



FINANCE (TREASURIES AND ACCOUNTS-II) DEPARTMENT

G.O.No.753, DATED 25th September 1995

(Purattasi 9, Yuva, Thirvalluvar Aandu 2026)

Treasuries and Accounts Service - Role of Financial
Controllers, Financial Advisers and Chief Accounts Officers
- Chief Accounts Officers, Accounts Officers and Assistant
Accounts Officers - Duties and Responsibilities -
Recommendations of the Sub-Committee - Orders - Issued.

READ - the following papers:

- 1.G.O.Ms.No.849 Finance (T&A) Department dated 08. 7.1964.
- 2.Report of the Sub-Committee dated 02.12.94 and 27.02.1995.

ORDER:-

In G.O.Ms.No.849 Finance dated 8.7.64, Orders were issued assigning various duties and responsibilities of Accounts Officers in Treasuries and Accounts Service and the specific items of work to be dealt with by the Chief Accounts Officers/Accounts Officers/Junior Accounts Officers/ (now Assistant Accounts Officers) respectively. After three decades since the issue of the above G.O., the activities of Government departments have increased manifold and so also the duties and responsibilities of the Accounts Officers. To cope with the increase in budget handled by individual department, Finance Officers in the rank of Under Secretary/ Deputy Secretary and Joint Secretary to Government have also been created subsequently designated as Chief Accounts Officers, Financial Advisers and Chief Accounts Officers and Finance Controllers respectively. Keeping in mind all these developments it has been considered necessary to re-define the duties and responsibilities of the Accounts Officers and accordingly a sub-committee was formed to go into all these details. This sub-committee was entrusted with the work of examining the work-study of the officers in charge of Accounts so as to strengthen the hands of the Accounts Officers internally in the Heads of Departments. The following terms were referred to the Sub-Committee for making its recommendations:

- i) To evolve a specific internal methodology to ensure quality control of appropriation and the prevention of budget excesses.
- ii) To evolve a tighter purchase procedure associating the Financial officers/Financial Advisers and Chief Accounts Officers in the purchase procedure of Tender Committee.

iii) To evolve a system of empowering the Financial officers and Financial Advisers and Chief Accounts Officers to be in overall control of budget planning, receipts and expenditure, financial accounts, reconciliation, inventory and audit.

iv) To study the existing working conditions and suggest any other procedural modifications/ liberalisation and the attendant safeguards empowering the Financial Officers and Financial Advisers and Chief Accounts Officers to maintain financial propriety.

2) Government have examined the report of the Sub-Committee and pass the following orders:-

- a) The duties and responsibilities of the Financial Officers shall be as in Annexures I & II to this order.
- b) The methodology to ensure quality control, purchase procedure of tender committee etc., shall be as in Annexure III to this G.O.

BY ORDER OF THE GOVERNOR)

N. NARAYANAN,
Secretary to Government.

To

All Departments of Secretariat.
All Head of Departments.
All Pay and Accounts Offices Madras/Madurai.
All Treasury Officers/Sub-Treasury Officers.
The Commissioner of Treasuries and Accounts, Madras-15.
The Accountant General, Madras-18.
The Accountant General, Madras-18 (By name).
The Accountant General, Madras-35.
The Accountant General, Madras-35 (By name).
The Accountant General, Madras-9.
The Accountant General, Madras-9 (By name).
All District Collectors.
Stock file/spare copy.

//Forwarded/By Order//

R. Tamilmani
SECTION OFFICER.

[ANNEXURE

ANNEXURE I

DUTIES AND RESPONSIBILITIES OF FINANCIAL OFFICERS:

a) The Assistant Accounts Officer / Accounts Officer / Chief Accounts Officer / Financial Adviser and Chief Accounts Officer / Financial controller shall be in overall charge of the work relating to Finance, budget and accounts of the department and all such work shall be performed under his superintendence.

b) All important Communications/references received from or addressed to the following authorities shall be, on their receipt or before issue shall be shown to the Assistant Accounts Officer/Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/ Financial Controller:-

- i) Finance Department of the Secretariat.
- ii) Chief Accountant General/Accountant General and the Accounts/Audit Officers.
- iii) Financial Committees of the State Legislative Assembly namely the Public Accounts Committee and the Estimates Committee.

c) Any other communication/reference having a financial implication which a department may in its discretion consider to be important, shall also be shown to the Assistant Accounts Officer, Accounts Officer/ Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/Financial controller.

d) Reports or references on cases involving serious contravention of financial rules or a serious financial irregularity; relaxation of or deviation from any financial rules or principles; or write off of a loss or abandonment or remission of revenue shall be shown/consulted with the Accounts Officers/ Chief Accounts Officers/Financial Adviser and Chief Accounts Officers / Financial Controller before passing of final orders.

e) All references to Government in Finance Department shall issue only after consultation with the Assistant Accounts Officer, Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/ Financial Controller.

f) All financial powers delegated to the sub-ordinates shall be exercised in consultation with the Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/Financial Controller.

g) All sanctions of grants-in-aid (including Scholarships) and loans shall be referred to the Assistant Accounts Officer/ Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/Financial Controller before issue of final orders. He shall be consulted in particular on the financial aspects of all transactions relating to loans.

h) Before sanctioning expenditure for purchases and for execution of contracts subject to provisions in codal rules, the Assistant Accounts Officer/Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/ Financial Controller, shall be consulted.

1) All cases involving financial matters shall be disposed in accordance with the advice of the Assistant Accounts Officer / Accounts Officer / Chief Accounts Officer / Financial Adviser and Chief Accounts Officer / Financial Controller; if it is unable to accept the advice of Assistant Accounts Officer/Accounts Officer/Chief Accounts Officer / Financial Adviser and Chief Accounts Officer / Financial Controller, the case shall be referred to the Head of Department who if he does not agree with the Accounts Officer etc, shall record reasons therefor before passing orders.

2) The Assistant Accounts Officer/Accounts Officer/Chief Accounts Officer/Financial Adviser and Chief Accounts Officer/ Financial Controller etc., shall be responsible for ensuring that the budget estimates are properly framed, that the time schedule for the preparation of the budget is scrupulously followed by the department and that the orders and instructions issued by the Finance Department in respect of the preparation of budget and matter connected therewith are observed;

3) He will scrutinise the budget proposals thoroughly, assist the Head of Department in the discharge of his responsibility in the formulation of Budget proposals in accordance with instructions of Finance Department;

4) He will ensure the maintenance of proper accounts as required by the rules on the subjects;

5) He will obtain periodical reports of the progress of expenditure, watch and review the progress of expenditure against the sanctioned grants and issue such instructions from time to time to the controlling officers as may be necessary. For this purpose he will ensure that necessary control registers under the rules are maintained by the Department;

6) He will take necessary steps to ensure the timely surrender of anticipated savings in budget provisions/ funds by the Department/the controlling officers as the case may be as early as possible during the financial year;

7) He will scrutinise the proposals for supplementary demands for grants including the proposals for advances from the Contingency Fund and also advise the administrative department on the need for obtaining such supplementary grants or advances as may be necessary;

8) He will keep himself in regular touch with the audit objections and the inspection reports of the Audit and their early settlement, etc. He will be actively associated with the processing and settlement of the audit paras in the Department;

9) He will take speedy and timely action on the Reports, Appropriation Accounts and the report and observations of the Financial Committee of the State Legislative Assembly namely, the Public Accounts Committee and the Estimates Committee. He will keep himself in touch particularly with the briefs prepared for such committees or with the replies to the questionnaires issued by them.

10) He will keep himself closely associated with the formulation of scheme and important expenditure proposals from their initial stage;

ANNEXURE II

DUTIES AND RESPONSIBILITIES OF FINANCIAL OFFICERS (CONTD.):

1. Advice on Financial Matters:

The Financial Officers shall make a review on the implementation of quarterly control of appropriation and to point out the irregularities, deviation and non-implementation of Government Orders.

2. Control of Expenditure and Maintenance of Accounts:

The Financial Officers shall ensure quarterly control of appropriation as per G.O.Ms.No.460 Finance (BG-I) Department dated 14.6.95.

3. Budget Estimate:

The Financial Officers shall ensure timely preparation of Number Statements, Budget Estimates, Revised Estimates/Final Modified Appropriation and Surrender statements.

The financial Officers shall assist the Head of Department to implement the economy measures enunciated in G.O.Ms.No.404, Finance (BG-I) department dated 16.5.92 and to take care of these guidelines while formulating the budget proposals.

Reconciliation of Receipts and Expenditure with the Accounts of Accountant-General.

The Financial Officers shall follow the procedure indicated in para 128 of the Tamilnadu Budget Manual volume-I and the reconciliation has to be done systematically and certificate furnished to the Accountant General Tamil Nadu on monthly basis.

The annual estimated receipts has to be allocated during the year according to their anticipated accrual and realisation shall be watched. The trend of receipt has to be studied and deficiency if any shall be taken to the notice of the Head of Departments. The fees prescribed for various kinds of services rendered, are to be examined in depth in order to ensure that the amount realised is equated with the expenditure. Improvement in receipts has to be suggested wherever necessary.

4. Plan Estimates:

The Financial Officers shall review the implementation of plan schemes at prescribed intervals and also shall ensure the achievement of financial/physical targets. The monthly statements of expenditure received from Government Data Centre has to be checked with the departmental figures and reconciliation effected, in time.

5. Adjustment of Central assistance and other Inter Governmental transactions.

The Financial Officers viz. Assistant Accounts Officers, Accounts Officers / Chief Accounts Officers etc., shall be responsible to watch the following points:

i) To check whether the Centrally Sponsored Schemes i.e. "Schemes shared between the Centre and the State" and Financed by autonomous bodies are being continued with central assistance in the succeeding financial year;

ii) To check whether the full amount of Government of India's/autonomous bodies share is released and no expenditure is incurred which is not as per the scheme design, will not be eligible for assistance.

iii) To match the receipt of assistance with the expenditure and verify whether the receipts of assistance is as per the prescribed sharing pattern.

iv) To ensure timely submission of audit certificates, periodical reports on the above points to Government/ Head of Department.

6) Inter Departmental Adjustments:

The Financial Accounts Officers will exercise supervisory control over inter-departmental transactions including free transfer of stores. Suitable records should be prescribed to see that prompt action is taken by the Departmental Officers to accept the credits or debits raised by other departments and also to propose necessary transfer adjustments to the Accountant General. Special attention should be given to payments by adjustments in respect of stores purchased through rate contract sufficiently early before the accounts of the year are closed, as any failure in this regard may result in lapse of funds.

7) Inspection and Local Audit:

The accounts of all subordinate offices shall be inspected by the Financial Officers at periodical intervals and they should physically verify the cash in the custody of the departmental officers. The Financial Officers shall monitor the functioning of Internal Audit Wing effectively. the Internal Audit programme has to be drawn up so as to ensure the upto date completion of Audit and its following up of the programme, submission of Audit reports watched. The Internal Audit report has to be placed before the Head of Department with comments on serious lapses/irregularities. The settlement of Internal Audit objections has to be watched and progress report put up. The services of the Chief Internal Auditor have to be fully utilised.

In respect of schemes of a Quasi-Commercial character where the Chief Internal Auditor and Chief Auditor of Statutory Boards, is conducting the internal audit and in regard to cases of audit of grants to private and local bodies by the Examiner of Local Fund Accounts, the Financial Officers should assist the administrative wing to settle the objections expeditiously. In the case of Audit reports and Audit objections of the Accountant-General also, similar procedure should be followed. The responsibility to clear the objections and settle the reports lies with the Departmental Officers. But the Accounts Branch shall be responsible to assist to clear audit objections quickly and to avoid undue accumulation of pending audit objections and reports.

8) Proforma And Commercial Accounts:-

In case of Government undertakings of a quasi commercial character, where the financial results are reviewed through proforma or commercial accounts, the compilation of accounts is the responsibility of the Departmental Officers. Accounts Officers should however render all technical assistance in prescribing various initial records and registers and in periodical compilation and rendering accounts correctly. During the course of internal check and scrutiny of periodical accounts, the proper working of such schemes with financial results should be critically reviewed and remedial measure suggested by the Financial Offices wherever necessary.

The review of the financial results of Commercial undertakings through proforma Accounts includes the following:-

- i) Reconciliation of the monthly financial accounts with capital Accounts and journalising the expenditure under Commercial Heads of Accounts.
- ii) Maintenance of various Capital and depreciation registers of all assets like buildings, plant and machinery, furniture etc.,
- iii) Compilation of annual proforma accounts of the departments (viz., Trading Accounts, Profit and Loss Account, Balance Sheet, Cost Accounts in respect of various products manufactured by the Department).
- iv) Compilation of the proforma budget of the Department.
- v) Maintaining Central Stores and Tools Ledgers of the transactions in respect of all the Unit Officers of the Department.
- vi) Maintaining Statistics relating to the activities of the department.
- vii) Review of the procedure of stock taking and pricing the goods on hand.

9) Physical Verification of Stocks and Stores:-

It is the responsibility of the Accounts wing to see that proper registers and accounts are maintained in respect of all types of stocks and stores, dead stock, etc. These records should be checked in detail by the audit parties during local visits to find out whether there has been unnecessary accumulation of dead stock, slow moving and obsolete items. Periodical physical verification of stocks and reconciliation of physical and book balances of different items of stores at half-yearly or annual intervals should be arranged by the Departmental Officers. The responsibility of the Accounts wing lies in checking how far this aspect of work has been achieved and prescribed procedure has been followed correctly. Wherever necessary and to the extent possible, surprise verification of stocks and stores can be undertaken by the Accounts wing or by any responsible person delegated by the Head of the Department for this purpose. It has to be ensured that the verification of stores is done systematically at prescribed intervals, as per manual and codes, and the control of inventories exercised. While effecting subsequent purchase, it has to be ensured that the stock purchased out of earlier purchase has been completely/nearly exhausted.

10) Stores Accounts Section:-

a) The Stores Accounts Section is responsible for:

- i) the maintenance of priced stores ledgers,
- ii) the scrutiny and payment of all bills for purchase of stores;
- iii) the periodical reconciliation of figures in the different connected sets of books;
- iv) the maintenance of a regular and effective system of stock verification and proper investigation of all discrepancies which it brings to light;
- v) ensuring that there is no unnecessary accumulation of stores and that adequate action is taken for the disposal of surplus and obsolete stores in public auction in the best interest of Government.
- vi) Where priced accounts are maintained, taking steps for adjustment of profits or losses due to revaluation, stock taking or other causes.

b) During the course of Internal Check it should be seen:-

- i) that the acquisition of stores has been effected in the most economical way and in accordance with orders.

In respect of schemes of a Quasi-Commercial character where the Chief Internal Auditor and Chief Auditor of Statutory Boards, is conducting the internal audit and in regard to cases of audit of grants to private and local bodies by the Examiner of Local Fund Accounts, the Financial Officers should assist the administrative wing to settle the objections expeditiously. In the case of Audit reports and Audit objections of the Accountant-General also, similar procedure should be followed. The responsibility to clear the objections and settle the reports lies with the Departmental Officers. But the Accounts Branch shall be responsible to assist to clear audit objections quickly and to avoid undue accumulation of pending audit objections and reports.

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- iv) Compilation of the proforma budget of the Department.
- v) Maintaining Central Stores and Tools Ledgers of the transactions in respect of all the Unit Officers of the Department.
- vi) Maintaining Statistics relating to the activities of the department.
- vii) Review of the procedure of stock taking and pricing the goods on hand.

16) General:

In respect of all returns and reports to Government and Accountant-General on financial and accounts matters, Financial Officers will have an opportunity to scrutinise such proposals and offer their opinions wherever necessary.

The services of the Accounts Branch (including Accounts Officers) should not normally be used for routine work, like preparation of Bills (Pay bills, T.A. bills, and other bills), arithmetical calculations, regulation of increments, sanction of incremental arrears, sanction of leave, sanction of advances, maintenance of Service Registers, preparation of pension papers, incurring contingent expenditure etc. It would be normally unnecessary to employ Financial Officers for supervising such routine work. Such work should be entrusted to the officers of the administrative branch concerned. In cases where it is considered necessary to entrust any of these items of work to the Accounts Officers or even to continue the arrangements where they exist the approval of Government should be obtained, reviewing the position and explaining why no alternative arrangements are possible. The Departmental Accounts Officers will however ensure that adequate provision has been made for the safe custody of cash in subordinate offices and that the rules regarding the encashment of bills and remittances of money are strictly followed.

The Financial Officer of a Department is thus mainly concerned with the nature of duties detailed in paras 1 to 10 above and any other duty that can be brought under the scope of normal audit and accounting functions. This will not, however, absolve the Head of Department of responsibility for the financial transactions concerning his department. Nothing in these instructions should therefore be construed as divesting the Head of Department from ultimate responsibility in matters relating to financial supervision and control.

/True copy/

R. Tamilmondy
SECTION OFFICER

ANNEXURE III

i) Methodology to ensure quarterly control of appropriation and the prevention of budget excesses.

1) The procedure prescribed in G.O.Ms.No.520, Finance (BG.I) dated 27.6.95 should be implemented strictly and the compliance report sent to the Finance Department through administrative department of Secretariat concerned within a month of communication of Budget Estimate.

2) A compliance report shall also be obtained from the Commissioner of Treasuries and Accounts indicating the receipt of quarterly allotment from all the departments by the treasuries.

3) The subordinate Controlling Officers of the District level shall be made responsible for the distribution of appropriation on percentage basis only. However, allocation for each quarter shall be made based on expenditure trend if need be, subject to clearance by the Government in Finance Department depending on its merits. This has necessarily to be linked in formulating the estimates by the Controlling Officers in the District level in order to avoid any excess provision later on.

4) The above aspect shall be kept in view, and the consolidated expenditure figures for all the four quarters of that year also taken into account by the Sub-ordinate Controlling Officers in finalisation of the Budget proposals for Revised Estimate of that year and Budget Estimate for the next year.

5) Consequent on the communication of quarterly allotment to the Drawing Officers the progress of expenditure for each quarter shall be reviewed at the level of Accounts Officers / Chief Accounts Officers / Financial Adviser and Chief Accounts Officers / Financial Controllers during July / October / January and March for the respective quarters for which the availability of the actuals shall be ensured within the period of a month.

6) The Head of Department shall communicate the quarterly statements of Government Data Centre to the Assistant Accounts officer / Accounts Officer / Chief Accounts Officer / Financial Adviser and Chief Accounts Officer / Financial Controller.

7) While the quarterly statements of expenditure have to be obtained from the Government Data Centre communication of monthly statements is not necessary.

ii) Procedure in associating the Financial Officers in the purchase and tender committee.

1. The Financial Officer shall be empowered to scrutinise the tender files and report the fact of deviation if any to the Head of the Department.

2. The Head of the Department should ensure that there is adequate provision in the Budget Estimate for the purchase and take advance action to procure as envisaged in the codal rules.

3. The tender committee should be constituted with the Head of the Department or the authority competent to order purchase as the case may be, as the chairman with the following members as per the ranking indicated below.

i) Technical Officer concerned for the purchases.

ii) Assistant Accounts Officer / Accounts Officer / Chief Accounts Officer / Financial Adviser and Chief Accounts Officer / Financial Controller. Where there are two or more Financial Officers, the highest ranking Financial Officer shall be the member of this Committee.

iii) The administrative scheme officer as the Member Secretary of the Committee.

4. The file calling for tenders should be routed through the Financial Officer from the initial stage itself.

5. The tender schedule should be got standardised.

6. The Financial Officer shall be associated while opening the tenders.

7. The comparative statement prepared by the scheme section should pass through the Accounts wing before being placed before the tender committee.

8. For all purchases/Sales there shall be guidelines fixing an approximate upset price for the items dealt with by the Department with reference to the prevailing market price.

iii) Empowering the Financial Officers in overall control of budget, planning, receipts and expenditure, financial accounts reconciliation, inventory and audit.

1. All sanctions should be routed through Financial Officers except contingent expenditure.

2. The Head of Department shall conduct the bimonthly or quarterly review of the progress in revenue collection/expenditure with the financial officer and the concerned scheme officer. When the Head of Department is unable to conduct such a meeting the Finance Officer shall conduct it on behalf of the Head of Department.

3. The Finance Officer shall review the monthly reconciled receipts and expenditure statements received from the District controlling officers and also arrange for reconciliation with Government Data Centre figures.

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4. The works such as recoveries on account of loss in physical verification, follow up action on severe irregularities detected in physical verification of stock and offering replies to audit objections, payment of pension contribution, watching recoveries of pension and Death-cum-Retirement Gratuity contribution etc. shall be entrusted to the respective scheme sections/establishment sections only as the case may be.

/True copy/

R. Tamilmoney
SECTION OFFICER