

## CHAPTER 4 - RELATIONS WITH CHIEF CONTROLLER OF ACCOUNTS

### 4.1 GENERAL

4.1.1 The Divisional Officer, as the primary disbursing Officer of the Division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of accounts of the transactions correctly and in accordance with the rules in force.

He is further required to submit his accounts to the Pay and Accounts Officer for post check and for incorporation in the general accounts. See also paragraph 44 of the Central Public Works Department Code.

Note – The accounts returns which have ordinarily to be submitted for post check and compilation are enumerated in Chapter 22, but the Pay and Accounts Officer is authorized to call for such additional accounts, registers, documents and subsidiary papers having relation thereto, as he may require for the elucidation thereof.

4.1.2 The Divisional Officer is responsible to see that the accounts of his division are not allowed to fall into arrears; but if arrears or confusion arise which in his opinion, cannot be cleared without the assistance of the Pay and Accounts officer, he should at once approach for such assistance.

### 4.2 DIVISIONAL ACCOUNTANT

4.2.1 To assist Divisional Officers in the discharge of their responsibilities referred to in paragraph 4.1.1, the head of the accounting organization viz., Chief Controller of Accounts will post a Divisional Accountant, who has either been recruited through initial recruitment examination conducted by INAD or Qualified in SAS/JAO(C) Examination conducted by Civil Accounts Organisation with Public Works as compulsory paper to each Divisional Office.

Note 1: **Appointment of UDC/Accountant to function as Divisional Accountant, as a stop-gap arrangement can be done by the C.C.A, wherever vacancies of Divisional Accountant exist and not filled up for any reasons by the CCA/CGA.**

Note 2: No person who is not eligible to be appointed to the cadre of Divisional Accountants may be posted to a Division. In any individual case where a qualified Divisional Accountant is not available, an exception may be permitted, as a purely temporary arrangement by the **Chief Controller of Accounts to whose P.A.O, the accounts of the Division are rendered.**

Note 3 The term Divisional Accountant will include Selection Grade Divisional Accountant/Junior Accounts Officer/Assistant Account Officer.

4.2.2(a) The functions of the Divisional Accountants are three fold:-

(i) as accountant, i.e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him.

(ii) as internal checker entrusted with the responsibility of applying certain preliminary checks to the initial accounts, vouchers etc., (see Chapter 22) and

(iii) as financial assistant, i.e., as the general assistant and adviser to the Divisional Officer in all matters relating to the accounts and budget estimates or to the operation of financial rules generally.

(b) In the discharge of these duties, he is expected to keep himself fully conversant with all sanctions and orders, passing through the office and with other proceedings of the Divisional Officer and his subordinates which may affect the estimate or accounts of actual or anticipated receipts and charges. He should advise the Divisional Officer on the financial effect of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(c) The Divisional Accountant should see that he is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently, the Divisional Accountant is treated as the senior member of the office establishment of the division though his position is analogous to that of a Sub-Divisional Officer, vide paragraph 45 of the Central Public Works Department Code.

4.2.3 The Divisional Accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the division which come within his sphere of duties. If he considers that any transaction or order affecting receipts or expenditure is such as would be challenged by the Pay and Accounts Officer if the internal check entrusted to the Accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons, and to obtain the orders of that Officer. It will then be his duty to comply with the orders of the Divisional Officer, but if he has been overruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the Register of Divisional Accountant's Objections, Form-60, and lay the Register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accountant's advice on reconsideration and ordering action accordingly, or of recording for the information of the Pay and Accounts Officer, his reasons for disregarding that advice. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Pay and Accounts Officer, for whose inspection the register should be available at all times.

NOTE – If no inspection (by Accounts Officer) takes place in a year and entries have been made in the Register during the period since the last inspection, the Register or, if the entries are few, an extract therefrom should be submitted to the Accounts Officer in the month of April for review.

4.2.4 (i) The Divisional Accountant is responsible for the safe custody of documents during the period when they remain in the Accounts Branch until submission to the Executive Engineer.

(ii) He is responsible for the arrangements for checking the computed tenders, i.e., for seeing that the arrangements made for checking are efficient and satisfactory.

(iii) He should conduct personally a test check of the computed and checked tenders sufficient to satisfy himself reasonably that the checking work has been properly done. In the case of lumpsum tenders, he should see that detailed drawings and specifications, duly authenticated by the competent authority form part of the Notice inviting tenders and that the cost of various items forming part of the sanctioned estimate of the work is correctly assessed with reference to the relevant scheduled rates or in the case of non-scheduled items on the basis of rates supported by detailed analysis therefore sanctioned by the competent authority, and

(iv) He should see that the comparative statement correctly incorporates the totals as checked on the individual tenders.

4.2.5(a) The Divisional Accountant should bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

Note – If the Divisional Officer is allowed a lumpsum appropriation for expenditure on a group of works and he has made out of it appropriation for individual works, expenditure should be watched against individual appropriations and excesses brought to the Divisional Officer's notice.

(b) He may further be required by the Divisional Officer to undertake on his behalf, such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the Divisional Officer's own powers of sanction, as the latter may consider necessary.

(c) The Divisional Accountant should not as a rule, be required to receive, or pay out, cash but in cases where the monetary transactions at the headquarters of the Divisional Office are not large, either in number or in amount, the Divisional Officer may, on his own responsibility and with the previous consent of the Chief Controller of Accounts entrust the receipt and disbursement of cash to the Divisional Accountant. The Divisional Accountant should not, however, be normally authorized to issue final receipts in Form 3 over his own signature.

**(d) The Divisional Accountant should affix his dated initials after the last entry of the day's transaction in the divisional cash book/Stock Accounts, in token of check.**

4.2.6 The Divisional Accountant is further required to inspect periodically under the orders of the Divisional Officer, the accounts records of Sub-Divisional Officers and to check a percentage of the initial accounts. The defects noticed should be reported to the Divisional Officer for orders, but the Divisional Accountant will be responsible, as far as possible, for explaining personally the defects of procedure and for imparting necessary instructions thereon to the Sub-Divisional Officers and their staff.

The results of these inspections should be placed on record for the inspection of the Chief Controller of Accounts, but serious financial irregularities should be reported at once for the information of that officer, even though set right under the orders of competent authority. All defalcations or losses of public money, stores or other property should be reported immediately to the Chief Controller of Accounts and other authorities concerned in accordance with such rules or procedure as may have been prescribed.

Note: The accounts of interest bearing securities maintained by Sub-divisional Officers should be examined to see that the rules relating to them are observed and that the register in Form 85 is correctly maintained, and with this object a few transactions of the register should be compared with the entries in the cash book or other account, and vice-versa. The securities certified in the last annual Account of Interest Bearing Securities, Form 86, as being on hand should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgements of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgements of the authorized custodians, as the case may be.

4.2.7 The Divisional Officer has a right to seek the advice of the Chief Controller of Accounts in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he shall first obtain the advice of the Divisional Accountant who is specially trained for this duty, and this should be done in writing in all cases of importance.

### **4.3 INSPECTION BY THE AUDIT/ACCOUNTS OFFICERS**

4.3.1 The Audit/Accounts Officer with the approval of the competent authority shall arrange for the periodical test-audit and local inspection of the accounts of divisional and sub-Divisional Offices, and the Divisional Officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting Officers are required, if possible, to discuss the drafts of their reports with the heads of the office inspected, before submitting them to the respective heads of Audit Offices/Accounts Offices and for this purpose, it is desirable that the head of the office inspected should be present at the inspection unless his presence is urgently required elsewhere.

### **4.4 COMMUNICATION OF SANCTIONS TO PAY & ACCOUNTS OFFICER**

4.4.1 As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted are communicated to the Audit Officer and/or the Pay & Accounts Officer, as the case may be, in accordance with such procedure, as may have been prescribed. See also paragraphs 18.5.1 and 18.5.2 of this Code, Paragraph 84 of the Central Public Works Department Code and also Rule 29 of General Financial Rules, 2005.

Note 1: Check of sanctions accorded by the Divisional Officer is conducted in the Pay & Accounts Office only in respect of sanctions to write off of stores or losses of public money. In respect of other sanctions of the Divisional Officer, the Divisional Accountant is responsible for the necessary check, vide paragraph 4.2.5.

Note 2: Sanctions to Contract agreements accorded by the Divisional Officer, the tenders of which are accepted by authorities higher than the Divisional Officer should be communicated to the Pay & Accounts Officer by the authority who accepted the tender in such form as to enable that officer to check the payments to Contractors on the basis of rates sanctioned for each item of work or supply on other necessary terms and conditions. Duplication of agreements should in no case be required, that is to say, an authority who has concluded an agreement should not be required to draw up and sign again an agreement already executed.

Note 3:- It is not necessary to supply Administrative Approvals to the Accounts Officer. Technical sanctions need be communicated to the Accounts Officer only in respect of works relating to projects costing more than Rs.25 Lakhs and non-projects costing more than Rs. 10 Lakhs. Financial sanctions otherwise known as expenditure sanctions and allotment of funds should be communicated to the Audit Officer and/ or the Accounts Officer, as the case may be.

## **4.5 RESULTS OF AUDIT**

4.5.1 The results of audit/inspection are communicated to the Divisional Officer in the form of Audit Notes, Inspection Reports, letters or memoranda. These should receive prompt attention, vide Rule 62 of the Central Government Account (Receipts and Payments) Rules 1983 and the replies of the Divisional Officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanations of a subordinate, reports prepared in this manner may lull suspicion for the time being, but lead to greater irregularity afterwards.

4.5.2 Part I of the Audit Note and the Inspection Report should be returned through the Superintending Engineer after the Divisional Officer has recorded his replies thereon. The Superintending Engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points, before returning the documents to the Audit officer/Accounts Officer.

Note: As an exception to the above rule, the Divisional Officer may send his first reply to an Inspection Report direct to the Audit Officer/ Accounts Officer with a copy of the reply to the Superintending Engineer.

4.5.3 Once a transaction has been entered in the Audit Note or otherwise challenged in one or the other documents referred to in paragraph 4.5.1 the responsibility for having the objection removed will devolve upon the Divisional Officer, and the Audit Officer/ Accounts Officer is required to report to the higher authorities all important items and any serious delays in the adjustment of individual objections.

Note: An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher by furnishing the necessary documents or information, or by otherwise securing compliance with the provisions of a specified rule. In cases in which a protest is made against an audit objection as being incorrect, the objection should be held to be in force unless a formal intimation of its withdrawal is received from the Audit Officer/ Accounts Officer.

4.5.4 The Audit Officer/ Accounts Officer will place under objection any transaction coming to his notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Divisional Officer may have already taken action to regularize the transactions or the excess (if any) over sanction plus any further excess that may be anticipated, may be within his own powers of sanction without preparing a revised estimate and he may have accorded the necessary formal approval to it; yet, if the necessary intimation of sanction does not reach the Audit Officer/ Accounts Officer when the divisional accounts in which the irregular transaction appear, are being audited/inspected, the Audit Officer/ Accounts Officer will raise the objection, as he is not authorized to assume that the necessary sanction has been accorded. Divisional Officers will, therefore, find it advisable to send to the Audit Officer/Accounts Officer the earliest intimation of such of their sanctions and orders as are required to be communicated to him (vide paragraph 4.4.1) and to give it, without waiting for the receipt of the Audit Note/ Inspection Report. all necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement, prepared monthly and signed by the Divisional Officer himself, will ordinarily suffice, in respect of transactions brought to account in the Monthly Account, but, if it cannot precede or accompany the Monthly Account, it should be sent to the Audit Officer/ Accounts Officer within a week of the despatch of the account.

Note1: The object of this rule is to obviate the issue of unnecessary audit objections, but a reduction in the number of objections can be affected only by observing the requirements of the financial and other rules bearing on the transactions, and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rules has occurred.

Note 2: The Divisional Accountant is responsible (i) for bringing prominently to the notice of the Divisional officer, at least once a month, all irregular transactions on which action has not already been taken by the latter at the instance of Sub-Divisional Officers or on his own and (ii) for giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional officers may have desired to be observed in this connection.