

FINANCE DEPARTMENT

No. 35508—(158)-TRB-33/90-F.

The 22nd October 1990

From Shri P. K. Patnaik,
Secretary to Government

To All District Treasury Officers/Special Treasury Officers/Sub-Treasury Officers
of the State of Orissa.

Subject:- Submission of verified monthly statement of daily transactions by the
Treasuries, Special Treasuries and Sub-Treasuries and submission of Accounts
to A.G., Orissa—Reconciliation of Reserve Bank deposit figure.

Sir,

The Agency Bank conducting Government transactions usually furnish daily transactions of payments and receipts in the Form of Payment scroll/Receipt scroll to the concerned Treasuries/Spl. Treasury/ Sub-Treasuries on the day following the day to which the transactions relate. The Treasuries, Spl. Treasuries/Sub-Treasuries on receipt of the paid vouchers and receipted chalans along with scrolls from the Banks compile their accounts and after making necessary adjustments of contra-debit and credit, they arrive at the net cash receipts and the net cash paid for the day. This net receipts and the net payment should ideally tally with the receipt figure and payment figure furnished by the Banks in the respective scroll. In case the figure does not tally the Treasury has to recheck the totalling of the figure with reference to the vouchers, chalans etc. and the details of the transactions noted in the dally scroll furnished by the Banks so as to identify the reason of discrepancies. At that point of time if any discrepancy is noticed the same is reconciled with the Banks scroll, almost in all cases by personal contact. In short the Treasury account for a particular date cannot be closed unless the net figure of payment and receipts tally with the corresponding Bank figure. Thus the reconciliation between the Treasury and the Banks is a regular routine work which continues through out the month de-facto and in that context the consolidated monthly date-wise statement should also get formally reconciled immediately after the month is over and before submission of accounts to the A.-G.

2. As per the S. R. 382-A of O.T.C, Vol. I the Agency Banks is required to submit the abstract of daily payments and receipts for the entire month to the concerned Treasury, Spl. Treasury and Sub-Treasury by 1st working day of the succeeding month. This statement of daily transactions for the month, invariable, should contain the correct figure which has already been worked out in consultation of the daily accounts. Treasuries at the stage of compilation of the daily accounts. Hence this monthly statement is expected to represent the correct figure both for the Treasuries and the Bank and in case still there is discrepancy in reporting the monthly statement this is to be verified by the Treasuries and the verified copies are to be forwarded to the Bank and A.-G.

3. It has been brought to the notice of the Government that the statement of monthly transactions are not being submitted to the Treasuries by the concerned Bank in time as required under S. R. 382-A (II) and in some cases the Treasuries are also not verifying and furnishing the verified statement to the Bank and A.-G. by 10th of the succeeding month as provided under S. R. 382-A (v) of O.T.C. Vol. I. This has primarily contributes to the non-reconciliation of the figure in the books of the A.-G. Orissa and the Reserve Bank of India because the Reserve Bank works out the figure on the basis of information received from the concerned banks daily and does not take into account the corrections if effected later on between the Treasuries and the Banks whereas A.-G. receives the figure with due corrections made between the Treasuries and the Banks. This has caused piling the discrepancies between the figure of Reserve Bank of India and that of the A.-G., Orissa.

4. The corrections and reconciliations made between the Treasury and the Bank relate to arithmetical accuracy only. In case there is wrong posting of central payment in the State scroll or the vice-versa which is undetected by the Treasuries at the time of sorting out the vouchers and

compiling the accounts, the State scroll and the Central scroll figure furnished by the Bank is not corrected either by the Treasuries or the banks themselves. The Treasuries account for the payment or the receipts in the State account or in the Central account as per the actual classification of the transaction is respective of the fact that in some cases the Bank might have posted the Central payment in the State scroll or the vice-versa. Such mis-classification is noted by the Treasury and furnished to A.-G. along with the lists of mis-classification done at the Bank level but correctly posted by the Treasuries. On the basis of the list of mis-classification and the cash account furnished by the Treasuries A.-G. is to carry out the necessary adjustments in consultation with the R. B. I for reconciliation of the mis-classification of the Central transaction in the State Government account or vice-versa. No correction is needed at the Bank and the Treasury levels in the daily scroll or in the monthly statement of the transactions. The total payment/the total receipt both for the State and the Central together remaining the same, necessary adjustment is expected to be made at the level of the A.-G. Orissa in consultation with the Reserve Bank of India.

5. In short, reconciliation between the figure of the Treasuries and the Bank is a matter of daily routine and this has to be completed before the monthly account for the Treasury is closed. *What is lacking in the subsequent follow up action in the matter of reporting the correct and the reconciled figure to the Reserve Bank of India by the concerned Bank which in turn depends on the certificate to be furnished by the Treasuries on the monthly statement of transactions furnished by the Banks.* The follow up action in the way of intimating the reconciled figure after due verification by the Treasuries is not taken by the Banks in time. As a result the R. B. I. goes on reporting the figure on the basis of the daily receipts of the informations from the Banks without making necessary correction because of non-receipt of the reconciled and corrected figure from the Bank subsequently and secondly because the Treasuries/ Sub-Treasuries *are not correctly verifying* the monthly consolidated statement of datewise transactions.

6. In order to obviate such difficulties in future it has been decided that the monthly statement of transactions for the payments and receipts should be furnished by the Agency Banks to the concerned Treasury/Spl. Treasury/ Sub-Treasury on the 1st working day of the succeeding month as required by S. R. 382-A (ii) of O. T. C. Vol. I. The Sub-Treasury Officers have to verify and submit the verified and reconciled date wise monthly transactions received from the Agency Banks to their respective Treasury Officer before 3rd of the succeeding month as required under S. R. 382-A (iv) of the O. T. C. Vol. I. The Treasuries and Special Treasuries in return have to verify, reconcile and record the corrected figure on such statement by the 5th of the said month and forward a copy of such reconciled statement duly corrected wherever necessary to the concerned bank and A.-G., Orissa under intimation to Government, the F. D. & D. T. I. *This reconciled monthly statement of transactions duly certified by the Treasuries should ordinarily be submitted to A.-G., Orissa along with the monthly accounts and in case such statements are not sent with the monthly accounts it shall invariably be sent by 10th of the month failing which the A.-G., shall competent to treat the account as incomplete.* A Certificate by T. O. for having furnished the copy of verified statement to respective Bank must be recorded in the copy of the monthly statement of datewise transaction meant for A.-G. The A.-G. shall also conduct a quarterly review of submission of the verified statements and submit a report to the Government with a copy to the Director of Treasuries. The D. T. I. shall conduct a monthly review of submission of verified monthly statements by the Treasuries to A.-G. and the respective Banks and furnish his report to the Government by the close of the month following the month to which the account relates.

7. The above instructions are to be scrupulously followed by the Agency Banks conducting Government transactions and all T. Os./Special T.Os./Sub-T. Os. including the Part-time Sub-T. Os. in case there is any default, either on the part of the Bank or on the part of the Treasuries/Special Treasuries/Sub-Treasuries, such default should be brought to the notice of the undersigned directly under intimation to the D. T. I. in order to take appropriate action at Government level.

Yours faithfully
P. K. PATNAIK
Secretary to Government