



Government of Jammu and Kashmir
Finance Department.
Directorate General of Accounts & Treasuries, J&K, Srinagar / Jammu.

C I R C U L A R

The Accountant General (A&E), J&K, Srinagar has reported some serious observations/irregularities/ shortcoming & deficiencies against the State treasuries in his Annual Review on the Working of Treasuries of State, (copy whereof is available on website www.jkdat.nic.in). These observations warrant immediate attention of the all the treasury officers in general and the treasury officers concerned in particular in order to ensure that such observations do not get repeated in future reports. However, the main highlights of the Annual Review are reproduced here-under for information of all concerned:

- (i). Treasury Accounts were not supported by the vouchers adequately and delay in their receipt ranged even upto 60 days; (see paragraph 2.2)
- (ii). Incorrect regulation of pension payment resulting in excess payment of Rs.8646850/= of pension & family pension; (see paragraph 3.3)
- (iii). Detailed Contingent (DC) bills for an amount of Rs. 2667.61 Crore, drawn on Abstract Contingent (AC) bills, were outstanding as on 31st March 2013; (see paragraph 3.4(1))
- (iv). In contravention to rules, Treasury Officers have made payments to Drawing and Disbursing Officers (DDOs) without verifying previous draws for the periods ranging between 1 to 12 months; (see paragraph 3.4(3))
- (v). Non-maintenance of the Deposit Account as per prescribed procedure; (see paragraph 3.5(2))
- (vi). Awaited Safety Certificate of the strong rooms of some treasuries from the Competent authorities during 2012-13; (see paragraph 3.6)
- (vii). Stamps of various categories worth lakhs of Rupees were kept under single lock register; (see paragraph 3.7(2))
- (viii). Non-accountal of discount on sale of stamps resulted in understatement of both receipts and charges on account of sale of stamps; (see paragraph 3.7(3))
- (ix). Viable mechanism for transfer of funds of Ladakh Autonomous Hill Development Council Leh and Kargil still to be devised; (see paragraph 3.7(4))
- (x). Improper mechanism of Constituency Development Fund; (see paragraph 3.7(5))
- (xi). Non-maintenance of records in District/Sub-treasuries; (see paragraph 3.7(6))
- (xii). Miscellaneous Observation; (see paragraph 3.7(7))

All the Treasuries Officers in general and concerned treasury officers in particular are therefore, directed to adhere to the set procedures/ norms and to set right the shortcomings/ deficiencies/ irregularities forth-with, besides, avoid such shortcomings/deficiencies/ irregularities in future, failing which strict action as warranted under rules shall follow.

Sd/=
(Altaf Hassan Mirza),
Director General.

Dated: 19.06.2015.

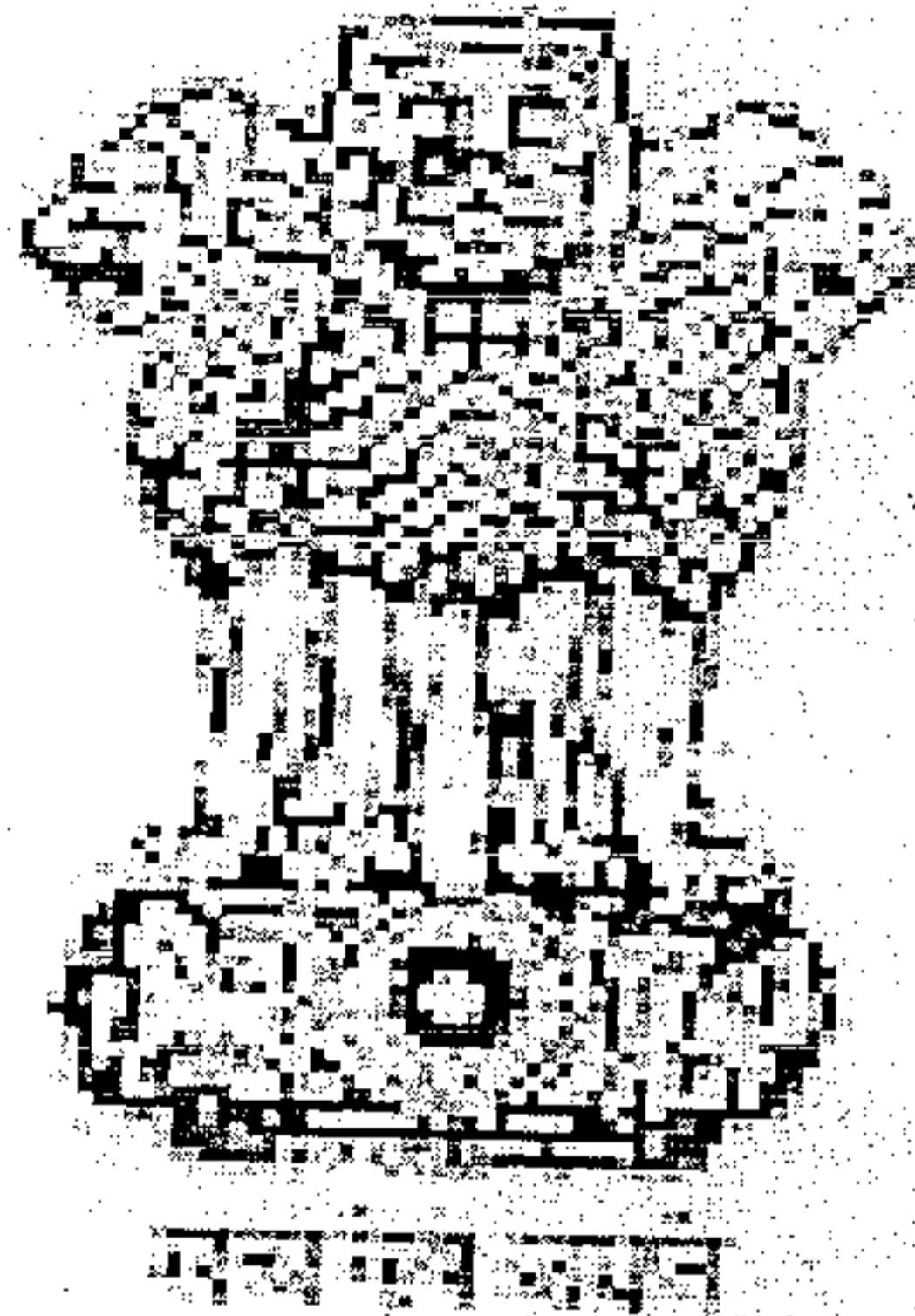
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Copy to the:-

- 1) Principal Secretary to Government, Ladakh Affairs Department.
- 2) Commissioner Secretary to Government, Finance Department.
- 3) Director General, (Budget), Finance Department.
- 4) Accountant General (A&E) J&K, Srinagar/Jammu.
- 5) Director Accounts & Treasuries Jammu/ Kashmir .
- 6) Director Codes, Finance Department.
- 7) Treasury Officer (all) for compliance.


(Syed Altaf Hussain)
Deputy Director (Central).

**OFFICE OF THE
ACCOUNTANT GENERAL (A&E)
JAMMU AND KASHMIR, SRINAGAR**



**ANNUAL REVIEW ON THE WORKING OF
TREASURIES,
(Jammu And Kashmir STATE)
FOR THE YEAR 2012-13**

PREFACE

The Annual Review on the working of Treasuries in the State is prepared by this office each year in order to highlight major deficiencies in the functioning of treasuries and maintenance of accounts.

This review for the year 2012-13 highlights the deficiencies/omissions detected in the maintenance of basic treasury records during the course of local inspection conducted by the Treasury Inspection Parties and also during compilation of accounts.

We would suggest that a monitoring mechanism be put in place by the State Government to safeguard against deviation from financial rules and violations, thereof.

Srinagar
Dated

Manish Kumar
(Manish Kumar)
Accountant General
Jammu & Kashmir

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Highlights

- Treasury Accounts were not supported by the vouchers adequately and delay in their receipt ranged even upto 60 days.
[Paragraph: 2.2]
- Incorrect regulation of pension payment resulting in excess payment of Rs. 86,46,850/- of pension and family pension
[Paragraph: 3.3]
- Detailed Contingent (DC) bills for an amount of Rs.2667.61 Crore, drawn on Abstract Contingent (AC) bills, were outstanding as on 31st March 2013
[Paragraph: 3.4(1)]
- In contravention to rules, Treasury Officers have made payments to Drawing and Disbursing Officers (DDOs) without verifying previous drawals for the periods ranging between 1 to 12 months.
[Paragraph: 3.4(3)]
- Non- maintenance of the Deposit Account as per prescribed procedure.
[Paragraph: 3.5(2)]
- Awaited Safety Certificate of the strong rooms of some treasuries from the Competent Authorities during 2012-13.
[Paragraph: 3.6]
- Stamps of various categories worth lakhs of Rupees were kept under single lock register.
[Paragraph: 3.7(2)]
- Non-accountal of discount on sale of stamps resulted in understatement of both receipts and charges on account of sale of stamps.
[Paragraph: 3.7(3)]
- Viable mechanism for transfer of funds to Ladakh Autonomous Hill Development Council Leh and Kargil still to be devised.
[Paragraph 3.7(4)]
- Improper mechanism of Constituency Development Fund.
[Paragraph 3.7(5)]
- Non-maintenance of records in District/Sub-treasuries.
[Paragraph 3.7(6)]
- Miscellaneous Observation.
[Paragraph 3.7(7)]

PART -1 INTRODUCTORY

The Treasuries in the State of Jammu & Kashmir are categorized as Saddar, District, Additional and Sub-treasuries. They function under the Administrative control of Director General Accounts & Treasuries, subordinate to the Finance Department of the State Government. The State Government has entered into an agreement with Reserve Bank of India w.e.f 01.04.2011 and the Finance Secretaries Account which was treated as sub-treasury stands dispensed with.

Organizational Set up

As on 31.3.2013, 2 Saddar Treasuries 20 District Treasuries, 6 Additional Treasuries and 93 Sub-Treasuries (includes Civil Secretariat Treasury, Sub Treasuries at Delhi and Mumbai) have been functioning in the State. All the treasuries are Banking Treasuries (Annexure I) and render their accounts direct to the office of the Accountant General (A&E). All these treasuries (Annexure II) were inspected during 2012-13.

Position of Treasury staff

The staff strength for the year 2012-13 as intimated by the Director General Accounts and Treasuries, Finance Department was as under:-

Year	Sanctioned strength	Men in position	Trained	Untrained
2012-13	1219	927	700#	227*

* Untrained officials are mainly Orderlies, Jr. Assistants, Data Entry Operators, Jr. Stenographers and Cashiers.

Represents personnel who have undergone various courses in Accounts.

PART-2

Defects noticed during compilation and verification of accounts:

2.1 Defects noticed in preparation of accounts.

The following defects were generally noticed in various Treasury Accounts/ Records:-

- a) Net amount of vouchers is taken as "Net" as well as "Gross" in the accounts by the treasuries without accounting for the deductions on account of G.P. Fund, Income Tax, SLI etc. as contra credit with the result the credits do not find place in the Cash Account and also lead to Treasury Suspense besides mismatch of figures of G. P. Fund etc. between the amount of schedules sent to the concerned agencies direct by the treasuries and the figures booked in this office.

- b) Number of cuttings and insertions are made in the amounts and voucher numbers in the Madwar without proper attestation by the Treasury Officer making it difficult for this office to arrive at the correct amounts against each drawal and the overall totals of the covering list moreso when carbon copies of the Madwars are being attached by the treasuries with accounts which are generally not legible and the effect of the cutting and overwriting can not be ascertained.

- c) It has generally been experienced that the basic arithmetical check of the bills is not being exercised at the treasuries before entertaining them for payment with the result this office is compelled either to get them set right by the treasuries before closure of the accounts or to hold the variations under Treasury Suspense which leads to creation of Treasury Suspense.

- d) As is known, treasuries are rendering their monthly accounts in two lists of payments. It has been seen that the voucher Number from serial number 1 and onwards allotted in the Madwar for any Major Head of account in the 1st. list of payment are repeated in the Madwar of the same head of account in the 2nd list of payments also. Further, some of treasuries record alphabetic number also as 1-A,1-B and so on. Since, accounts are compiled in this office in the computerized environment and the system does not accept duplicate entries/records of the alphabetic number in addition to

numerical number for the same month of account, this office is compelled to append some supernumerary voucher numbers in such cases with the result such voucher numbers remain unlinked at later stage. In fact there should have been continuous serial number in chronological order for a particular Major Head for a month of account starting from 1st.list of payment and closing on the last entry of the 2nd. list of payments for that month of account and for that Major Head of account.

e) Incomplete and incorrect classification is recorded on the bills preferred by the Drawing and Disbursing Officers at the Treasuries. It appears that no proper check is being exercised at the treasuries to ensure complete and correct classification on the vouchers before entertaining them for payment. This results in misclassification in the account while compiling the accounts and huge variation has to be adjusted at the time of reconciliation. Instances pointed out are given in (Annexure-III)

2.2 Delay in receipt of Monthly Accounts.

As per Rule 7.93 of J&K Treasury Code Volume 1, Treasury Officers are required to render their monthly accounts to the Accountant General in two lists: The first list (covering payment transactions from 1st to 18th) is to reach the Accountant General's Office by 22nd of the same month and the 2nd List (covering transactions from 19th to the end of the month along with Cash Account for the full month) is required to be submitted by 8th of the month following the month to which the Account relates

(b) It was, however, seen that the accounts/lists in respect of some months were not submitted in time. The delay ranged from 1 to 60 days. (Annexure-IV)

(b) Instances of treasuries which submitted most of their monthly accounts (1st list/2nd list or both) very late, delayed submission ranging from 5 to 12 months for the year 2012-13 are detailed below:-

Name of Treasury	No. of months for which accounts/(1 st list/ 2 nd list) submitted late
Khalsti	10
Leh	09
Nobra	12
Nyoma	12
Tangsti	12
Chiktan	12
Drass	12
Gurez	11
Sankoo	10
Taisuru	10
Zanskar	12
T.C.Mumbai	12
Baramulla	09
Chandoosa	06
Civil Secretariat	05
Kargil	08
Khanyar	08
T.C. Delhi	06
Mendhar	05
Billawar	05

Delay in rendition of Monthly Accounts not only delays the preparation and closing of Monthly Accounts by the Accountant General and rendition of monthly State Civil Accounts to the State Government but also leads to exclusion of the accounts in the relevant monthly accounts resulting in under / over-statement of Government expenditure and revenues in the accounts of a particular month viz a viz Budgetary estimation. Adequate measures need to be taken by the State Government to ensure timely rendition of the Treasury Accounts to the Accountant General.

2.3 List of wanting vouchers from the treasuries.

Vouchers not attached to the monthly treasury accounts. Instances of wanting vouchers from various treasuries are given in the (Annexure-V). In spite of this having been pointed out time and again to Finance Department, the account is not supported by Vouchers / Challans.

2.4 Non-attachment of Schedule of Recovery with Salary vouchers

Before making payments of the salary bills, the Treasury Officer is required to ascertain, inter-alia, that all the deduction schedules are attached with the bills presented for payment at the treasury. From the Salary vouchers received with the treasury accounts it has been observed that the Schedules of recovery on account of House Building Advance/Motor Car/Scooter Advance are not being attached in most of the cases. The discrepancy was pointed out in previous years Annual Review of treasuries but discrepancies still persist.

2.5 Computerization of Treasuries

In 2003-04 the State Government got a software programme developed by the National Informatics Centre (NIC) for computerizing the State Treasuries, but later on the said Software was not implemented by them. However, the state Govt. has taken up the I.F.M.S and the trial run is on in Sadder treasuries, the result of which is awaited. However, It has been conveyed by the State Govt. that the prestigious project of computerisation of treasuries has been taken in hand by the Finance Department and the same should be got completed within the stipulated time frame.

2.6 Checking of daily posting of Accounts in treasuries.

Rule 7.20 of the J&K Treasury Code Vol. I lays down that every item received or paid as well as all adjustments by transfer should be entered in the respective subsidiary registers (Madwars) in forms T.A.2 and T.A.3 respectively, as soon as a transaction occurs. The daily totals from the subsidiary registers are posted in the Cash Book. However totals of subsidiary registers and cash book were at variance with each other in respect of treasuries noted below:-

S.No	Major Head of Account	Date	Figures as per Madwar	Figures as per Cash book	Name of Treasury
1.	4235	03.09.2011	87426	37476	Kokernag
2.	4235	05.09.2011	13500	63450	-do-
3.	4235	07.09.2011	-	10800	-do-
4.	4408	01.06.2011	62298	66298	-do-

5.	4408	01.08.2011	128944	66985	-do-
6.	4408	12.12.2011	-	5750	-do-
7.	4408	02.06.2011	48935	44935	do
8.	4408	05.09.2011	180689	186689	do
9.	8009-GPF(s)	05/2011	6163778	6149153	do
10.	8009-GPF(I)	05/2011	2138411	2153036	do
11.	8009-GPF(S)	09/2011	6311194	4109524	do
12.	4408	07/2011	2636908	2637028	Devsar
13.	4235	07/2011	196239	202869	-do-
14.	4408	09/2011	2082831	2105781	-do-
15.	4235	15.04.2011	26,675/-	27,675/-	Kreeri
16.	4235	10.03.2012	12,150/-	Nil	Do-
17.	4235	26.03.2012	27,000/-	21,600/-	Do-
18.	4408	30.11.2011	52,606/-	52,306/-	Do
19.	4408	17.03.2012	76,406/-	94,206/-	Do
20.	4235	09.07.2011	31,150	31,050	Do
21.	4408	10/2011	19,68,209/-	19,68,218/-	do

PART -3

Defects in maintenance of records and other irregularities noticed during the inspection of the District Treasury Offices and Sub-Treasury Offices during the year 2012-13.

3.1 Details of the Treasuries /Sub-treasuries inspected during the year

A list showing the details of Sadder Treasuries, District Treasuries and Sub-treasuries inspected during the year 2012-13 is given in the (Annexure II).

3.2 Outstanding Inspection Reports and Paras

There are 1155 Paras outstanding in respect of various treasuries at the end of 2012-13 as detailed in (Annexure-VI)

Compliance reports to the above outstanding Paras need to be expedited so that these are settled.

**3.3 Pension Related Issues
Excess / irregular/ inadmissible Pension payments.**

The payment of pension and maintenance of its records is regulated by Rules 5.66 to 5.98 of the J&K Treasury Code Volume-I. It was, however, noticed that these Rules were not strictly followed as discussed below:-

- a. Records of test checked treasuries revealed that monthly pension payments were, in certain cases, regulated incorrectly resulting in excess payment of pension to the tune of Rs 86,46,850/- (Annexure -VII).
- b. The monthly family pension of a family pensioner is to be terminated in the event of his/her re-marriage. Rule 5.74 (4) of the Treasury Code Volume I provides for obtaining a half yearly declaration in form TC-18 from family pensioners regarding their marital status. These provisions were not followed by maximum Treasuries.
- c. Test check of records of some of the treasuries has shown that proper check for regulation of pension/family pension is not conducted which has resulted in many irregularities like non-recording of payment entries on both the PPO halves, non-closure of those PPOs which have ceased to be operational and their subsequent return to the Accountant General for cancellation, non-maintenance of subsidiary pension ledgers, non-pasting of photographs on PPO's/relevant Registers, etc.

- d. Necessary review of all the pension payments made through the J&K Bank has not been conducted by all Treasury Officers as a result overpayments made by the Bank could not be detected. Such review needs to be immediately taken up and excess payments by the Bank, if any, recovered from the concerned in lump.

3.4 Accounts related issues

1. AC bills awaiting DC bills.

Note 2 (e) below Rule 7.10 of J&K State Financial Code Volume I provides for recording a certificate on the AC bills presented on the treasury to the effect that the monthly Red DC Bill for the AC bill or bills drawn in the month previous to the preceding one has/have been submitted for the countersignature of the Controlling Officer should be recorded on the White Detailed Contingent (WDC) Bill prescribed for payment at treasury. On no account will the treasury officer make payment on an AC bill without such certificate. A register of Abstract Contingent (A.C) bills is to be maintained by the Treasury Officer in order to keep a watch over the submission of corresponding detailed contingent bills and passing of further AC Bills for payment by the treasury. As per rule 7.3 of the Financial Code Vol.I every advance contingent bill should be followed by Red DC bills after the close of each month and no such drawal on White DC Bills be made unless the previous advance bills have been cleared. Further, the J&K State Finance Department vide circular No. A-118/K3(81)/438 dated 06.07.1999 impressed upon all the Treasury Officers not to entertain any White DC Bills, unless the concerned Drawing and Disbursement Officer has certified on the bill itself that the Red Detailed Contingent Bills of the previous month have been submitted to the Accountant General giving reference number and Date under which the Red D.C Bills for the previous month have been submitted, but it has been observed that codal provision and instructions of the finance Department issued from time to time in this regard have not been adhere to. Instances of the Departments/Drawing and Disbursement Officer against whom the huge amount on account of awaited DC Bills(RDC) are pending are given as under:-

1. Education Department
2. Home Department.
3. Tourism Department.
4. Housing and Urban Development Department.
5. General Administrative Department.
6. Planning Department.

The AC bills awaiting DC bills amounting to Rs.2667.61 Crore(Annexure-VIII) were outstanding as per records of this office ending 31st March 2013 which shows that such checks are not being exercised in the treasuries.

2. Non-deduction of Income Tax at source from pensioners.

During the course of inspection of the treasuries for the year 2012-13 no instance was noticed where the Treasury Officer has deducted Income Tax due at source from any Pensioner/Family Pensioner.

3 Non-Verification of Drawals / Remittances.

As per Rule 2.59 of J&K Financial Code Vol.I and instructions issued by Dy. Director Accounts & Treasuries, Jammu vide his No. DDAT/Try/13026-72 dated 15.03.2002. The Treasury Officers are authorised to disallow payments on the bills presented by the Drawing and Disbursing Officers till all their previous drawals / remittances are verified. With a view to ensure timely detection of fraudulent drawals (if any) and correct accountal of departmental receipts .Test check of Drawal Verification and Remittance Verification Registers maintained at various treasury offices revealed that the Treasury Officers have made payments to Drawing and Disbursing Officers without verifying the previous drawals for the periods as indicated in respect of below mentioned treasuries. The irregularity persists even though the matter of non-verification of drawals was brought to the notice of the State Govt. in the Annual Reviews of last five years. Concrete action needs to be taken to enforce regular verification of drawals and remittances made by each Drawing and Disbursing Officer on monthly basis.

Name of the DDO/Treasury	Name of try.	Period	No. of months.
Headmaster High School Nagam	Beerwah	12/2011,01/2012 & 03/2012	03
Head master High School soil	Beerwah	07/2012 & 08/2012	02
Pr. Boys Higher Secondary school Beerwah	Beerwah	12/2011	01
Pr. Girls Higher Secondary school Beerwah	Beerwah	12/2011	01
Zonal Education Officer Beerwah	Beerwah	01/2012	01
D.I.E.T Beerwah	Beerwah	03/2012	01
Block Verterinary Officer Animal Husbandry Department Beerwah	Beerwah	12/2011 to 01/2012	02
Block Verterinary Officer, Beerwah	Beerwah	02/2012 to 03/2012	02
Pr. Boys Higher Secondary school Trehgam	Trehgam	07/2011 & 09/2011	02
Block Medical Officer Trehgam	Trehgam	11/2011	01
Block Verterinary Officer Trehgam	Trehgam	02/2012	01
Govt. High School Trehgam	Trehgam	03/2012	01
Food & Supplies Deepartment	Zanskar	10/2010 to 03/2011	06
Tehsildar Territorial Zanskar	Zanskar	09/2010 to 03/2011	07
Block Development Officer Lanchak (Zanskar)	Zanskar	10/2010	01
Headmaster High School Odina	Sumbal	12/2012 to 01/2013	02
Headmaster High School Bhatyari	Bishnah	05/2012	01
Headmasger High School Tarore	Bishnah	07/2012	01
Child Development Project Officer Bishnah	Bishnah	11/2012	01
Block Development Officer Mendhar	Mendhar	08/2012 to 03/2013	08
Zonal Education Officer Mendhar	Mendhar	06/2012 to 03/2013	10
Asstt. Director Sheep Husbandry Mendhar	Mendhar	08/2012 to 03/2013	08
Block Verterinary Officer Mendhar	Mendhar	08/2012 to 03/2013	08
Child Development Project Officer Balakote	Mendhar	07/2012 to 03/2013	09
Zonal Education Officer Balakote	Mendhar	07/2012 to 03/2013	09
Sub-Divisional Magistrate	Mendhar	04/2012 to 03/2013	12

3.5 Maintenance of Deposits.

1. Non-submission of Statements of Lapsed Deposits to the Accountant Generals' Office.

It has been noticed that generally, the Treasury Officers do not submit the Statement of Lapsed Deposits to the Accountant General though it has been regularly pointed out in the relevant Inspection Reports. Its submission needs to be ensured.

2. Lapsing of Deposits unclaimed for more than three years.

It was noticed that Treasury Officers had not maintained the "Deposit Account" as per the prescribed procedure, resulting in non-identification of the balances under Deposit account creditable to Miscellaneous Government Account, as Lapsed Deposits, after remaining unclaimed for more than 3 complete account years in terms of Rule 13.22 of the J&K Financial Code Vol.-I.

3. Non-submission of Plus Minus Memorandum in respect of Stamp Account.

Most of the Treasury officers do not submit the plus minus memoranda required to be submitted to the Accountant General as per Codal provisions.

4. Non-submission of Annual Balances under Deposit Heads.

The Treasury Officers are required to communicate the balances relating to Deposits Heads to the Administrators concerned and obtain acceptance thereof. The local Inspection parties of this office could not ascertain whether the balances lying under Deposit Heads had been communicated to various administrators and the acceptance of balances obtained as no records to this effect have been maintained in the Treasuries.

3.6 Security in Treasuries.

Non-obtaining of Strong Room Fitness Certificates.

In terms of Para 4.9 of J&K Treasury Code Volume I, without the special permission of the Government, no place shall be used as Strong Room unless it is certified to be secure and fit for use as such by an officer of the Public Works Department not below the rank of Executive Engineer. The existing strong room shall be inspected annually by the Executive Engineer or by an experienced Assistant Engineer etc. The

inspecting officer shall grant a certificate of safety. The treasury officers are required to obtain the said certificate annually. This certificate is of more importance for the treasuries which handle Stamps. The said certificate has not been obtained by Treasury Officers of Mahore, R.S.Pora & Ramban. Out of these three treasuries the certificate issuing authority viz Executive Engineer (PWD) (R&B) concerned has declared Mahore treasury building to be unsafe. Action needs to be taken for taking up matter with concerned authority to ensure safety of the building. Besides certificate referred to above needs to be obtained by all the Treasury officers of the State in respect of their respective treasury strong rooms.

3.7 Maintenance of Stamp Accounts

1. Proper register of receipt, custody, distribution and sale of stamps not kept.

In accordance with Rule 3.42 of J&K Treasury Code Volume I and note 2 thereunder each Treasury Officer is required to certify the correctness of the balance of stamps shown in Vendors Registers of plus minus memorandum as compared with the Register of Daily Sales before fresh stock is issued to licensed vendors. It was observed that no such procedure was followed by the treasuries resulting in non-verification of the correctness of stock and sale of stamps. Surprise physical check of the stamps of each category in Single Lock as well as the Double Lock Registers by the Treasury Officers was not being conducted and needs to be ensured in such treasuries. The test check of the treasuries has revealed that some of them have retained stamps beyond the prescribed limit. (Annexure IX).

The retention of stock in excess of the prescribed limit needs regularization by the competent authority under an intimation to Accountant General (A&E) J&K Srinagar.

2. Retention of stamps in Single Lock Register in excess of the Security Deposit (Rs.12000/-) of the Cashier.

During the course of local inspection of Distt and Sub- treasuries as shown in (Annexure-IX), it was observed that the treasuries had retained different categories of stamps in excess of the Security Deposit of the Treasury Cashier under single Lock, thereby violating Rule 2.26 (ii) of Jammu and Kashmir Treasury Code Volume I. The retention of Stamps in excess of the prescribed limits under single Lock by the

Treasuries needs to be justified and excess retention got regularized by a sanction of the competent authority.

3. Non-accountal of Discount on Sale of Stamps.

Discount on the Sale of Stamps is required to be recorded under Minor Head 102-Expenses on the Sale of Stamps below Major Head 2030-Stamps and Registration (as per Rule 10.11 of J&K Financial Code Vol.I & note 2 below Major Head 2030-Stamps and Registration in the List of Major and Minor Heads of Account of Union and States). However, during the test check of records relating to Stamp Account maintained in the treasuries of Dooru, Pahalgam, Baramulla, Bandipora, Budgam, Anantnag etc. it was noticed that net sale proceeds of stamps was recorded in the Cash Book against the Major Head -0030-Stamps and Registration after deducting commission paid to Vendors while full face value of stamps was required to be booked under Major Head-0030-Stamps and Registration and the Commission paid to vendors was required to be adjusted as a charge against Major Head 2030-Stamps and Registration.

The practice adopted by the Treasuries resulted in the understatement of both the receipts and charges on account of Sale of Stamps. Correct procedure needs to be adopted in the treasuries which would give the correct picture of account.

4. Mechanism for Accountal of transactions in respect of Ladakh Autonomous Hill Development Council Leh/Kargil.

The expenditure in respect of those departments which fall under the Administrative control of LAHDC Leh / Kargil is debitable to 113-Hill Development Council Fund Leh/Kargil subordinate to Major Head 8448-Deposits of Local Funds. The budget provision in respect of these departments is initially provided in the Demand for Grant No 05, Ladakh Affairs Department under M.Heads 2575 and 4575-Special and Backward areas. Before incurring the expenditure out of the deposit head the funds are required to be transferred to the said deposit Head from M.Heads 2575, 4575 -Special and Backward areas by the Finance department or by the Ladakh Affairs Department in lump sum either for the whole year or periodically to avoid occurrence of Adverse balances under the Minor Head 113-Hill development Council Leh / Kargil subordinate

to M.Head 8448-Deposits of Local funds. From the test check of the accounts of various treasuries located in Leh and Kargil districts it was seen that the periodical transfer of funds was not carried out either by the Finance department or by the Ladakh Affairs department thereby compelling this Department to carry out necessary Transfer Entries at the fag end of the financial year to avoid re-occurrence of adverse balances. Expenditure out of the Deposit head worth Crores of rupees was allowed by the respective Treasury officers on the basis of sanctions/allotments without verifying whether sufficient credit balance was available in the Deposit account. It was stated that the procedure for devising a viable mechanism for transfer of funds to Deposit Head from the Service head/Capital head/ Loan head concerned is under process in the Finance department / Ladakh affairs Department. Necessary accounting procedure needs to be devised expeditiously.

5. Improper maintenance of Constituency Development Fund.

The expenditure in respect of Constituency Development Fund is to be maintained separately under Major Head-5475-Economics and General Services & Major Head-8029-Constituency Development Fund in respect of each MLA/MLC, name-wise /constituency-wise. Also to check the fraudulent drawals from the Fund reconciliation with concerned Distt. Development Commissioners at periodical intervals is the only remedial measure. However, from test check of the records of the most of the Distt. Treasuries it has been observed that :-

- a) Register has not been maintained name-wise / constituency wise.
- b) No classification has been indicated against the amounts drawn for the said purpose from the treasuries.
- c) No reconciliation has been conducted with the concerned Distt. Development Commissioners.

Finance Department is requested to device a viable accounting mechanism for the accountal of said Constituency Development Fund.

6. Non-maintenance of records.

The below named District Treasury Officer/ Treasury Officers have not maintained the records as indicated below against each treasury.

Treasuries needs to be justified and excess retention got regularized by a sanction of the competent authority.

3. Non-accountal of Discount on Sale of Stamps.

Discount on the Sale of Stamps is required to be recorded under Minor Head 102-Expenses on the Sale of Stamps below Major Head 2030-Stamps and Registration (as per Rule 10.11 of J&K Financial Code Vol.I & note 2 below Major Head 2030-Stamps and Registration in the List of Major and Minor Heads of Account of Union and States). However, during the test check of records relating to Stamp Account maintained in the treasuries of Dooru, Pahalgam, Baramulla, Bandipora, Budgam, Anantnag etc. it was noticed that net sale proceeds of stamps was recorded in the Cash Book against the Major Head -0030-Stamps and Registration after deducting commission paid to Vendors while full face value of stamps was required to be booked under Major Head-0030-Stamps and Registration and the Commission paid to vendors was required to be adjusted as a charge against Major Head 2030-Stamps and Registration.

The practice adopted by the Treasuries resulted in the understatement of both the receipts and charges on account of Sale of Stamps. Correct procedure needs to be adopted in the treasuries which would give the correct picture of account.

4. Mechanism for Accountal of transactions in respect of Ladakh Autonomous Hill Development Council Leh/Kargil.

The expenditure in respect of those departments which fall under the Administrative control of LAHDC Leh / Kargil is debitable to 113-Hill Development Council Fund Leh/Kargil subordinate to Major Head 8448-Deposits of Local Funds. The budget provision in respect of these departments is initially provided in the Demand for Grant No 05, Ladakh Affairs Department under M.Heads 2575 and 4575-Special and Backward areas. Before incurring the expenditure out of the deposit head the funds are required to be transferred to the said deposit Head from M.Heads 2575, 4575 -Special and Backward areas by the Finance department or by the Ladakh Affairs Department in lump sum either for the whole year or periodically to avoid occurrence of Adverse balances under the Minor Head 113-Hill development Council Leh / Kargil subordinate

S. No.	Name of Treasury	Records not maintained
1.	Dooru	Special Register of PPOs
2.	Pampore	Special Register of PPOs Deposit Account Register.
3.	Tral	Special Register of PPOs. Pension Data Bank & Special signature file.
4.	Tangmarg	Deposit Register.
5.	Kokernag	Budget Control Register
6.	Sumbal	Deposit Account Register
7.	Pahalgam	Liability Register
8.	Gurez	Deposit Account Register
9.	Shopian	Deposit Account Register.
10.	Kulgam	Deposit Account Register.
11.	Shadimarg	Drawing and Disbursing Officer code Register
12.	Qazigund	Drawing and Disbursing Officer code Register
13.	Lal Mandi	Deposit Account Register.
14.	Wanpoh	Non-maintenance of Dead stock Register Speical Signature Register and Staff Strength of Drawing and Disbursing Officer Register.
15.	Khansahib	Special Register of PPOs Register of Index of Treasury Records & Advance drawal Register.
16.	Villgam	Deposit Account Register
17.	Zanskar	Deposit Accounts Register. Contingent Register.
18.	Kangan	Deposit Accounts Register.
19.	Khag	Non-maintenance of speical signautre Register.
20.	Pulwama	Deposit Account Register.
21.	Uri	Deposit Account Register.
22.	Dewsar	Pension Data Bank Register.
23.	Chadoora	Deposit Account Register.
24.	Pampore	Deposit Account Register.

7. **Miscellaneous observations.**

In respect of below named treasuries different deficiencies as shown against each have been observed.

S.No.	Name of Treasury	Observations
1.	Sub Try. Gurez	Non-maintenance of register with reference to contribution made under New Pension Scheme as per instructions contained in the circular issued by Director General (A&T) vide No. DGAT/PS/DR/763 in 10/2010.

2.	Sub-Try. Kralpora	<u>Misclassification of remittance of Roshni Act under M.H-8229-CDF instead into 0029-LR</u> An amount of Rs.12,950/- during the period from May 2011 to December 2012 remitted under Roshni Act at treasury by different agencies have been wrongly account for under M.H-8229-CDF instead of M.H-0029-LR.
3.	Sub-Try. Pampore	Verification of remittance under M.H-4235 & M.H-4408 not verified / recognised by the competent authority in Consumer Affairs & Public Distribution Department.
4.	Sub- Try. Tral	Verification of remittance under M.H-4235 & M.H-4408 not verified / recognised by the competent authority in Consumer Affairs & Public Distribution Department.
5.	Sub- Try. Zanskar	i) Verification of remittance under M.H-4235 & M.H-4408 not verified / recognised by the competent authority in Consumer Affairs & Public Distribution Department. ii) Cutting made in Cash Book/Madwar not attested by the Treasury Officer.
6.	Sub- Try. Boniyar	Verification of remittance under M.H-4235 & M.H-4408 not verified / recognised by the competent authority in Consumer Affairs & Public Distribution Department.
7.	Distt. Try. Kupwara	Verification of remittance under M.H-4235 & M.H-4408 not verified / recognised by the competent authority in Consumer Affairs & Public Distribution Department.
8.	Distt. Try. Shopian	Non-furnishing of schedules relating to the Income Tax with reference to suspense transaction M.H-8558-112-Tax Deduction at source to Central Board of Direct Taxes Amritsar on the monthly basis.
9.	Sub-Try. Nagam	Non-reconciliation in respect of receipts against the M.H-4408 & M.H-4235.
10.	Sub- Try. Taisuru	Cutting made in Cash Book/Madwar not attested by the Treasury Officer.
11.	Sub-Try. Zanskar	Cutting made in Cash Book/Madwar not attested by the Treasury Officer.

Annexure -I
(Refer Introductory- Organizational set-up)
List of Treasuries functioning in Jammu and Kashmir State.
(Kashmir Province)

S.No.	District		Name of Treasury
(1)	Anantnag		
		1	Distt. Treasury, Anantnag
		2	Sub Treasury, Bijbehara
		3	Sub Treasury, Mattan
		4	Sub Treasury, Dooru
		5	Sub Treasury, Pahalgam
		6	Sub Treasury, Kokernag
		7	Sub Treasury, Shangus
		8	Sub Treasury, Wanpoh
(2)	Kulgam		
		1	District Treasury Kulgam
		2	Sub Treasury Devsar
		3	Sub Treasury Damhal-Hanjipora
		4	Sub- Treasury Qazigund
(3)	Shopian	1	District Treasury Shopian.
(4)	Baramulla		
		1	District Treasury, Baramulla
		2	Sub Treasury Pattan
		3	Sub Treasury, Tangmarg
		4	Sub Treasury, Uri
		5	Sub Treasury, Sopore
		6	Sub Treasury, Booniyar
		7	Sub Treasury, Dangiwachha
		8	Sub Treasury, Kreeri
		9	Sub Treasury, Chandoosa
		10	Sub-Treasury Kunzar
		11.	Sub-Treasury Ramhal
		12.	Sub-Treasury Rohama
(5)	Bandipura		
		1	District Treasury Bandipura
		2	Sub Treasury Sumbal -Sonawari
		3	Sub Treasury Gurez
(6)	Budgam		
		1	District Treasury, Budgam
		2	Sub Treasury, Chadoora
		3	Sub Treasury, Beerwah
		4	Sub Treasury, Khansahib
		5	Sub Treasury, Charari-Sharief

		6	Sub Treasury, Narbal
		7.	Sub-Treasury Nagam
		8.	Sub-Treasury Khag
(7)	Kargil		
		1	District. Treasury, Kargil
		2	Sub Treasury, Zanskar
		3	Sub Treasury, Drass
		4	Sub Treasury, Sankoo
		5.	Sub Treasury Chiktan
		6.	Sub Treasury Taisure
8)	Kupwara		
		1.	District Treasury, Kupwara
		2	Sub Treasury, Handwara
		3.	Sub Treasury, Karnah
		4	Sub Treasury, Kralpora
		5	Sub Treasury, Sogam
		6	Sub. Treasury Trehgam.
		7.	Sub-treasury, Langate
(9)	Leh		
		1	District Treasury, Leh
		2	Sub Treasury, Nyoma
		3	Sub Treasury, Nobra
		4	Sub Treasury, Khaltsi
		5.	Sub treasury, Tangtsi
(10)	Pulwama		
		1	District Treasury, Pulwama
		2	Sub Treasury, Pampore
		3	Sub Treasury, Tral
		4	Sub Treasury, Shadimarg
(11)	Srinagar		
		1	Saddar Treasury, Srinagar
		2	Additional Treasury, Tankipora
		3	Additional Treasury, Khanyar
		4	Additional Treasury, Lal Mandi
		5	Civil Secretariat, Srinagar
		6	Court Complex Srinagar.
(12)	Ganderbal		
		1	District Treasury Ganderbal
		2	Sub Treasury Lar
		3	Sub Treasury Kangan

Jammu Province

(1)	Doda		
		1	District Treasury, Doda
		2	Sub Treasury, Badarwah
		3	Sub Treasury, Thathri
		4	Sub Treasury, Bhalessa
(2)	Kishtwar		
		1	Distt. Treasury Kishtwar
		2	Sub. Treasury Padder
		3	Sub Treasury Marwah
		4	Sub Treasury Chatroo
		5.	Sub Treasury Dachhan
(3)	Ramban		
		1	District Treasury Ramban
		2	Sub Treasury Batote
		3	Sub Treasury Banihal
		4	Sub Treasury Gool
(4)	Jammu		
		1	Saddar Treasury, Jammu
		2	Additional Treasury, Gandhi Nagar
		3	Additional Treasury, Talab Tilloo
		4	Additional Treasury, Old Secrtt.
		5	Sub Treasury, Akhnoor
		6	Sub Treasury, Khour
		7	District Court Jammu.
		8.	Sub-Treasury Bishnah
		9.	Sub-Treasury R.S.Pura
(5)	Samba		
		1	District Treasury Samba
		2	Sub Treasury Vijaypur
(6)	Kathua		
		1	District Treasury, Kathua
		2	Sub Treasury, Hira Nagar
		3	Sub Treasury, Basohli
		4	Sub Treasury, Billawar
		5	Sub Treasury, Bani
(7)	Poonch		
		1	District Treasury, Poonch
		2	Sub Treasury, Mendhar
		3.	Sub Treasury, Surankote
		4	Sub Treasury Mandi
(8)	Rajouri		

		1	District Treasury, Rajouri
		2	Sub Treasury, Kala Kote
		3	Sub Treasury, Kotranka (Buddhal)
		4	Sub treasury, Darhal
		5	Sub treasury Thanamandi
		6.	Sub- Treasury Nowshera
		7:	Sub-Treasury Sunderbani
(9)	Udhampur		
		1	District Treasury, Udhampur
		2	Sub Treasury, Chenani
		3	Sub Treasury Majalta
		4	Sub Treasury, Latti
		5	Sub Treasury, Ramnagar
		6	Sub Treasury, Basantgarh
(10)	Reasi		
		1	District Treasury ,Reasi
		2	Sub Treasury ,Katra
		3	Sub Treasury, Arnas
		4	Sub Treasury,Pouni
		5	Sub Treasury, Mahore
		6	Sub Treasury, Dharmari
	Outside State		
		1	Sub Treasury, New Delhi
		2	Sub Treasury, Mumbai

Annexure-II

(Refer Introductory- Organizational set-up)

**List of Treasuries Inspected in Jammu & Kashmir State from 01/04/2012
to 31/03/2013**

S. No	Name of Treasury	District
1.	Srinagar (Saddar Try.)	Srinagar
2.	Lal Mandi (Addl. Try)	-do-
3.	Tankipora (Addl. Try)	-do-
4.	Khanyar (Addl. Try)	-do-
5.	Srinagar (Civil Sectt. Try)	-do-
6.	Court complex (Sub-try)	-do-
7.	Ganderbal (Distt. Try)	Ganderbal
8.	Kangan (Sub Try)	-do-
9.	Lar (Sub Try)	-do-
10.	Pulwama (Distt. Try)	Pulwama
11.	Tral (Sub. Try)	-do-
12.	Pampore (Sub Try)	-do-
13.	Shadimarg (Sub Try)	-do-
14.	Shopian (Distt. Try)	Shopian
15.	Anantnag (Distt. Try)	Anantnag
16.	Wanpoh (Sub Try)	-do--
17.	Shangus (Sub Try)	-do-
18.	Bijbehara (Sub Try)	-do-
19.	Dooru (Sub Try)	-do-
20.	Pahalgam (Sub Try)	-do-
21.	Kokernag (Sub Try)	-do-
22.	Mattan (Sub-try)	-do-
23.	Kulgam (Distt. Try)	Kulgam
24.	Qazigund (Sub Try)	-do-
25.	D.H. Pora (Sub Try)	-do-
26.	Devsar (Sub-Try)	-do-
27.	Baramulla (Distt. Try)	Baramulla
28.	Pattan (Sub-Try)	-do
29.	Tangmarg (Sub-Try)	-do-
30.	Uri (Sub-Try)	-do-
31.	Sopore (Sub try)	-do-
32.	Booniyar (Sub try)	-do-
33.	Dangiwacha (Sub try)	-do-
34.	Kreeri (Sub Try)	-do-
35.	Chandoosa (Sub Try)	-do-
36.	Kunzar (Sub Try)	-do-
37.	Ramhal (Sub Try)	-do-
38.	Rohama (Sub Try)	-do-

39.	Bandipora (Distt. Try)	Bandipora
40.	Sumbal Sonawari (Sub try)	-do-
41.	Gurez (Sub Try)	-do-
42.	Kupwara (Distt. Try)	Kupwara
43.	Handwara (Sub Try)	-do-
44.	Karnah (Sub Try)	-do-
45.	Kralpora (Sub Try)	-do-
46.	Sogam (Sub Try)	-do-
47.	Trehgam (Sub Try)	-do-
48.	Langate (Sub Try)	-do-
49.	Budgam (Distt. Try)	Budgam
50.	Chadoora (Sub Try)	-do-
51.	Beerwah (Sub Try)	-do-
52.	Khansahib (Sub Try)	-do-
53.	Charari Sharief (Sub Try)	-do-
54.	Narbal (Sub Try)	-do-
55.	Nagam (Sub Try)	-do-
56.	Khag (Sub Try)	-do-
57.	Leh (Distt. Try)	Leh
58.	Nobra (Sub Try.)	-do-
59.	Nyoma (Sub-Try.)	-do-
60.	Khaltsi (Sub Try)	-do-
61.	Tangsti (Sub-Try)	-do-
62.	Kargil (District Try)	Kargil
63.	Zanskar (Sub Try)	-do-
64.	Drass (Sub-Try)	-do-
65.	Sankoo (Sub-Try)	-do-
66.	Taisuru (Sub Try)	-do-
67.	Chiktan ((Sub Try)	-do-
68.	Jammu (Saddar Try)	Jammu
69.	Gandhinagar (Addl. Try)	-do-
70.	Talab Tiloo (Addl. Try)	-do-
71.	Old Secretariat (Addl Try)	-do-
72.	Akhnoor (Sub Try)	-do-
73.	Khour (Sub Try)	-do-
74.	Jammu (Distt. Court)	-do-
75.	Bishnah (Sub Try)	-do-
76.	R.S.Pora (Sub Try)	-do-
77.	Samba (Distt. Try)	Samba
78.	Vijaypur (Sub Try)	-do-
79.	Udhampur (Distt. Try)	Udhampur
80.	Chenani (Sub Try)	-do-
81.	Ramnagar (Sub Try)	-do-
82.	Majalta (Sub Try)	-do-

