

FINANCE DEPARTMENT

No. 24436(230)—T.R.B.-26/90-F.

The 20th July 1990

From

Shri P. K. Patnaik,

Commissioner-cum-Secretary to Government

To

All Secretaries to Government/
 all Heads of Departments/
 all Collectors

Subject:—Measures to improve financial administration

Sir,

I am directed to say that the A.-G. (Audit) has reported to this Department vide his report bearing No. 4583 of January 5, 1988 (enclosed) about the general laxity in supervisory control on the part of Heads of Offices and Controlling Officers in regard to maintenance of important accounts records like Cash Book, Bill Register, Loan Ledger etc. Non-adherence to the prescribed Rules and procedure creates serious dislocation in accountal of Government transactions and more often than not leads to defalcation and loss of Government money.

2. Since cash transactions are not properly accounted for as required under Rules 3, 4 & 5 of O. G. F. R. Vol.-I read together with S. Rs. 37,242 and note 4 under S. R. 235 of O. T. C. Vol.-I, such lapses have resulted in discrepancies in cash as well as retention of heavy cash in hand in contravention of codal provisions.

3. Similarly, loans and advances sanctioned under Rule 202 of O. G. F. R. Vol.-I and meant to be watched through maintenance of Loan Registers and broad sheets are not being done properly. As a result, demand notes on principal as well as interest are not being served to the loanees, leading to consequential litigations and non-recovery of these dues for a protracted period.

4. In view of the above, they are requested to issue necessary instructions to D. D. Os./Heads of Offices/Controlling Officers to ensure exercise of due checks and supervisory control as required under the relevant Rules in order that these lapses are scrupulously avoided. They are further requested to exercise systematic internal checks through their Internal Audit Staff as envisaged under Rule-12 of O. G. F. R. Vol.-I to prevent and detect errors and irregularities in the financial proceedings of the Subordinate Offices working under their control and to guard against waste and loss of public money and stores.

5. Any default reported by the Supervisory Officers, Internal Audit Staff and the A.-G should be firmly dealt with by the Administrative Departments concerned under intimation to this Department.

Yours faithfully

P. K. PATNAIK

Commissioner-cum-Secretary to Government