

with the provisions under the said Act. The programme for arrear collection should reach all the Forest Range Officers by 20.12.78 positively to enable them to gear up their machinery also. The Divisional Forest Officer should also fix targets for each Range and ensure that the target fixed is achieved during the special collection drive.

After completion of the Special Drive in each Division a report should be submitted by the Conservator of Forests about the target fixed and achievements to reach the Chief Conservator of Forests by 15th February 1979.

All the Conservators of Forests are requested to acknowledge the receipt of this Circular.

SA/-A. Ramakrishna,
Asst. Chief Conservator of Forests
(A & STC).

[illegible]

FOREST DEPARTMENT.

Ref.No. 100882/78/N2

Dated: 14-11-1978.

Office of the Chief Conservator
of Forests, A.P., Hyderabad.

Sri P. S. Rao, I. F. S.,
Chief Conservator of Forests.

CIRCULAR NO. 37/78

Sub:- Forest Department-Irregularities in the maintenance of Cash Book and its associated records-Avoidance of-Instructions-Issued.

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Of late, instances are brought to the notice of the Chief Conservator of Forests, wherein Government records have been tampered with and manipulated and fraudulent entries made with criminal intention in the manner as enumerated herein under, thus rendering it possible for misappropriation of Government funds.

- i) Money collected through Money Receipts in C-F 140 not accounted for in the Cash Accounts and Money receipts have been issued by Clerks/ Acct. which is irregular.
- ii) Amounts drawn by issuing self cheques have not been accounted for in the cash accounts.
- iii) Vouchers of expenditure incurred out of A.R. advances, received from the subordinates, were incorporated in the Division Cash Book under Creditor side and without making a corresponding entry in Debtor side of the cash book as "recovery of advances by way of work done".
- iv) Wrong tallying of figures were made in the Cash Book.
- v) Irregular accounting of A.R. advances.
- vi) Booking of expenditure in Cash Book, for amounts, which were not at all disbursed.
- vii) Non-maintenance of abstract Cash Book and its associated records in respect of pre-audit accounts.
- viii) Correcting bill amounts and charging more than the expenditure actually incurred.
- ix) Drawing of Government funds on fictitious Bills.

2. The above list is not exhaustive but only indicative of the criminal bent of mind of the persons dealing with cash and accounts to defraud the Government.

3. The first and foremost point to be realised by all Forest Officers is that they are vested with the powers of Treasury Officers in order facilitate execution of works without any interruption. They have been given clerks/Accountants/Head Clerks/Superintendents to assist them in proper maintenance of cash accounts at the Range and Division level, but the Divl. Forest Officers seem to be placing the entire responsibility on them and passing the papers relating to Accounts mechanically with little or no scrutiny and this attitude on their part has been taken advantage of by unscrupulous clerks, Accountants, Head Clerks and Superintendents to defraud the Government. With a view to emphasize once again on the Officers of this Department the importance of observance of the Financial Rules enunciated in various Codes and the matters, from time to time, the following detailed instructions are issued in order to guard against possible recurrence of the above irregularities and to obviate the scope of abuse of powers vested in the Drawing Officers.

i) MONEY RECEIPTS IN FORM OF 140:

According to Section 55 of A.P. Forest Dept. Code, Money receipt on Form CF.140 are issued for all payments made by the parties to Government. According to SR (3) (a) under TR 10 of A.P. Treasury Code Vol.I, all money received by Government servants on behalf of Govt. shall at once be brought to account on Debtor Side (i.e. receipts side) or the Cash Book and remitted forth-with into Government account, and an entry shall be made under Creditor side (i.e. payment side) or Money Receipts on CF. 140, yet the amount so collected has not been brought to account with the result the cash balance, has been got reduced to that extent and this has rendered it possible for mis-appropriation of Government funds. Only Divl. Forest Officers/Range Officers/Dy. Range Officers/Foresters are authorised to receive the cash from public and issue CF.140 printed Money receipts. There have been instances wherein the Clerk/Accountant, has received cash and issued CF.140 receipts, while this amount to exceeding competency on the part of the Clerk/Accountant, it, at the same time reflects on the Division Administration, which is in the hands of the Divisional Forest Officer. Therefore, the Divl. Forest Officers should ensure that the cash is not received by any clerk/Accountant and C.F. receipt issued by them under any circumstances.

ii) ISSUE OF SELF CHEQUES ACCOUNTING OF THEIR MONEYS:

In order to meet the contingent and other expenditure, a cheque is drawn by the Drawing Officer on presentation of fund application by the office. When a cheque is drawn in favour of self or order to replenish the cash chest by the Drawing Officer, the amount drawn should be entered at once as a Receipt in the Cash Book as required under Artc. 258 of Account Code Vol.III. The entry of the self cheque drawn should be exhibited in the Cash Book, as noted herein under, in order to avoid possible error of not accounting the amount such self cheque.

The above procedure in respect of the self cheque drawn is different from the procedure to be followed in the case of a cheque drawn in order to be paid away to a party or to the subordinate staff. In the latter case, entries will be made simultaneously on both the sides of the Division Cash Book, once as a receipt from the Treasury and again as Payment to the concerned the number and distinguishing letter of cheque being specified in both the entries, as prescribed under Art.259 of Account Code Vol.III.

In one case, a self cheque drawn by the Drawing Officer has not been entered in the Cash Book as well as in F.A.VII render to the Accountant General, with the result, the cash balance is reduced to that extent giving scope for mis-appropriation. In respect of another self cheque drawn, although an entry on the receipt side and its corresponding entry in the payment side of the cash book have been made, the third entry crediting the amount of encashed self-cheque has been omitted, with the result the cash balance at the end of the month has been got proportionately reduced. If the prescribed procedure was followed there would not have been any scope for mis-appropriation.

(iii) INCORPORATION OF SUBORDINATE OFFICERS EXPENDITURE
OUT OF A.R. ADVANCES IN THE DIVISION CASH BOOK

As per Art. 250 of A.P. Account Code Vol. III, the amount of advance granted to a subordinate officer for execution of works, A.R. Advance should be debited to the accounts of the officer making the advance to "Forest Advance" as an advance to the disburser concerned. When an account of the disburser the amount of expenditure incurred by the Disburser should be credited to "Forest Advance" by a Per-contra Debit to the appropriate sub-head of accounts classification. Before closing of the accounts of a month, the Drawing Officer should satisfy himself that the accounts of his subordinate officer have been examined and incorporated truly and accurately in his cash book as envisaged under Art. 281 of A.P. Account Code Vol. III. Therefore when the accounts for the advances made ordinarily are received from the disbursers, they should be incorporated in Drawing Officer's cash book on creditor side showing the detailed expenditure incurred under each relevant sub-head of account classification, while making a corresponding entry in the Debtor side of the Cash Book as "Recovery by way of work done".

In one case, while incorporating the accounts of the disbursed the Accountant failed to make contra entry on the receipt side of the cash book with the intention of mis-appropriating Government money. Had the Div. Forest Officer or his Head Clerk scrutinised the accounts properly this seriously omission made with criminal intention, would have been detected.

iv) WRONG TALLING OF RECEIPTS AND PAYMENTS IN THE CASH BOOK:

As per local Ruling under Art. 256 of A.P. Account Code Vol. III, transactions must be recorded at the time and on the date on which they actually occur and strictly in the order of occurrence.

Under Art. 255 of A.P. Account Code Vol. III, the accounts should be closed and balanced at the end of the month and the account balanced at the close of the month should be checked with the actual cash balanced on hand and verified by actual count and if any excess or deficiency is found, it should be entered at once, as such, in the Cash Book, on the Debtor or Creditor side, as the case may be. Several instances have come to light, in which the clerk-in-charge of Accounts struck wrong totals. To cite an example, an instance in which the figures of expenditure were incorrectly totalled in the cash book, rendering it possible to mis-appropriate the Government funds to a tune of Rs. 1149.68 is shown below. The wrong totals

has been passed as correct by the Ministerial Head, as well as, the Drawing Officer, thereby making it possible to mis-appropriate the Government money.

EXTRACT OF CASH BOOK

Date	Item No.	Particulars.	Amount	Classi- fication.	Date	Vr. No.	Parti- culars.	Amount	Head
			Cash Bank/ Treasury.					Cash Bank of Treasury.	acc- ount.
1-	2-	3-	4-	5-	6-	1-	2-	3-	4-
31-3-74		Opening	11146-62	-		31-3-74	131	-	2-50
		Balance.				31-3-74	146		300-00.

Receipts of the Day. Nil. Payments of the day as shown in the Cash Book. 11081-97

Opening Balance. 11,146-62 Cash balance indicated in the Cash Book. 65-65

Grand total receipts 11,146-62 Grand total of payments. 11,146-62

(A) The total amount of payments is actually Rs. 9,932-29 whereas it has been shown as Rs. 11,081-97. The difference is due to incorrect totals is Rs. 1,149-68.

v) IRREGULAR PAYMENT OF A.R. ADVANCES.

Art. 257 of A.P. Financial Code Vol. I, read with Section 146 of A.P. Forest Department Code and G.O. Ms. No. 1455 F&A Dept. dt. 19.5.65 G.M. No. 749/For. I/65-1 dt. 8.6.65, G.O. Ms. No. 875 F&A dt. 30-6-71 and G.O. Ms. No. 334 F&RD (For. I) Dept. dt. 25.4.1977, regulate the payment of Forest Advances to the disbursers by the Drawing Officers for executing works etc. The responsibility for recovery of such advances by way of work done, entirely rests on the Charge Drawing Officers although the primary responsibility lies with the disburser for repayment of advances by way of work done. Since the A.P. advances are paid for executing the works, etc., the amount so advanced should invariably be spent by the disbursers for such of the works for which the advances were obtained. Balance unspent advances will be carried over by the disburser as opening balance, since its repayment to the Drawing Officer, in cash, is not permitted, as the ledger account, is running account with the Disburser concerned within the meaning of Art. 274 of A.P. Account Code Vol. III. This Ledger should be maintained in Form F.A 4 for all accounts with the Disbursers, as required under Arts. 272-273 of A.P. Account Code Vol. III, which should invariably be balanced every month as envisaged in Art. 275 read with local ruling thereunder of the Account Code Vol. III. A monthly total should be struck in this Ledger and compared with the corresponding entry in the monthly account before the monthly account is signed by the Drawing Officer as required under Local Ruling 4 of Arts. 32-34 of A.P. Account Code Vol. I.

In one case, a sum of Rs. 1,200/- was advanced by a Drawing Officer to another Officer, who does not maintain Cash Book on the last day of March and on the second of April a sum of Rs. 1100/- only was shown as recovered in cash and not by work done. In this case (1) advancing funds for works to a non-disbursing officer on the last day of the financial year and (2) recovering less amount in succeeding month in cash, are both irregular. As a matter of fact, unspent balance have to be carried over to next month's account by the disbursing officer except on the last day of the financial year instant case, the

above irregular procedure has been allowed by the Drawing Office. It is also seen that the same irregularity was repeated month after month and ultimately over a period of 12 months, a huge sum of Rs 5,000-00 has been mis-appropriated. In as much as the procedure of payment of huge A.R. advances purported to have been made for execution of works at the end of the month and their recovery in cash at the beginning of the succeeding month, itself is irregular, their short recovery without accounting for balance amount of advance is a serious irregularity, resulting in falsification of accounts with a view to mis-appropriate government funds.

(vi) BOOKING OF EXPENDITURE IN CASH BOOK FOR THE AMOUNTS WHICH WERE NOT AT ALL DISBURSED.

Every government servant shall obtain, for every disbursement which he makes on behalf of Government a Voucher setting forth full and clear particulars of the claim and shall obtain at the time of making payment, either on the voucher or on a separate paper attached to it, an acknowledgement of the payment duly signed by the payee, by hand and in ink, as per clause (a) under subsidiary Rule (2) or T.R. 32 or A.P. Treasury Code Vol. I. Subsidiary Rules (4) (a) and (d) under T.R. 32 of the A.P. Treasury Code Vol. I, insists on the necessity of furnishing the disbursement certificate in all the Acquittance Rolls wherein the payment is made to the payees against their acknowledgements, duly certifying the payment. In one case, even though payment of pay and allowances of the subordinates was not made, the amount was shown to have been disbursed in the cash book maintained by the Drawing Office. So, therefore, requested to insure that certificates in token of having correctly paid paid the amounts, prescribed under subsidiary rules 4 (a) and (b) of T.R. 32 of A.P. Treasury Code Vol. I as noted hereunder, are invariably furnished on all the payment made by them.

- a) Disbursed Rs..... (in figures) Rs..... (in words)
- b) Certified that proper acquittance has been taken in respect of each amount paid in this Roll. from the persons entitled to receive it.
- c) Certified that the amount has been disbursed as per S.R. 4 (a) under T.R. 32 of A.P.T.C. Vol. I.
- d) Certified that the pay bills and their acquittances have been checked as enunciated under SR 4 (a) of T.R 32 of A.P.T.C. Vol. I.

(viii) NON MAINTENANCE OF ABSTRACT CASH BOOK AND ITS ASSOCIATED RECORDS IN RESPECT OF PRE-AUDIT ACCOUNTS.

As an exception to the general rules, all bills in respect of pay and allowances, contingencies, loans and advances payable in Twin Cities of Hyderabad and Secunderabad should be pre-audited by the Pay and Accounts Officer, Hyderabad. Therefore, a separate cash book for all the cheques received from pay and Accounts Officer, Hyderabad has to be necessarily maintained in order to distinguish between the post audit accounts, for which accounts are to be rendered to the Accountant General, Andhra Pradesh-II, Hyderabad by the Drawing Officers, and pre-audit accounts, for which no accounts need be rendered to Accountant General. While maintaining a separate cash book for pre-audit cheques, its allied records such as "UN-DISBURSED PAY AND ALLOWANCES" as required under SR 3 and 5 of TR 32 of APTC Vol. I, "REGISTER OF PERMANENT ADVANCES" as required under Art. 94 of A.P. Financial Code Vol. I, and REGISTER OF CONTINGENCIES" as required under Art. 104 of A.P. Financial Code Vol. I in addition to the "REGISTER OF CHEQUES" on Form F.A.2, as required under Art. 267 of A.P. Financial Code Vol. III should be invariably maintained. In one case, a separate cash book for

Audit transactions were not maintained and both pre-audit and post audit transactions were mixed up in the Cash Book. In all cases of pre-audit disbursements, necessary entries will be made in one of the above 4 Registers and the abstract of disbursements and undisbursed account will be shown in the cash book maintained for pre-audit accounts. Mixing up of two system of accounts has been given scope for mis-appropriation. The Divisional Forest Officer as well as his Ministerial Head ought to have been to it that such mixing up of accounts did not take place at all.

viii) CORRECTING BILL AMOUNTS AND CHARGING MORE THAN THE EXPENDITURE ACTUALLY INCURRED:

The entries in a bill or voucher should not under any circumstances be corrected or erased. Such corrected bills or vouchers constitute grave irregularity and which should not be accepted by the Disbursing Officer under any circumstances.

ix) DRAWING GOVERNMENT FUNDS ON FICTITIOUS BILLS

Each item of charge shall be fully described and details furnished as to the rates and quantities in the Bills obtained against payment made from the Treasury. The Drawing Officer shall not make any payment without obtaining adequate information as to its details and without ascertaining the receipt of the article or material received, for which the payment is actually made and shall not accept any voucher unless it indicates the S.O. No. and date sanctioning the purchase, page No. of the Stock Register for having taken stock entry in it and certificate of having received in good condition as required under SR 32 (a) of TR 16 of M.F.O. Vol. I. But in one case, it is noticed that a typewriter was purchased from out of funds obtained from fictitious bills. Drawing Officer should realise that spending government funds on fictitious bills is a criminal offence.

3) The above instances are not exhaustive, but only some, which have come to light in the course of audit. They may be many other ways of cheating government cleverly. All the Drawing Officers are therefore requested not only to follow the instructions issued in this Circular scrupulously, but also be ever meticulous in scrutinizing accounts before rendering them to the Accountant General. It should be from the above that it is extremely dangerous to accept what ever is presented to them by their office mechanically, on the plea of pressure of work. A few days at the beginning of the month devoted exclusively to accounts will save the officer lot of worry and also safeguard government monies.

The receipt of this Circular should be acknowledged on the proforma appended.

Sd/- P. S. Rao,
Chief Conservator of Forests.