- (iv) National Research Centre for Mithun, (NRC-M) Jharnapani
- (v) National Institute of Research on Jute & Allied Fibres Technology (NIRJ&AFT), Kolkata
- (vi) ICAR Research Complex Eastern Region, Patna
- (vii) ICAR Research Complex for North East Hills Region, Barapani
- (viii) National Research Centre for Orchids, (NRC-O), Pakyang, Sikkim
- (ix) National Research Centre for Litchi, (NRC-L), Muzaffarpur
- (x) Central Island Agriculture Research Institute (CIARI), Port Blair
- (xi) Central Research Institute for Jute & Allied Fibres (CRIJ&AF), Barrackpore
- (xii) Agricultural Technology Application Research Institute ZC Zone - II, Kolkata
- (xiii) Agricultural Technology Application Research Institute ZC Zone - III, Barapani

15. National Bureau for Plant Genetic Resources (NBPGR), New Delhi.

- (i) National Bureau for Plant Genetic Resources (NBPGR), New Delhi.
- (ii) Indian Agricultural Statistics Research Institute (IASRI), New Delhi.
- (iii) National Centre for Agricultural Economics & Policy Research, Pusa, New Delhi.

16. Central Institute for Agricultural Engineering (CIAE), Bhopal.

- (i) Central Institute for Agricultural Engineering (CIAE), Bhopal.
- (ii) Directorate of Soyabean Research (DSR), Indore.
- (iii) Indian Institute of Soil Science (IISS), Bhopal.
- (iv) Directorate of Weed Science Research, Jabalpur.
- (v) Agricultural Technology Application Research Institute, (ZC-Zone: VII), Jabalpur.

17. Central Institute for Brackish water Fisheries (CIBA), Chennai.

- (i) Central Institute for Brackish water Fisheries (CIBA), Chennai

- (ii) Sugarcane Breeding Institute (SBI), Coimbatore.
- (iii) National Research Centre for Banana (NRC-B), Thiruchirapalli

18. Indian Institute of Sugarcane Research (IISR), Lucknow.

- (i) Central Institute of Sub-tropical Horticulture (CISH), Lucknow.
- (ii) National Bureau of Agriculturally Important Micro-organism (NBAIM), Mau(UP)
- (iii) Directorate of Seed Research (DSR), Mau.
- (iv) Indian Institute of Pulses Research (IIPR), Kanpur.
- (v) Indian Institute of Sugarcane Research (IISR), Lucknow.
- (vi) National Bureau of Fish Genetics Resources (NBFGR), Lucknow.
- (vii) Indian Institute of Vegetables Research (IIVR), Varanasi.
- (viii) Agricultural Technology Application Research Institute (ZC Zone-IV), Kanpur

19. National Rice Research Institute (NRRI), Cuttack

- (i) National Rice Research Institute (NRRI), Cuttack
- (ii) Central Institute of Freshwater Aquaculture (CIFA), Bhubaneswar
- (iii) Central Institute For Women in Agriculture (CIWA), Bhubaneswar
- (iv) Indian Institute of Natural Resins & Gums (IINRG), Ranchi
- (v) Indian Institute of Water Management (IIWM), Bhubaneswar

NOTE: 1. any new establishment will automatically be covered by the pension authorizing unit under whose jurisdiction the new institute/centre falls.

NOTE: 2 Pension authorization is an important work and includes the checking of the calculations etc. finalized at the level of SF&AO/F&AO of the institutes attached to the pension authorizing unit. The senior most officers in the Finance Wing in the hierarchy of the pension authorizing unit would, therefore, handle the pension authorization work.

APPENDIX-IV

List of Initial Accounts/Records

1. Absentee statements (its correctness to be verified with attendance registers, leave orders etc.).
2. Muster Rolls of labour employed on daily wages or monthly basis.
3. Service Books.
4. Leave Accounts.
5. Register of reimbursement of Tuition fees of children of Council's employees with certificates.
6. Children Educational Allowance with certificate.
7. Registers of advances like conveyance, House Building, festival etc. to Officers and staff.
8. Register of Overtime.
9. Register of Medical Attendance bills.
10. Account of tools and plant, machinery, furniture and fixtures.
11. Accounts of consumable and non-consumable stores for use in laboratories including equipments and apparatus.
12. Accounts of Stationery and forms, electric bulbs and other consumable stores.
13. Clothing and liveries accounts.
14. Register of sale of Tender Forms.
15. Cash Imprest account.
16. Stamp account of service and ordinary postage stamp.
17. Register of Library Books.
18. Register of Telephone charges.
19. Register of securities and Savings Certificates.
20. Rent register for residential building or other hired building.
21. Logbooks for motor vehicles including staff car and petrol accounts.
22. Miscellaneous Cash receipts, their accountal and remittance to bank with Cash receipt books.
23. Auction and the other sales Account/register.
24. Subsidiary Cash Books, Money receipt books, cash memo, Acquaintance for payments.
25. Milk-Butter coupon sales register and account of sale of coupons.
26. Register of Money Order received.
27. Register of blank receipt books and cash-memo books.

28. Crop/Yield Register.
29. Weighment Book etc.
30. Bill Registers, Sale Day book.
31. Register for watching recovery of cost of reprints.
32. Register of assets and non-consumable stores returned by Retired Scientists
33. Ledger showing receipts and payments on account of advertisements.
34. Kardex Ledgers.
35. EMD/Caution Money Register
36. Equipment Log Book
37. Register of valuable
38. Consumption Register of Chemical/Glassware by users
39. Log Book of hired vehicle

NOTE: The list is not comprehensive and should be supplemented by the Finance & Accounts Officer with reference to other records kept/required to be kept at the Council's headquarters/institutes.

GLOSSARY

This glossary has been compiled solely for the purpose of reference and no expression used in it should be considered in any way interpreting the rules.

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INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM NO.1

(See Paragraph 5.5.2)

SUBSIDIARY CASH BOOK OF FOR THE MONTH OF20..

RECEIPTS									
Date	No. of receipt where necessary	Particulars	Pay	Allowances	Contingencies		Miscellaneous	Total	Classification
					In recoupment of Advance/ Cash Imprest	Advance Payments			

PAYMENTS									
Date	Sub Voucher No.	Particulars	Pay	Allowances	Contingencies		Miscellaneous	Total	Classification
					Out of Permanent Advance/ Cash Imprest	Out of Money drawn in anticipation of payment			

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.2

(See Paragraph – 7.7.12)

APPROPRIATION CHECK REGISTER FOR20.....

Name of Appropriation
Rs.....

Amount authorized for Expenditure

Sub Heads and units of appropriation	April		May		June		Similar other Columns up to March Supplementary
	Amount of appropriation	Expenditure	Amount of appropriation	Expenditure	Amount of appropriation	Expenditure	

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.3

(See Paragraph 9.2.1)

REGISTER OF ASSET

[Modified as per Director (Finance F. No.: 3(4)/2009-IU, dated: 30.10.2009]

S. No.	Date of purchase/ Acquisition	Full description of the Asset purchased/Acquired	Particulars of suppliers		Amount of Purchase value/ Book Value	Mode of acquisition/ Whether purchased /gift/donation	Inventor y No & Location of Asset	Date & mode of disposal	Reason for disposal	Sale value	Remarks
			Name & Address	Bill No. & Date							
1	2	3	4	5	6	7	8	9	10	11	12

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.4

(See Paragraph – 11.1.8)

Report of Surplus, Obsolete unserviceable Stores for Disposal

Item No.	Particulars of stores	Year of Purchase	Quantity/ Weight	Book Value/ original Purchase Price	Conditions of Stores	Mode of disposal (Sale Public Auction or otherwise)	Remarks

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.5

(See Paragraph – 13.6)

MAIN (BANK) CASH BOOK OF THE FOR THE MONTH OF20.....

RECEIPTS							PAYMENTS						
Date.	Item No. or Sl. No.	Receipt Voucher No./ Cheque or D.D. No.	Form whom received particulars of receipts	Amount		Initial of the SO/ F&AO	Date	Voucher No. & Date	Cheque No. & Date	To whom paid & particulars of payments	Amount		Initial of the SO/ F&AO
				Cash	Bank						Cash	Bank	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.6

(See Paragraph – 14.10)

ABSENTEE STATEMENT

Sl. No.	Name of Grantee	Reference to Item No. in the Estt. Bill	Designation of vacant post	Nature of Absence			Name of Council employee officiating against the vacancy	Reference to Item No. in the Establishment Bill
				Kind	Period	From To Forenoon/Afternoon		
1.	2.	3.	4.	5.	6.	7.	8.	9.

.....20....

Signature and Designation of Drawing Officer

In Column 4 should be stated 'Earned/ Half Pay Leave', 'Other Duty', 'Officiating.....', 'in transit' transferred to..... in 'suspended' etc., the date for each being specified as far as possible in columns 6 and 7.

The statement should be divided off into sections corresponding to sections in the bill, only those arrangements affecting one section being shown together.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.7

(See Paragraph –14.13)

LAST PAY CERTIFICATE

Last Pay Certificate of Shri/ Shrimati..... of the office of
On..... to

2. He/She has been paid up to At the following rates:-
Particulars Rate
Basic Pay
Special Pay
D.A.
DA (GPF)
C.C.A./ H.C.A.
H.R.A.
Interim Relief

RATE OF DEDUCTIONS

G.P.F. Income Tax..... CGEGIS..... Licence fee for
accommodation.....

3. His General Provident Fund Account No./ C.P.F. Account No..... is maintained.
4. He made over charge of the office of on thenoon of.....
5. Recoveries are to be made from the emoluments etc., of the Govt./ Council's servant as
6. He is entitled to draw the following:-
7. He has been sanctioned leave preceding joining time fordays.
8. He finances the insurance policies detailed below from the Provident Fund.

Name of Insurance Company	No. of Policy	Amount of Premium	Date of the
---------------------------	---------------	-------------------	-------------

9. Details of P.L.I. recovery through Pay bills.
10. The details of income tax recovered from him upto the date from the beginning of the current year noted on the reverse.

Dated.....20.....

Signature.....
Designation.....

[REVERSE]

LAST PAY CERTIFICATE

DETAILS OF RECOVERIES

Amount of insurance involving adjustment	Total amount of advance sanctioned with month of drawal (Rs.)	Outstanding amount recoverable (Rs.)	Rate of Instalment (Rs.)
--	---	--------------------------------------	--------------------------

Arrears Rs..... for the period from To.....

Month	Pay/ Leave Salary and Allowances (Rs.)	Fee, Honorarium (Rs.)	Funds and Other Deductions (Rs.)	Amount of Income Tax recovered (Rs.)	Remarks

Signature.....

Designation.....

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.8

(See Paragraph – 14.14.1)

REGISTER OF CONTRIBUTION TOWARDS PENSION AND LEAVE PAID DURING THE YEAR 20....

Name of Officer

Name of Office/ Department to whom payable.

Sl. No.	No. & Date of order fixing the rates of Contributions	Pension	Leave Salary	Date from which payable	April		May		Similar Columns remaining for 10 months
					Vr. No.	Amount	Vr. No.	Amount	

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.9
(See Paragraph – 14.15.4)
FLY LEAF REGISTER

Name.....

Date of Joining.....

Designation.....

Scale of Pay.....

Service.....

Date of Superannuation.....

Pay	Date from which drawn	Substantive/ Officiating	Reference to Bill No. or B.R. No.	Particular of Leave & Other Remarks

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.10
(See Paragraph – 15.8)
TRAVELLING ALLOWANCE AUDIT REGISTER

Name

Designation.....

Sl. No.	Date of Registration	Audit Bill No. or BR No.	Name of Drawing Officer	Period of Tour		Purpose of Journey	Amount of Bill	Initial of SO/ F&AO	Remarks
				From	To				

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.11**

(See Paragraph –16.6.1)

REGISTER FOR SPECIAL CHARGES OF THE FOR THE YEAR 20.....

Orders Sanctioning Expenditure					Note of Audit			Remarks
Issuing Authority	No.	Date	Substance of order	Amount of sanction	No. of Voucher	Date of Payment	Amount	Reference of Objection etc.
					Audit No. or Bill BR No.			

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.12
(See Paragraph –16.7.2)
CONTINGENT AUDIT REGISTER FOR 20..... ALLOTMENT

Major Head.....
 Minor Head.....
 Sub Head of unit of Appropriation.....
 Addition and Alternation with reference to Orders

April		May		June		July		August		September	
No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount

April		May		June		July		August		September		Remarks
No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	No. of Voucher	Amount	

*Total paid each month
 Add adjustments
 Amount admitted on countersigned bill
 Amount retrenched
 Progressive total of amounts paid

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.13

(See Paragraph –16.8.2)

REGISTER OF PERIODICAL CHARGES

Major Head.....

Minor Head.....

Sub Head of unit of Appropriation.....

Allotment.....

Orders of Council or other Competent Authority.....

Nature of Charge..... Sanctioned Amount and Period of sanction.....

Year & Month	Vr. No.	Amount	Remarks	Year & Month	Vr. No.	Amount	Remarks
20...				20...			
April				April			
May				May			
June				June			
July				July			
August				August			
September				September			
October				October			
November				November			
December				December			
January				January			
February				February			
March				March			

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM NO. 14**

(See Paragraph 20.2.2)

GENERAL INDEX REGISTER

Account No.	Ledger Folio	Name and Designation Of Subscriber	Nomination When received	Attestation of receipt of nomination by Bo	Date and reason of closure of account	Actual date of closure	Remarks (indicate Letter No. & date with which he balance was transferred to another F&AO in case of transfer out)
1	2	3	4	5	6	7	8

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.15

(See Paragraph –20.10.1)

CONTRIBUTORY PROVIDENT FUND LEDGER

Name.....

Date of Commencement of Employment.....

Remarks.....

Amount No..... Official Designation.....

All Figures are in whole Rupees.....

Pay on 31 st March of Preceding Year Rs..... 20..... 20.....	Subscription	Refunds of withdrawals	Withdrawals	Monthly balance on which interest is calculated	Subscriber's emoluments drawn on duty or his leave salary if he elects to subscribe during leave	Withdrawals	Remarks
April							
May							
June							
July							
August							
September							
October							
November							
December							
January							
February							
March							
March (Final)							
March (Supply)							
Total							

Balance from 20.....20..... ..
 Deposits & Refunds as above ..
 Interest for 20.....20..... ..
 Deduct withdrawals as above ..
 Balance as 31st March 20.... ..
 Calculated by ..

Council Contribution ..
 Balance from 20.....20..... ..
 Interest for 20.....20..... ..
 Deduct withdrawals as above ..
 Balance as 31st March 20.... ..
 Calculated by ..

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.16

(See Paragraph – 20.10.1)

GENERAL PROVIDENT FUND

Name : Shri/ Smt./ Kumari.....
 Date of Joining Service.....
 Designation.....
 Date of Superannuation.....
 No.....

Nomination received vide Lr.No..... dated..... and accepted	Policy No. _____ Date of Release/ transfer	Date of Maturity	Amount of Premium	Due Date	Date of last payment	SO/ F&AO
SO/FAO						

Pay on 31 st March of Preceding Year 20....	Subscription in whole rupees	Refund of withdrawals	Total	Withdrawals	Monthly Balance on which interest is calculated	
April						Balance from 20.... 20....
May					
June						Deposit and refunds
July						Interest from 20.....20.....
August					
September						Total
October						
November						Deduct – Withdrawals
December						Balance as 31 st March 20...
January					
February						Posted by .....Checked
March						by.....
March (Final)						Examined by.....
March (Supply)						
Total						

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.17

(See Paragraph – 20.12.1)

CONSOLIDATED BROADSHEET OF THE PROVIDENT FUND FOR THE YEAR 20.....20.....

No. of Account	Name of Subscriber	Balance at Commencement of year	Receipts in the month of Twelve Money columns for the twelve months and two money columns for March Final and March Supplementary	Council Contribution	Interest of the year	Total of Receipts and Opening Balance	Withdrawals in the month of Twelve money columns for the twelve months and two money columns for March final and March Supplementary	Closing Balance	Total of Withdrawals and Closing balance	Remarks

Total as per Broad Sheet

Total as per Detail Book

Difference

Initial of SO/ F&AO

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.18

(See Paragraph – 20.12.1)

ANNUAL STATEMENT OF GPF

NAME OF THE SUBSCRIBER.....

NO.....

ACCOUNT

[illegible]

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.19

(See Paragraph –20.15)

ANNUAL STATEMENT OF BALANCES ON THE ACCOUNT OF PROVIDENT FUND TRANSACTION FOR THE FINANCIAL YEAR 20...

Opening Balance on	Amount credited in the account of the Institute Subscription & Refunds	Total No. of Subscribers (Group-wise)	Amount trans-ferred by other Institute (without involving payment of cash)	Amount trans-ferred By the A.G.'s	Total (3+4+5)	Interest Credited during the financial year	Total (1+6+7)	Temporary Advance Part Final/ Final Withdrawals as per	Amount trans-ferred to other Institutes (without involving payment of cash)	Amount trans-ferred to various A.G.'s	Total (9+10+11)	Balance at the close of the year 20.. 20.. as on	Remarks

Certified

1. That the total of credit balance in respect of each individual subscriber has been added upto 31st March 20...
2. Balance has been verified from the Broad Sheet.
3. That all G.P.F. Accounts of the individual subscribers have been maintained in accordance with the rules and broad sheets the institute have been drawn and squared up under proper attestation.

FINANCE & ACCOUNTS OFFICER

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.20

(See Paragraph –20.17.2)

**APPLICATION FOR GRATUITY UNDER THE ICAR
CONTRIBUTORY PROVIDENT FUND-CUM-GRATUITY SCHEME**

1. Name of the Council Servant
2. Particulars of last employment under the Council
3. Name of the Institute etc.
4. Event as a result of which the payment has become due
5. Date of commencement of service
6. Name of the Committee etc., in which
Originally admitted to the CP Fund
7. Date of transfer to the C.P.F. cum Gratuity Scheme
8. Date of termination of service or death
9. (a) Name of the applicant
(b) Relationship to the deceased Council Servant
10. Full address of the applicant
11. Signature or thumb impression
12.

ATTESTED	WITNESS	
i)	i)	
ii)	ii)	

CERTIFICATE BY THE HEAD OF OFFICE/ INSTITUTE

1. It is certified after due verification with reference to the official records that the service particulars stated above are correct.
2. It is certified that the emoluments last drawn by were as under:-
3. It is certified that the eligibility of the applicant with reference to the nomination form/ succession certificate has been verified.
4. It is certified that no demands/ following demands of Council are due for recovery.

Signature of Head of Office/ Institute.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.21

(See Paragraph –21.2.1)

REGISTER OF DEPOSITS

Sl. No.	Receipt No. with month	Name and depositors and other particulars of deposits	Opening Balance (as on 1 st April)	APRIL		MAY		And so on upto March of next year	Remarks
				Credit Balance	Debit	Credit	Debit Balance		

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.22

(See Paragraph – 22.2.6)

REGISTER AND BROADSHEET FOR 'P' LOANS & ADVANCES AND INTEREST THEREON FOR THE YEAR 20.....

Sl.No.	To whom paid	No. & Date of sanction order	Amount sanctioned	Monthly rate of recovery	Amount paid Vr. Date	Amount of Outstanding advance B.F.	Amount recovered Monthly columns April to March	Total recoveries during the year	Balance carried forward	Interest recovered	Remarks
1,	2,	3,	4,	5,	6,	7.	8. to 19	20	21	22	23

NOTE:- The entries in the register should be grouped by months, the name of the month being written in red ink across the first 7 columns. Sanctions will, on receipt, be noted in chronological order in the first four columns. Advances drawn in the same month will be noted in column 6 against the entries for sanctions. Sufficient space should invariably be left after the entries for each month, to effect the necessary reconciliation with the Detailed posting register.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.23

(See Paragraph – 22.2.6)

REGISTER AND BROADSHEET FOR 'S' ADVANCES

Sl.No.	To whom paid	Ref. to sanction	Amount sanctioned	Amount paid Vr. No Date	Amount of Out-standing advances B/F	Amount recovered			Total Recoveries	Balance carried forward	Remarks
						April	May	& So on			
1.	2.	3.	4.	5.	6.	7.	8.	9-18	19	20	21

NOTE: - The entries in the register should be grouped by months, the name of the month being written in red ink across the first 6 columns. Sanctions will, on receipt, be noted in chronological order in the first four columns. Advance drawn in the same month will be noted in column 5 against the entry for sanction. Sufficient space should invariably be left after the entries for each month, to effect the necessary conciliation with the posting register.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.24

(See Paragraph –22.7.4)

REGISTER OF CASH IMPREST

Sl. No.	Sanction No. & date	Officer to which sanctioned	Date of drawing with A.B. No. & Date	Amount				
				2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
			Total on 1 st April	_____				
			Total on 31 st March	_____				

Register is intended to last for 5 years. If the amount is increased or reduced during the year, the amount in the column for the current year should be altered in red ink quoting reference to the relevant orders, pay order or refund voucher, as the case may be. The amount as standing on 31st March, should be entered afresh in the money column for the next year and a total made for 1st April.

- Here may be entered the fresh Imprest etc. sanctioned between 1st April and 31st March of the year.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.25

(See Paragraph –24.3.4)

REGISTER OF DEPOSIT WORKS

1. Full particulars of the work
2. Authority sanctioning the work
3. No. & Date of sanction
4. Amount of sanction
5. Head of Account to which expenditure is debitable
6. Agency executing the work
7. (i) Date of commencement of work
(ii) Anticipated date of completion of work
(iii) Date of completion of work
8. Name of the office rendering adjustment account

Particulars of Deposits made				Initial of SO/ F&AO	Expenditure as per adjustment Account received			Balance Deposit Amount
Vr. No. & date	To whom paid	Amount paid			No. & Date of letter vide which received	Amount	Progressive Expenditure	
		No. & Date of cheque	Amount					
1	2	3	4	5	5	7	8	9

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.26

(See Paragraph – 24.5.1)

SUBSIDIARY WORKS AUDIT REGISTER

Page No.

Name of work and authority :

Estimate :

Appropriation for the year :

Sl.No.	Month etc.	Cash Bill or Adjustment Bill No.	Amount	Total Expen- diture during each month	Progressive Expenditure at the end of each month	Initial of SO/ F&AO	Remarks
	Expenditure of previous years b/f (if any) April.....						

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.27

(See Paragraph – 24.5.1)

WORK AUDIT REGISTER **PART-I SANCTIONS TO WORKS**

Major Head.....

Minor Head.....Detailed Head.....

Sl. No.	Folio & Item No. in the last register	Sanctioned estimate		Allotment		Expenditure to end of previous year (if any)	Permissible limit of expenditure to end of the year (Cols 6+7)	Locality of work	Full name of work (as given in the estimate)
		Authority No. & Date	Amount	Authority No. & Date	Amount				

Expenditure														
April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	March Final	Sl.No.	Remarks
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.27

(See Paragraph -24.5.1)

PART II SANCTIONS TO FIXED CHARGES

Item No.	Reference to sanction with period for which the sanction has been accorded	Name of work or account	Name of post or nature of charge	Monthly rate	No.	Amount per mensem	*April		*May		June		and so on
							Reference to voucher+	Amount ++	Reference to voucher+	Amount ++	Reference to voucher+	Amount ++	

* Name of the month for which wages have been earned for facility of audit. When a sanction is noted, a line should be drawn through the spaces for all the months prior and subsequent to the period covered by the

+ Entries should be made briefly, e.g. Voucher 24 July will be entered as 24-7

++ Amount paid should be entered in black ink, and unpaid amounts or fines in red ink, the entries for fines being distinguished by the letter. F. Subsequent payment of unpaid amounts should be entered underneath in black ink, it being seen that they do not exceed the amounts available as entered in red ink. Claims for arrears not included in the original claims for the month concerned should not be admitted ordinarily without full explanation of the circumstances under which they were omitted.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.27

(See Paragraph – 24.5.1)

PART III SANCTIONS TO CONTRACTS

Item No.	Reference	Name of work or Account	Name of contractor	Date of completion of contract		Substance of sanction (Quantities, rates, other necessary conditions etc.)	No. of form of agreement (if any ordinary form is used)	Reference to payment vouchers				Remarks
				Stipulated to be filled in from the first running bill	Actual (to be filled in from the final bill)			April	May	June	July	
1	2	3	4	5	6	7	8	9	10	11	12	13

If, in respect of any sanction, the Gazetted Officer in charge has (paragraph), then the latter should be pasted in the guard file will suffice to quote in this column merely the reference to the pages of authorized that audit is conducted, against the original orders (vide which should be treated as an accompaniment to the Audit Register, and in the file.

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.27

(See Paragraph –24.5.1)

PART IV ORDERS OF SPECIAL RECOVERIES

Item No.	No. and date of authority ordering or promising the recovery	Name of work or Account	Nature of recovery	Substance of order with name of the person from whom recovery is to be made	Due date or dates of recovery	Amount recoverable			Note of recoveries made from time to time during the year against each year				Balance carried over to next year's register	Remarks
						Balance brought over from previous year's register	Recovery ordered during the year	Total Cols. 7+8	No. of Vr. No. or Account	Month	Amount	Progressive Total of Recoveries		

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.27

(See Paragraph –24.5.1)

PART V – MISCELLANEOUS SANCTIONS

Item No.	Authority No.	Substance of Order	Amount of Sanction	Name of expenditure incurred from time to time against each sanction				Remarks
				No. of Voucher	Month	Account	Progressive Total	

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.28**

(See Paragraph –30.10)

REGISTER OF OBJECTIONS TO INSUFFICIENT OR IRREGULAR SANCTIONS

Sl. No.	Reference to sanction			Particulars of sanction	Amount of sanction	Reason for challenge	Particulars of correspondence	Final disposal	Initials of the Officer passing the sanction	Expenditure incurred against the sanction, if any, before rectification		
	Authority	No.	Date							Month in which it appeared	Amount	Initials
1	2	3	4	5	6	7	8	9	10	11	12	13

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.29
(See Paragraph –30.12.2)

OBJECTION BOOK OF FOR THE MONTH OF20....

Sl. No.	Period of Account	No. of Vr. under objection	Nature of Item	Advances recoverable	Suspense		Amount kept under		Nature of sanction	Subsequent reminder	Mode of adjustment				Initial
					Receipts	Payments	Items adjusted but awaiting clearance	Service Payment for recovery			Month in which admitted if finally passed		If disallowed the account in which the item is credited or the number of the Vr. From which it is recovered.		
											Month	Amount of each portion admitted	Date of credit or No. of Vr.	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Total of month's objection	.....	Total of	Heads	Classified Objection	Difference
Explanation					
Add Balance from past month	.....	Cols. 5 to 9	Advance Abstract	Book	of
Difference					
Total Rupees during	.....		Recoveries		
Deduct Amount adjusted/ as in separate Adjustment Register	.....		Charges		
Add or Deduct Net Adjustment in March Final	.....		Adjustments		
Balance carried forward	.....		Suspense		

Receipts
Charges
Adjustments
Receipts
Charges

I certify that I have examined the Objection Book and find it complete in all respects.
All cases or items which could be waived have been brought to the notice of the competent authority and orders taken.

Superintendent (with date)

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
FORM No.30
(See Paragraph –30.14.1)
RETRENCHMENT SLIP

Audit & Accounts Branch

Dated.....20...

To

Please note that the amount noted below will be recovered from the next pay.

Travelling Allowance Bill

Contingent

Presented by you in the manner indicated

Shri

Counterfoil

Voucher

No.

Date

Amount to be recovered Rs.....

To be recovered in

Reasons

Disallowed by countersigning Authority

Pay overdrawn

Travelling Allowance Overdrawn

For explanation see reverse.

You/ Shri should immediately forward any representation you/ Shri may have to make, in order that, if it is accepted the retrenchment order may be withdrawn or modified.

Finance & Accounts Officer

Noted in the Objection Book

Accounts Clerk

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.31

(See Paragraph –30.16.1)

ADJUSTMENT REGISTER FOR THE MONTH OF 20....

Month of Adjustment	No. of Vr. Or date of recovery or of re-credit	Objection Book Item No.	Original Period of Account	Amount adjusted			Cash recovery of service payments	a) Recovered in cash b) Deducted from Bill c) Refunded to d)Admitted on detailed a/c or bill e)Admitted on explanation f)Admitted on a stamped or formal bill g)Admitted on sanction of C/A h) Admitted on receipt of certificate from audit
				Advances recoverable	Item adjusted but availing clearance			
					For want of detailed bill on account	For other reasons		

*When adjustment is effected in any of the ways noted here, it will suffice to quote the correspondence letters can be added at discretion according to local circumstances.

(See Paragraph -30.18.1)

BROADSHEET OF DEBITS, CREDITS AND BALANCES UNDER THE HEAD

Objection Book Advances

FOR THE YEAR 20...

[illegible]

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

FORM No.33

(See Paragraph – 30.19)

ABSTRACT OF OBJECTIONS FOR THE YEAR 20...

Month of objections	Amount objected to	Adjusted in April 20..	Adjusted May 20...	Similar columns for remaining 10 months	Total adjustments
Balance 20.. Balance Balance 20.. Balance Balance 20.. Balance up to 20.. (i.e. up to previous year) April 20.. (year) Balance May 20.. Balance June 20.... Balance July 20... Balance August 20... Balance September 20.... Balance October 20.... Balance November 20... Balance December 20... Balance January 20.... Balance February 20.... Balance March 20.... Balance					
Total Amount adjusted Balance					

