

## Model answer to November 2013 Accounts Paper – I

Q. 1 (i) In terms of Article 266 of the Constitution of India, revenues received by the Govt. of India including those received by Union Territories without separate Legislature, loans raised by the govt. by the issue of Treasury Bills, loans or ways and means advances and moneys received by the govt. in repayment of loans, are credited to a separate Consolidated Fund entitled **Consolidated Fund of India**. Expenditure of the Govt. of India including Union Territories without separate Legislature is met out of the fund, when authorized by the Parliament. All other public moneys received by or on behalf of the Govt. of India including Union Territories, are credited to a separate **Public Account of India**, and disbursements are made therefrom as per prescribed rules.

In the case of State Governments, **Consolidated Fund of the State** is created in which revenues received by the state government, loans raised by the govt. by the issue of Treasury Bills, loans or ways and means advances and moneys received by the govt. in repayment of loans are credited. Also, expenditure of the state is met out of the fund, when authorized by the appropriate legislature. As in the case of the Govt. of India, each state also maintains a separate **Public Account of the State** where all other public moneys of the state are credited and wherefrom disbursements are made as per prescribed rules.

In terms of Article 267 of the Constitution of India, Parliament and the Legislature of a state may, by law, establish **Contingency Fund of India** and **Contingency Fund of the State** respectively. Such funds are in the nature of imprests. Such sums as may be determined by law shall be paid to the funds from time to time. Contingency Fund of India and Contingency Fund of the State will remain at the disposal of the President of India and Governor of the State respectively to enable them to allow advance out of such funds for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Parliament or the Legislature of a state, as the case may be.

Q. 1 (ii) In terms of Article 292 of the Constitution of India, the union can raise money by borrowing, upon the security of the Consolidated Fund of India within such limits, as may from time to time, be fixed by Parliament by law. Subject to such limits, the union can also give guarantees in respect of loans raised by a State. Article 293 of the Constitution empowers the states to borrow within the territory of India upon the security of the Consolidated Fund of the State within such limits, as may from time to time, be fixed by the Legislature of the state subject to the condition that the state may not without the consent of the Govt. of India raise any loan if any part of loan given to the state by Govt. of India, is still outstanding or in respect of which a guarantee has been given by Govt. of India or by its predecessor government. A state may also obtain loans from Govt. of India subject to such conditions as may be laid down by or under any law made by Parliament.

- Q. 2 Article 150 of the Constitution of India provides that President of India on the advice of the C&AG will prescribe the form in which govt. accounts will be kept. The form here means both broad form and selecting appropriate heads under which transactions are to be classified. The estimates of receipts and expenditure framed by Govt. or in any order of Appropriation shall indicate provisions, ordinarily against heads opened in conformity with these rules. Where there is divergence, the corresponding receipt or expenditure shall be brought to account under the appropriate major head or minor head or other unit of classification as determined by the President on the advice of the C&AG. As a general rule, the classification of transactions in Govt. accounts shall have closer reference to the function, programme and activity of the Govt. and the object of the revenue or expenditure, rather than the department in which the revenue or expenditure occurs. This principle is, however, subject to such exceptions as may be authorised specially in any individual case or class of cases, e.g., receipts representing Interest are shown under 0049-Interest Receipts and expenditure on the maintenance and repairs of the non-Residential buildings under the administrative control of the Public Works Department are shown under the major head 2059-Public Works irrespective of the functions to which they relate.
- Q. 3 (i) Within the amount of each Grant or Appropriation all allotments and re-appropriations within sub-heads and sub-divisions of sub-heads may be sanctioned by Govt. or by such subordinate authorities as are duly authorised to do so. This is, however, subject to the limitation that any expenditure not falling within the scope or intention of a Grant may not be authorised from funds provided under that Grant. Any allotment or re-appropriation within a Grant or Appropriation may be authorised at any time before, but not after the expiry of the financial year to which such Grant or Appropriation relates. Re-appropriations from one Grant or Appropriation to another Grant or Appropriation are not permissible.
- Q.3(ii) Revenue expenditure bears charges for maintenance and all working expenses subsequent to the charges for the first construction and equipment as also for further additions and improvements, falling under the category of capital expenditure. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvements or extensions as prescribed by Government. In the case of works of renewal and replacement which partake both of a capital and revenue nature, allocation of revenue should take into account expenditure for adequate replacement of all wastage or depreciation of property. Expenditure of capital and revenue nature should be divided in such a way as the govt. may decide according to circumstance of each case, in relation to damage caused by flood, fire, earthquake, enemy action, etc.
- Q.3(iii) A number of Reserves and Reserve Funds in the Deposit section of the accounts of the union as well as the state governments is created for specific and well-defined purposes and these are fed by contributions or grants from the revenues of the Union and the State or from outside agencies. In relation to the transactions pertaining to such Funds, their classification and

accounting should follow prescribed principles, and the transactions should conform to the rules or orders governing the administration of each fund.

- Q. 4 (i) At the headquarters of each district of the state there is a District Treasury with one or more sub-treasuries (incidentally in West Bengal, all sub-treasuries have been promoted to treasuries). The treasuries situated in a state as are controlled by the State Government, are called State Treasuries. In some State Capitals (one of which is Kolkata), there are Pay and Accounts Offices of the concerned States. These Pay and Accounts Offices function in place of District Treasuries. Besides, under the scheme of departmentalisation of accounts of the Union Government launched from April 1976, separate Pay and Accounts Offices have been set up for the central ministries/departments of Govt. of India, and Union Territories.
- Q. 4(ii) The initial accounts of receipts and payments on behalf of the State Governments are maintained at the State treasuries in the respective States which comply and render them monthly to the Accountant-General concerned. In the case of state governments, also certain large departments of the Governments like the Public Works and Forest, where the Divisions working under them have been vested with cheque drawing powers, the accounts of the moneys drawn are maintained by the Divisions themselves, which remit their receipts and surpluses periodically in lump sum into the treasuries. The Divisions render monthly to the respective Accountant-Generals compiled accounts of the transactions including in them inter alia, the total amount of cheques drawn/money remitted into the Treasuries during the month under the relevant Remittance heads prescribed for the purpose.
- Q. 5 **Contract contingencies** in some cases refer to the contract grants provided direct to the disbursing officers. In other cases, the contract grants are placed at the disposal of controlling officers who distribute them annually among their subordinates, reserving a small portion for subsequent allotments in case of need. In spite of these and other minor variations, the common essential features are that no details of the expenditure beyond such totals of the various contract items as may be required for purposes of classification, need be furnished in the bills ; and disbursing officers are held personally responsible for any expenditure in excess of the contract grant until the excess is sanctioned by competent authority. **Scale regulated contingencies** include such charges as cost of liveries, batta to witnesses and the like. The authority prescribing the scale lays down the conditions precedent to its application in each case, making it clear whether special sanction of superior authority is necessary, whether bills should be countersigned before or after payment, and what certificates should support the bills. In accordance with the conditions so laid down, charges regulated may become special, contract, countersigned or fully vouched contingencies.
- Q. 6 Transfer entries are prepared to transfer an item from one head of account to another in order to (i) correct an error of classification in the original accounts ; (ii) adjust by debit or credit to its proper head, an item outstanding under debt, deposit or remittance head ; (iii) adjust inter-departmental or other transactions which do not involve the receipt or payment of cash ; (iv)

classify and adjust items pertaining to more than one head, when the transactions, due to administrative convenience were initially accounted for under a single head of account.

The final outcome of all the transfer entries relating to a month is worked out in an Abstract known as the Combined Transfer Ledger and Abstract, in which are shown the debits and credits to be made under each head, the totals of the debits and the credits necessarily being equal. The net result of the transfer entries as worked out in this Abstract is posted monthly under appropriate heads in the relevant Departmental Classified Abstracts or the Detail Book immediately under the total of each transaction and the totals under the detailed heads and minor heads affected are thus corrected.

## Model answer to November 2013 Accounts Paper – II

- Q. 1 (i) The way to save an employee from loss of substantive pay is to grant personal pay as defined in Rule 5(30) of the WBSR Part 6 I, in respect of a permanent post other than a tenure post, due to a revision of pay or to any reduction of such substantive pay otherwise than as a disciplinary measure.
- (ii) While Rule 80 of the WBFR Vol. 6 I, restricts incurring any charge without the sanction of the competent authority, beyond a single payment, exceptions to the rule are 6
- (a) The sanction of govt. is not required to the payment of Municipal or Cantonment taxes, whatever be their amount, when such taxes have been assessed by competent authority, the assessment being duly certified by the Executive Engineer concerned in respect of buildings borne on the books of the Works and Buildings Department, or in respect of other Govt. buildings by the departmental officers concerned. (b) All govt. servants entitled to draw contingent bills may incur recurring contingent charges upto a certain amount per month as may be specified by govt. from time to time, for a period not exceeding 6 months subject only to the existence of necessary budget provision and to any restriction which Govt. may desire to impose. It is to be noted that this rule does not apply to items of contract contingencies or to items of special contingencies referred to in Rules 78 and 79 respectively.
- (iii) Rule 37 of the WBFR Vol. 6 I, imposes the obligation on the controlling officer to see not only that the total expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money is provided. In order to maintain proper control, he should arrange to be kept informed, not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Govt. and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.
- (iv) Rule 29A of the WBSR Part 6 I provides that a govt. employee should ordinarily reside at the headquarters of his station of posting. Right of a Government employee to reside outside his headquarters is subjected to the permission granted by his head of office, for sufficient reason, such as difficulties in securing accommodation at headquarters and for other good reasons, to reside outside his headquarters provided that his normal official duties do not suffer thereby. In such cases however, the govt. employee concerned shall intimate in writing his place of residence to the head of his office, who may however, require him to stay at his headquarters at any time and for any period if it is considered necessary for public interest.
- (v) Rule 4.043 of the West Bengal Treasury Rules, 2005 in sub-rule (1) states that every cheque drawn in favour of Govt. officers and departments in settlement of Govt. dues shall be crossed "A/C payee only-Not negotiable". Sub-rule (2) lays down that in the absence of a specific

request to the contrary from the payee, the cheques drawn in favour of corporate bodies, firms or private persons shall also be crossed. Subject to any instructions received from the payee, a cheque shall be crossed "Pay to the order of \_\_\_\_\_". And Co. with the addition of the words "Not negotiable" between crossing. Where the payee is believed to have a Bank Account, further precautions shall be adopted, where possible, by crossing the cheque specially (instead of by the general crossing "Pay to the order of \_\_\_\_\_ and Co." by quoting the name of the bank, branch and account number through which the payee shall receive payment and by adding the words "A/C payee only-Not negotiable." This rule shall apply to all cases where the use of crossed cheques is prescribed.

- Q. 2 Rules 382 and 383 of the WBFR Vol. 6 I, should be reproduced as answer to this question. (Instead of verbatim reproduction of Rules, answer in own words is more appreciated).
- Q. 3(i) Note to Rule 34A of the WBSR Part 6 I, lays down the rule regarding the question of taking back in service a govt. employee who resigned and subsequently withdrew such resignation letter. The guiding principles are detailed in points (i), (ii), (iii) and (iv). **[Please see Note to Rule 34A].**
- Q. 3 (ii) In the instant case Mr. X, a private employee is inducted in the govt. employment in public interest. He loses the emoluments of his private employment for the periods from 26<sup>th</sup> March to 31<sup>st</sup> March 2012, and 1<sup>st</sup> October to 4<sup>th</sup> October 2013. By the application of Rule 96 of the WBSR Part 6 I, he becomes entitled to joining time for the said two periods, and pay for the related days of the two periods **at such rate** as Government may determine, not exceeding his pay while in government employ or the emoluments (pay or leave salary as the case may be) which he last drew in his private employment, whichever is less.
- Q. 4 (i) Sub-rule (16) of Rule 4.024 of the West Bengal Treasury Rules, 2005 states that provisions of sub-rule (1) read with sub-rule (3) to sub-rule (6) are not applicable to arrear claims relating to (a) arrear pension payment, (b) arrear interest on Government Securities, or (c) other arrear claims payments of which are governed by special rules or orders of the Government or orders of the Court. Hence in the instant case, the relevant provisions are embodied in sub-rule (1) and sub-rule (3) to sub-rule (6).
- [Please reproduce in own words, sub-rule (1) and sub-rule (3) to sub-rule (6) of Rule 4.024.]**
- Q. 4 (ii) Sub-rules (1), 2 and (3) of Rule 4.032 of the West Bengal Treasury Rules, 2005 are relevant in this regard :
- [Please reproduce in own words, sub-rules (1), 2 and (3) of Rule 4.032.]**
- Q. 5 (i) Rule 44 (d) of the WBFR Vol. 6 I, provides that the responsibility for an overcharge will primarily rest on the drawer of the bill, and in case recovery from him is not possible, the

Treasury Officer and the countersigning Officer will make good the loss, in the event of culpable negligence on their part.

Rule 44 (b) states that the responsibility of the countersigning officers will be that which attaches to all controlling officers, and which brings them under liability to make good any loss arising from their culpable negligence. Rule 44 (c) lays down that the Treasury Officer who makes payment without pre-audit, will be responsible for checking any palpable errors, and (in the case of change of office, or of rate of pay of gazetted Govt. servants) for passing the new rate with reference to the orders directing the change. He is also required to examine the accuracy of the arithmetical computations in a bill.

Q. 5 (ii) Rule 56 of the WBFR Vol. 6 I, requires heads of departments and other authorities concerned to scrutinise with greatest care all proposals for additions to permanent or temporary establishments or for any increase in the emoluments of the existing posts. The proposals should be submitted having observed the rules as laid down in Rules 56A and 57 of the WBFR Vol. 6 I. **(Please reproduce the rules. Instead of verbatim reproduction of Rules, answer in own words is more appreciated).**

Q. 6 Sub-rule (1) of Rule 8.05 of the West Bengal Treasury Rules, 2005 requires a Government officer, for every payment including repayment of sums previously lodged with the Government, to obtain a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classifications and identifications in the accounts. Every voucher shall bear or have attached to it an acknowledgement of payment signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgement shall be taken at the time of payment. Other relevant rules are provided in sub-rules (2), (3) and (4) of Rule 8.05, as also in Rules 8.06 to 8.11.

**[Please reproduce in own words, sub-rules (2), (3) and (4) of Rule 8.05, and Rules 8.06 to 8.11.].**

Q.7(i) While Rules 153 (1) and (2) of the WBSR Part 6 I, restrict and regulate leave of govt. employees, Note 2 of the said rules specifies the actions that govt. can take in the instant situation. Leave of any description should not be granted to an extent which would unduly deplete the strength of a service or department available for active duty. Consequently, when the duty strength has been reduced to a point which in the opinion of the leave sanctioning authority, is for the time being an essential minimum, no further leave of any description will be given save in case of the most absolute necessity, such as sickness or most urgent private affairs, until the strength available for duty has increased. In applying this principle, special consideration may be given to the case of govt. employees who applied for leave in India, for, as they can be readily recalled, if necessary, they stand on a different footing from govt. employees, who are out of convenient reach.

Q.7(ii) Rule 173 (3) of the WBSR Part 6 I, provides that commuted leave may be granted on medical certificate to a govt. employee, **not exceeding half the amount of half-pay leave**. The conditions are as under :

(a) the authority competent to grant leave is satisfied that the govt. employee is likely to return to duty on its expiry ; (b) twice the amount of leave shall be debited against the half-pay leave due ; (c) an undertaking is taken from the govt. employee that if he resigns or retires voluntarily from service he shall refund the difference between the leave-salary drawn during commuted leave and the leave-salary admissible during half-pay leave.

Half-pay leave **upto a maximum of 180 days** may be allowed to be commuted during the entire service (**without production of medical certificate**) where such leave is utilised for an approved course of study certified to be in public interest by the leave sanctioning authority.