

No. MF-CGA/ITD/SPC/07-11/2017/IAD Observations/ 1604  
Government of India  
Ministry of Finance, Department of Expenditure  
Controller General of Accounts  
IT Division

MNB, Block E, GPO Complex, INA,  
New Delhi, Dated 10<sup>th</sup> October 2017

**OFFICE MEMORANDUM**

Subject:- Observation of Inspection/ Audit of PAOs in different Ministries/  
Departments –Advisory on common observations

The Internal Audit Division of this office has highlighted some common observations/audit paras that most of the PAOs are failing to comply with. In this context, the following existing guidelines are reiterated for all the field accounting units headed by Pay & Accounts Officers and Drawing & Disbursing Officers to strictly adhere to, wherever applicable.

**1. Liquidating outstanding cheques in COMPACT**

It is necessary to clear outstanding cheques lying in COMPACT and action to be taken to settle time barred cheques, if any, in the Accounting Units in pursuance of the provisions laid down under 2.7.1 to 2.7.5 of CAM.

**2. Maintenance of Manual Ledger & Broadsheet for GPF**

The Ledger & Broadsheets of GPF are to be maintained in PAOs/DDOs, wherever applicable, as per the codal provisions even after switching over to the electronic mode in COMPACT or any other similar software utilities till the time Government of India issues orders otherwise.

**3. Essential requirement of closing the Ledgers and Broadsheets duly reconciled with account figures**

The GPF ledgers and broadsheets are to be invariably closed every month duly reconciled with account figures. The mismatch should be noted and settled in subsequent month.

PAOs should match the GPF Broad sheet with the month-wise compilation figure available in CAM report->Compilation->CMP-03-Classified abstract Report on PFMS portal. The mismatch, if any, can be settled by maintaining a difference sheet as per the provisions available in CAM. PAOs can get this information through Frequently Asked Questions (FAQs) made available in Contact Us at [www.cga.nic.in](http://www.cga.nic.in).

**4. Strict adherence of control mechanism in Password, Digital Key etc.**

The Password Policy of PAOs for COMPACT has already been issued by the IT Division vide No.MF-CGA/ITD-SPC/Password Policy/2012-13/08-43 dated 17<sup>th</sup> April 2014 which has clearly spelt out the procedure to be adapted when a user proceeds on leave or transferred from one office to another. Similarly PAOs and CDDOs assigned payment functions are directed to strictly observe the following precautions on use of digital signatures:

"Digital Signatures are legally admissible in the Court of Law, as provided under the provisions of IT Act 2000. Therefore users should ensure that the Private keys are not disclosed to anyone. For example, Users generally give their DSC to their personal secretaries or subordinates to sign the documents on their behalf. Any illegal electronic transaction undertaken using a person's private key cannot be repudiated by the certificate owner and will be punishable in the Court of Law".

Necessary deactivation of the digital signature, therefore, should be carried out when the Digital Signature Certificate (DSC) holder goes on leave from duty.

This will be a part of control mechanism to avoid the risks involved in making the payments during the leave of the regular incumbent. Disciplinary action against defaulter may remain, but control mechanism may mitigate the risk involved.

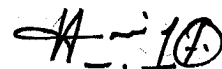
**5. Standby signatory in the absence of one of the two signatories of payments above Rs.10 lakhs**

As per the provisions of Para 3.5 (viii) of the Civil Accounts Manual, irrespective of the category, all cheques drawn for Rs.10 lakhs and above shall bear two signatures. For this purpose, the Head of the accounting organization shall nominate another gazetted officer /senior most non-gazetted officer, as second signatory (O.M. No. 1(3)/95/TA/Pt.file/578 dated 27.7.98). Action in this regard is to be taken by the concerned Ministry/ Department accordingly so as to ensure that the payments do not suffer during the absence of officials on leave.

**6 Maintenance of the ledger of balances under DDS&R Heads and Review of Balances**

All the PAOs are directed to continue maintaining Ledger of Balances under Debt, Deposit, Suspense & Remittance Heads properly, closed and balances worked out at the end of the financial year. Review of Balances should be conducted at the end of financial year by the PAO as per provisions of CAM17.13 and hard copies of the reports maintained till orders for discontinuing the manual mode are issued by the Government of India. Non-compliance by PAOs shall be highlighted in the Internal Audit Reports and also brought to the notice of the concerned Pr.CCAs/CCAs/CAs.

This issues with the approval of the competent authority.



(Hanumaiah K.)

**Assistant Controller General of Accounts**

To

**All Pr. CCAs/CCAs/CAs** with independent charge with the request to widely circulate among the PAOs and DDOs under them.