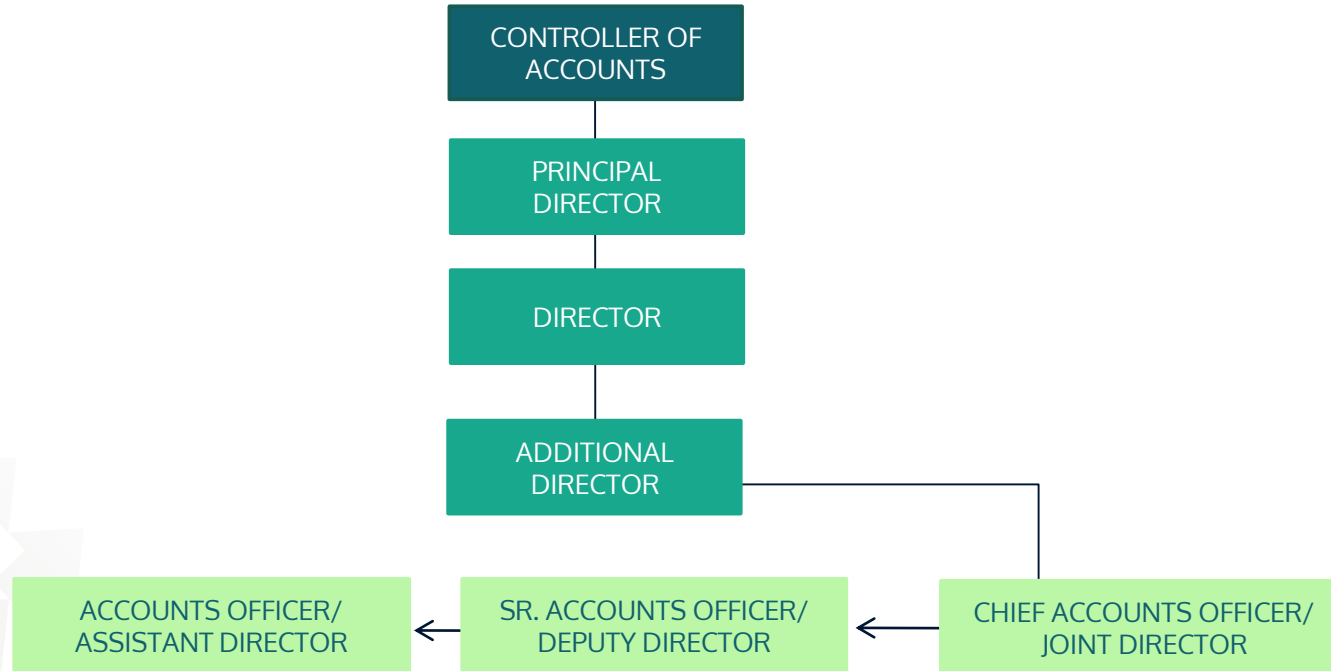


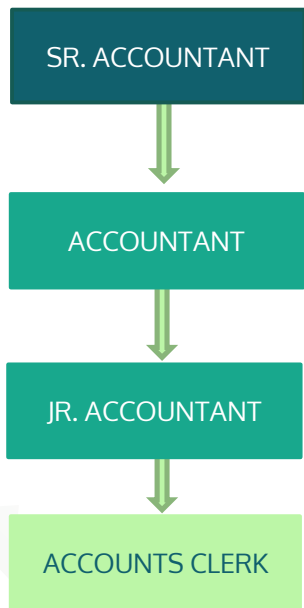
**OVERVIEW OF STRUCTURE OF SIKKIM
FINANCE AND ACCOUNTS SERVICE
AND
SIKKIM SUBORDINATE ACCOUNTS
SERVICE**

I. SIKKIM FINANCE AND ACCOUNTS SERVICE (SFAS)



MODE OF RECRUITMENT:
-50% BY DIRECT APPOINTMENT (BY SPSC)
-50% BY PROMOTION

II. SIKKIM SUBORDINATE ACCOUNTS SERVICE (SSAS)



III. OVERVIEW OF FINANCE DEPARTMENT

THERE ARE EIGHT DIVISIONS UNDER THE FINANCE DEPARTMENT:

1. BUDGET
2. ACCOUNTS AND LOANS
3. FINANCE COMMISION
4. INTERNAL AUDIT/ LOCAL FUND AUDIT
5. PENSION/ GPF/ GIS/ CPF
6. TREASURY PAY AND ACCOUNTS OFFICE
7. LOTTERIES
8. COMMERCIAL TAX DIVISION

**MODE OF RECRUITMENT IS 100% BY
DIRECT APPOINTMENT (BY SPSC)**

IV (B). GOVERNMENTS ACCOUNTS

1. PREPARATION AND PRESENTATION OF ACCOUNTS:

Accounts of the state government shall be prepared every year showing the RECEIPTS and DISBURSEMENTS for the year, SURPLUS or DEFICIT generated during the year and changes in the Government liabilities and assets.

2. FORM OF ACCOUNTS:

By virtue of the provisions of ARTICLE 150 of the constitution, the Accounts of the Union and the State Government shall be kept in such form as the President may, on the advice of the Controller and Auditor General of India prescribe.

3. PRINCIPLES OF ACCOUNTING:

The main principles according to which the accounts of the Government of Sikkim shall be maintained are contained in Government Accounting Rules 1990 and Account Code Volume III

IV (B). GOVERNMENTS ACCOUNTS

4. CASH BASED ACCOUNTING:

Government accounts shall be prepared on Cash Basis.

5. PERIOD OF ACCOUNTS

The annual accounts of the state government shall record transactions which takes place during a financial year running from the 1st april to the 31st March thereof.

6. CURRENCY IN WHICH ACCOUNTS ARE KEPT:

The account of government shall be maintained in Indian Rupees.

7. ANNUAL ACCOUNTS:

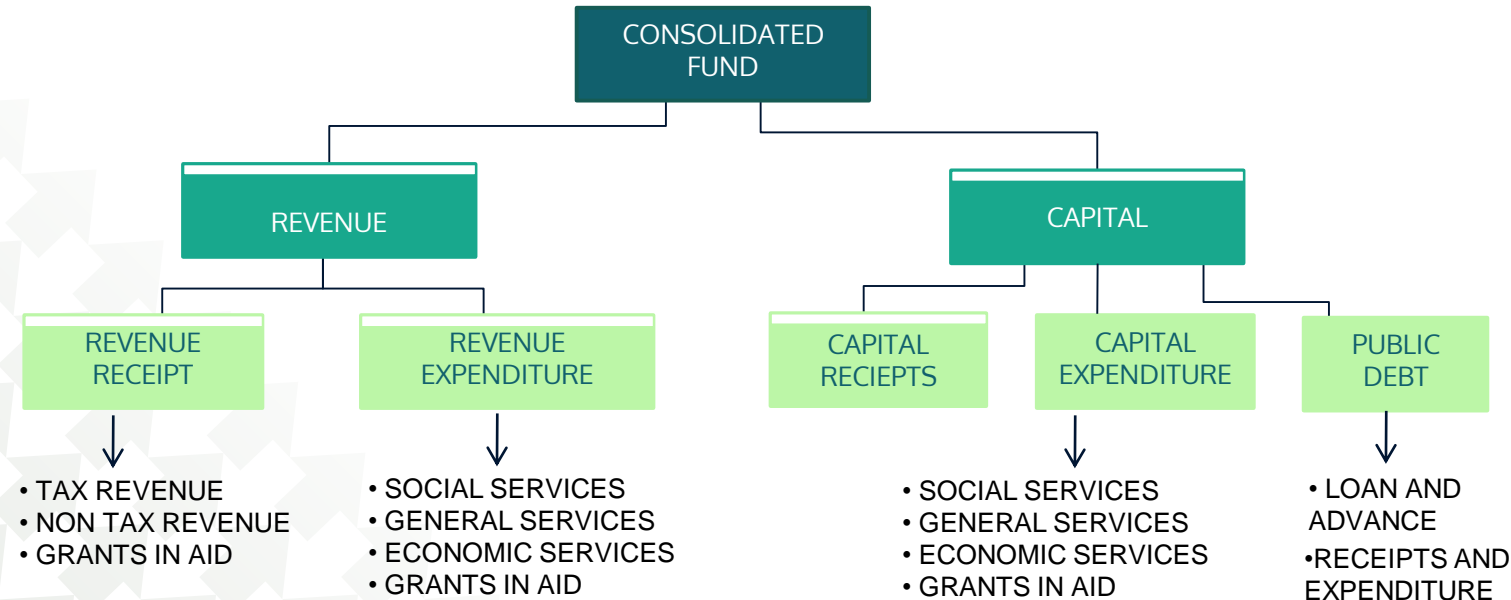
Finance Accounts and Appropriation Accounts.

V. MAIN DIVISIONS AND STRUCTURE OF ACCOUNTS

The accounts of the Government shall be kept in three parts namely

1. The Consolidated Fund (Part 1)
2. The Contingency Fund (Part 2)
3. Public Accounts (Part 3)

PART 1. Consolidated Fund:- ARTICLE 266 (1) and (3)



PART 2. Contingency Fund: ARTICLE 267 (2)

They are recorded transactions connected with the Contingency Fund set up by the Government of Sikkim under Article 267 (2) of the Constitution and the Sikkim Contingency Fund Act 1975.

There shall be a single major head to record the transactions there on, which will be followed by Minor, Sub/ or Detailed heads.

PART 3. PUBLIC ACCOUNT

DEBT → DEPOSIT → ADVANCE → SUSPENSE → REMITTANCE → CASH BALANCE

Transactions relating to Debt (other than those included in part 1), Reserve Funds, Deposits, Advances, Suspense, Remittance and cash balance shall be recorded.

VII. CLASSIFICATIONS OF TRANSACTIONS IN GOVERNMENT ACCOUNTS

Government Accounts are presented under a six tier classification viz:

- Major heads – 4 digits – Represents functions of the Government
- Sub Major Heads – 2 digits – Represent Sub functions
- Minor Head – 3 digits – Represent Programmes of the Government
- Sub Head – 2 digits – Represents Schemes
- Detailed Head – 2 digits – Represents Sub Schemes
- Object Head – 2 digits – Represent purpose/ objective of expenditure

The above 6 Tiers are represented by a unique 15 digit numeric code

Example: Demand no. 20 – Judiciary

- 2014 – Major Head – Administration of Justice
- 00 – Sub Major Head – Administration of Justice
- 102 – Minor Head – High Court (Charged)
- 60 – Sub Head – Establishment
- 00 – Detailed Head – Establishment
- 01 – Object Head - Salaries

VIII. MAIN UNIT OF CLASSIFICATION

In accounts is the major head which contain the following coding pattern (according to list of Major and Minor Heads).

0020 to 1606 – Revenue Receipts

2011 to 3999 – Revenue Expenditure

4000 - Capital Receipts

4001 to 5999 – Capital Expenditure

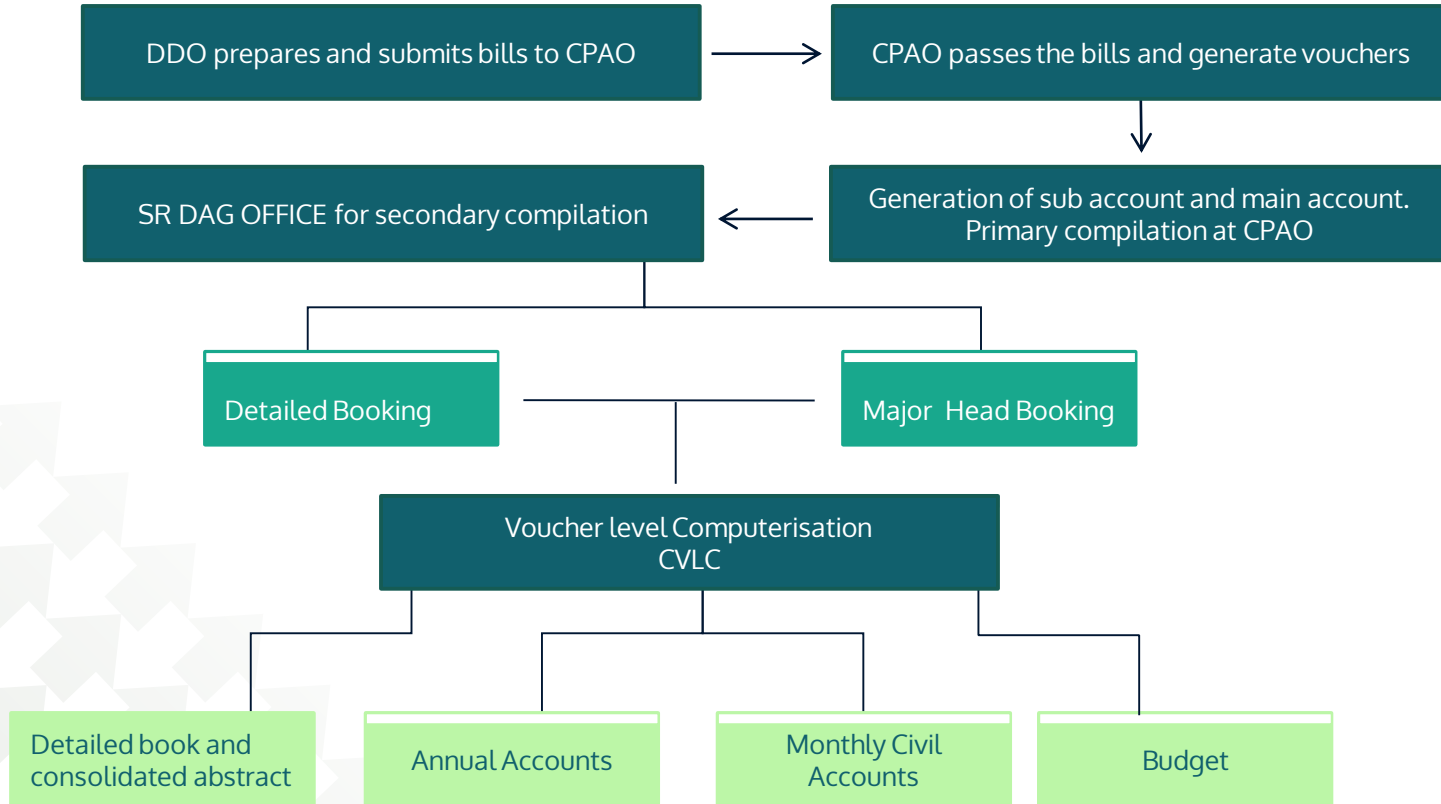
6001 to 6010 – Public Debt

6075 to 7999 – Loans and Advances, Inter State Settlements,
Transfer to Contingency fund

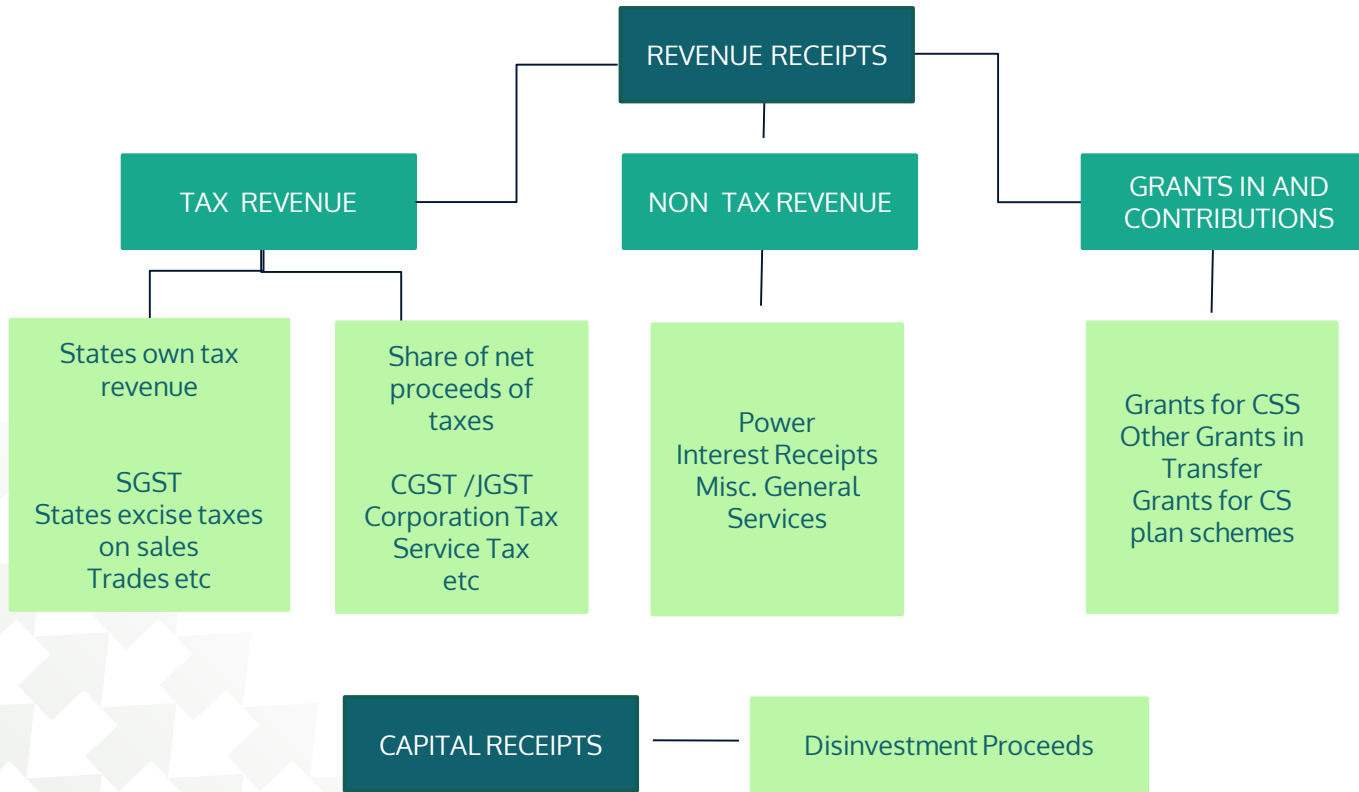
8000 – Contingency Fund

8001 to 8099 – Public Account

COMPILATION OF STATE GOVERNMENT ACCOUNTS



C.1. REVENUE RECEIPTS AND CAPITAL RECEIPTS:



C.2. REVENUE EXPENDITURE AND CAPITAL EXPENDITURE:

Revenue Expenditure: use to meet day to day running of the organization

Capital Expenditure: used to create permanent assets or to enhance the utility of such assets or to reduce permanent liabilities.

C.3. CHARGED OR VOTED EXPENDITURE:

- The expenditure covered under Article 202 (3) of the Constitution of India is charged in the consolidated fund of Sikkim and is not subject to vote by legislature.
- All other expenditure met out of Consolidated Fund is treated as voted expenditure

SOURCES AND APPLICATION OF FUNDS

WHERE RUPEE COMES FROM	1. Tax Revenue
	2. Grants in aid and contributions
	3. Non tax revenue
	4. Public Debt
WHERE RUPEE WENT	1. Payment of Salaries
	2. Pension Payments
	3. Interest Payments
	4. Other Activities
	5. Payment of Debt

⇒ THE SIKKIM FINANCIAL RULE S 1979

⇒ THE SIKKIM FINANCIAL RULES 1979 CAME INTO

⇒ FORCE WITH EFFECT FROM **01.09.1979**

⇒ (Reference Finance Department circular No.4 /FIN

⇒ Dated 30.08.1979)

IMPORTANT DEFINITIONS

1. BUDGET : Also known as Annual Financial Statement .It shows the estimated Receipts and expenditure of the Government in respect of the financial year before the commencement of the year . (**Rule 72 of SFR and Article 202(1)**) .

2. Competent Authority : means the Government or any other authority to whom the relevant powers may be delegated by the Government. (**Rule 2 (vii) of SFR**) .

3. Accounts Officer : means the Accounts Officer / Assistant Director / Sr. AO / Deputy Director / Dy. CPAO / Joint Director/ CAO / Additional Director / Director posted for performing Accounts and Finance functions from the Finance and Accounts service in the Department . (**Rule 2 (vii) (a) of SFR** .

Are responsible for strict implementation of financial rules, shall be head of accounts and financial advisor to HOD / HOO and their advice is obligatory before sanctioning any expenditure in the Department. (**Rule 99 A**)

4. Drawing and Disbursing Officer : means any gazetted officer declared as such by The Finance Department on the recommendation of the Head of the Department to draw bills and make payment on behalf of the state Government . (**Rule 2 (xiii) of SFR** .

5. Head of Department: are Government servant declared to be such by the Government . A list of officers declared to be heads of Department for the purpose of these rules is contained in **Appendix1 of Part II (Rule 2 (xix)) of SFR.**

6. Head of Office: means (I) a gazetted officer declared as such under **Rule 57** of SFR.
(ii) any other authority declared as such under any general or special orders of the competent authority . **Rule 2 (xxi) of SFR .**

Rule 57 of SFR states that for sanctioning purpose the Head of Department have powers to declare with concurrence of Finance Department any gazetted officer subordinate to him as the Head of Office.

7. Financial Advisors : means officers representing from Finance and Accounts service designated as financial advisors to HOD for control and monitoring of all financial business of the Department

Rule xvi (a) of SFR (inserted vide Not. No. 4/Fin/Adm dated 28/09/2020)

8. Resource Controlling Officer : means the officers designated by the HOD for management of financial resources and other financial business of the Department from SF&AS. In case of non posting from Finance Department , HOD can appoint officer from other services as RCO .

Rule xxviii (a) of SFR (inserted vide Not. No. 4/Fin/Adm dated 28/09/2020)

RECEIPTS OF GOVERNMENT MONEY

The Head of the Department / Office / DDO shall be responsible to ensure that :

1. All revenue receipts or other due to the Government are regularly and promptly assessed , realised and credited to relevant head of account of the Department.
2. The Departmental receipts accounts should be compiled monthly from the original documents received in proof of the amount having been credited to Government account.
3. Any amount due to Government shall not be left unrealised without sufficient reason.
4. No claims to revenue or other dues to the Government shall be remitted or abandoned without the sanction of the Finance Department .
5. Procedure for paying money into the Government account shall be through challan in the prescribed form .
6. The refund of revenue sanction shall be regulated by orders of competent authorities.

(Rules 4 , 5 , 6 , 25, 26 , 50, 51 and 107) of SFR

Things to be discussed

1. Challan in the prescribed form is complete in all respect with correct classification of account as per the estimate of receipts.
2. Quarterly reconciliation of revenue receipts figures with the office of Pay and Accounts offices and Office of the Accountant General .
3. Revenue realisation with reference to the revenue receipts estimates.
4. Maintenance of Deposit Register for civil and criminal courts deposits and its reconciliation with the office of Pay and Accounts office .

BUDGET GRANTS AND APPROPRIATION

Every year the Head of Department and subordinate authorities concerned shall submit to the Finance Department detailed estimates and such other material as sought by the Finance Department.

While submitting the following points are to be noted:

1. The Nominal Roll prepared is complete in all respect . The salaries details of regular employees , MR , Adhoc , consolidated pay , time scale pay etc are correct including allowances . The requisition of fund under salaries and wages heads are accurate so that there is no shortfall during the financial year.
2. The total under Major Heads should be rounded off to the nearest thousand rupees.
3. Estimates of fluctuating charges may be based on the average of the corresponding actual expenditure for the three preceding years .

4. No items of expenditure should be included in the estimates for which specific sanction of general authority does not exist.
5. Sectoral allocation figures as released by the Planning Department are to be correctly entered in the budget estimate .
6. The requisition of funds under CSS (100 percent / 90:10 percent) are to be supported by the administrative approval and sanction letters from the Government of India.
7. Corresponding matching state share is to be provided from the sectoral allocation.
8. A token provision of one thousand may be provided under budget head where there is an anticipation of fund later in the financial year.
9. For others like opening up of new budget head , liabilities if any , etc are to be first discussed with Budget section of the Finance Department with all the supporting documents and later the approved amount to be included in the Budget estimate .

Scrutiny of Estimates : The Finance Department shall scrutinise the Receipts and Expenditure Estimates of each Department. Discuss it . Then consolidate it into self contained Budget in the prescribed form exhibiting receipts and expenditure under major heads to show at a glance the financial position of the Government for the year estimated as compared with the position obtaining in two preceding year before Presentation to the Legislature.

The consolidated Budget as passed by the Legislature shall show separately the sums required to meet Charged expenditure (under Article 202 (3)) and Voted expenditure (Under Article 203 (2)) , distinguish expenditure on Revenue Account from that of the Capital Account , loans by the Government , repayment of loans etc.

Example of Charged Expenditure : emoluments and allowances of the Governor , the Salaries and allowances of Judges of the High Court etc.

Rules 70 ,71 , 72 , 75 , 76 , 77 of SFR

⇒ **Things to be discussed :**

1. The Budget estimate should be realistic in nature .
2. Persistent savings is not good Budgeting.
3. Mid term review of the Budget estimate with the progress of the
⇒ Expenditure.
4. Any forecast of saving may be surrendered to the Budget section
⇒ Of the Finance Department immediately.
5. Provision that cannot be profitably utilised should be surrendered.
6. Rush of expenditure particularly in the closing month of the financial year should be regarded as breach of financial regularity and should be avoided.
7. Appointment of a Nodal Officer to communicate with the Budget
⇒ Section of the Finance Department for compliance of OM , circulars,
⇒ Notification and other instructions.
8. Procedure for release of funds under CSS via PFMS module (latest instruction)

EXPENDITURE AND PAYMENT OF MONEY

Essential conditions governing expenditure from public funds .

- A.** Subject to the provisions of Articles 266 (3) , 267 (2) and 283 (2) of the Constitution no authority may incur any expenditure or enter into any liability involving expenditure or transfer of money for investment or deposit from Government account unless such expenditure has been sanctioned by general or special orders of Government or any authority to which powers has been delegated in this behalf.
- B.** The mere inclusion of an item in the budget does not constitute an authority for incurring expenditure on the particular item . Prior specific sanction of the competent authority is necessary in each case .
- C.** The charge in respect of a single item of expenditure may not be split up so as to bring each part within the competence of an authority to whom the powers of sanction have been delegated.

D. STANDARD OF FINANCIAL PROPRIETY

The principles on which emphasis is generally laid are :

1. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money .
2. The expenditure should not be prima facie more than the occasion demands.
3. No authority should exercise its powers of sanctioning expenditure to pass an order , which will be directly or indirectly to its own advantage.
4. Expenditure from public money should not be incurred for the benefit of a particular person or a section of the people , unless
 - (I) a claim for the amount could be enforced in a court of law ; or
 - (ii) the expenditure is in pursuance of a recognised policy or custom .

5. The amount of allowances granted to meet expenditure of a particular type should be so regulated that allowances are not on the whole a source of profit to the recipients .
6. The responsibility and accountability of every authority delegated with financial powers to procure any item or service on Government account is total and indivisible. Government expects that the authority concerned will have the public interest uppermost in its mind while making a procurement decision.
7. Wherever called for , the concerned authority must place on record in precise terms , the considerations which weighed with it while taking the procurement decisions.
- E. Controlling officer shall see that the total expenditure is kept within the limits of authorised grant and spending is in the public interest. He should be informed of what has been spent from the grant and also its commitments and liabilities. There shall be adequate provisions for internal checks to prevent and detect errors and financial irregularity.

Rules 7 , 8 , 9 , 10 , 11 , 12 , 13 , 14 of SFR

DUTIES AS REGARDS MAINTENANCE OF ACCOUNTS

Every subordinate authority shall be personally responsible for :

1. Strict accuracy , completeness and timely despatch as regard preparation and rendering of accounts .
- 2 .Facts certified .
3. Furnishing of informations , books and other documents as demanded by the Audit and not withhold it .

Rules 15 , 16 , 17 , 18 , 19 of SFR

DELFACTIONS , LOSSES ETC

Any loss or shortage of public money , departmental revenue or receipts , stamps , stores etc shall be immediately reported by the subordinate authority to the next higher authority as well as the office of AG and Finance Department .

Concern government servant shall be personally responsible for any loss due to negligence of his duties . Any fraud is a criminal offence.

Rules 20 , 21 , 22 , 23 , 24 of SFR

PROCEDURE FOR PAYING MONEY INTO THE GOVERNMENT ACCOUNT

Any person paying money into the bank shall present with it a Chalan in the prescribed form showing distinctly the nature of payment, the person or government officer on whose account the payment is made, and all information necessary for the proper account classification of the credit.

Separate chalans shall be used for moneys creditable to different heads of accounts.

Rules 25, 26 of SFR

Notification No.01/Fin/Adm dated 17.05.2018 is the latest Government order for crediting of Government revenue, dues etc into bank to do away / eradicate the fake/ false challans.

WITHDRAWAL OF MONEY FROM GOVERNMENT ACCOUNT

1. No money shall be drawn from the bank :
 - :: Unless it is required for immediate disbursement .
 - :: Except by presentation of bills at the Pay and Accounts Office.
2. The claims by non government employees for work done are submitted through the Head of Department or other government officer under whom the work is done.
3. General instructions regarding preparation and form of bills :
 - Printed forms of bills to be used.
 - All bills to be signed in ink and amount written in words and figures,
 - All corrections and alterations in a bill to be attested by full signature with date of DDO.
 - Erasures and overwriting to be avoided.
 - The recording of correct and complete accounts classification.
 - Charges against two or more major heads should not be included in one bill.
 - Sanction order is to be enclosed for claim under special order.

Specimen signature and other safeguards

Every Government officer who is authorised to draw cheques or sign or countersign bills payable at the PAOs shall send a specimen of his signature to PAO / Bank .

The specimen signature is to be approved by the Finance Department. For this Name, Designation , DDOcode , TAN No. , PAN no. , E mail ID and phone number details of Officer recommended is to be forwarded to Finance Department.

Stamps for receipt

Revenue stamp shall be fixed in respect of every receipt as proof of evidence in the Court of law. Rupees Five is to be deducted for gross receipt above Rupees Five thousand and one for both salary and contingent bill .(**Not.No.23/Fin/Adm dated 25th March 2017**)

Vide Not No. 5/Fin / Adm dated 30/09/2019 the physical use of existing revenue stamp of Rs 1/- denomination in any form in the state of Sikkim stands withdrawn.
(**Not. No. 4 / Fin / Adm dated 28/09/2020**)

Rules 28 , 29 30 , 31 , 32 , 33 , 34 , 35 of SFR

RESPONSIBILITY FOR MONEY WITHDRAWN

A disbursing officer has to satisfy not only himself but also the Audit that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects.

It is necessary that all accounts should be so kept and details so fully recorded as to satisfy future inquiries. **Rule 36 of SFR**

First payment of pay, allowances and issue of last pay certificate:

1. For fresh appointment and reemployed government employee, the medical certificate of fitness shall be furnished to DDO in order to submit to PAO.
2. On transfer of employee the first bill shall be supported by a last pay certificate as prescribed in Appendix 13.

Also the arrear payment on account of pay and allowances in the date of transfer shall be drawn from the new place of posting for which non payment certificate obtained from DDO. **Rule 40 of SFR**

Not.No.20/FIN/Adm dated 03/03/2017

INSTRUCTION FOR HANDLING CASH / CHEQUE

Every officer entrusted with the handling of cash / cheque shall see that :

1. Cash book should be maintained in the prescribed form (Appendix 2) .
2. Cash book should be treated as important accounts records of the Department.
3. All monetary transactions should be entered in the cash book on the date on which they actually occur.
4. Cash book should be closed regularly and completely checked.
5. Verification of cash balance in the cash book at the end of each month.
6. An erasure and overwriting of an entry made in the cash book is strictly prohibited.
7. The cash books should be bound in convenient volumes and their pages machine numbered .
8. The concern officer should count the number of pages and record a certificate of count on the first page of the cash book.
9. Every entry in the cash book should be concise .
10. HOD / HOO should make a surprise physical verification of the cash balance at least once a month and record a certificate .

SANCTION

The powers of various authorities in the matter of sanctioning expenditure are given in the Appendix 3 (Part I and II and Appendix 3A) while specific delegation to certain HODs is contained in Appendix 4 of SFR.

The Part I pertains to contingent and miscellaneous expenditure while Part II pertains to sanction of contingent expenditure.

- # The financial powers of Government which have not been delegated to a subordinate authority shall vest in the Finance Department . This include sanction of new schemes , relinquishment of revenue etc.
- # All the powers shall be exercised subject to budget provision.
- # All sanctions to expenditure shall indicate the details of the provisions in the relevant grant.
- # The sanctioning authority shall see that public revenue should be spent only on legitimate expenditure.
- # All sanction orders are communicated to Finance Department, AG office and Treasury.

Rules 52 to 69 of SFR

Reappropriation of Funds

Reappropriation of fund is usually done if it is seen that there is a shortage of fund in a particular unit of grant during the financial year . While submitting the proposal to Finance Department for sanction the concern officer shall see that :

- # savings is anticipated in the unit from where the fund is to be reappropriated.
- # no reappropriation from one grant to another grant.
- # fund is sanctioned by the competent authority.
- # no reappropriation between fund kept under charged and voted expenditures.
- # similarly no reappropriation between funds under revenue and capital expenditures.
- # no reappropriation of fund to meet expenditure on new service not contemplated in budget.
- # the amount to be reappropriated should not exceed the sanctioned amount.
- # the copy of sanctioned letter is to sent to AG office and treasury.

Rule 85 of SFR

SUPPLEMENTARY GRANTS

This is proposed when the amount provided in the sanctioned budget for any service is found to be insufficient for the purpose in that year (option under reappropriation is not available) or need has arisen for expenditure upon new service not contemplated in the Budget . (Article 205 (1) of the constitution)

Rule 86 of SFR

ADVANCE FROM CONTINGENCY FUND

This is done when there is need to incur unforeseen expenditure in excess of the sanctioned grant or on a new service not provided in the budget, and there is no time for voting of the supplementary demand by the legislature. (Article 267 (2) of constitution)
The procedure is given in Appendix 6 of SFR.

Rule 87 of SFR

Please note that :

- # There shall be no saving in the reappropriated unit nor there shall be excess in the unit from where the fund have been reappropriated.
- # The change in the budget allocation is checked and verified during the quarterly reconciliation of figures with the office of AG and Treasury.

GRANTS IN AID

Grants in aid are given to local bodies , educational / other institutions , scholarships , cooperative bodies etc and are generally recurring and non recurring in nature.

The sanction letters should specify conditions that the institution receiving grant should be open for test check by the office of AG , they should furnish a copy of audited statement of its accounts and a copy of their constitution.

Unspent balance to be surrendered to the Government or has been taken into account in sanctioning the subsequent grant in case of recurring grant to same institution.

Utilisation certificate should be furnished at the beginning of the financial year for the grant released in the previous financial year.

Rush of payments of these grants in March is avoided .

Rules 110 to 116 of SFR

STORES

It applies generally to all articles and materials purchased or otherwise acquired for the use of a Department including not only expendable and issuable articles in use or accumulated for specific purposes, but also articles of deadstock of the nature of plant, machinery, instruments, furniture, equipment, etc.

Rule 120 of SFR

- # All purchase of stores should be made in the most economical manner in accordance with the definite requirements of the public revenue.
- # Care should be taken not to purchase stores much in advance of actual requirement.
- # Purchase order should not be split up.
- # As per Government order the purchase should be made from STCS.
- # Or else if the purchases are to be made from the open market directly, the system of open competitive tender should be adopted through advertisement in the IPR portal, giving wide publicity.
- # Tender selection committee should be formed with representative from STCS and Finance Department.

- # To maintain standard in quality , competitive rates and transparency , the participation of maximum number of tenders is imperative.
- # Preference may be given to the manufacturer and agency holding rate contract with DGS&D .
- # For direct purchase the specific approval of Finance Department is to be obtained.
- # Terms and conditions in the Notice Inviting Tender should cover everything so that there is no complication in future.
- # Comparative statement of tenders / quotations should be prepared and signed by the members of the committee .
- # E procurement guidelines and procedure are covered by OM No.10/Fin/Adm dated 24/08/2012 and OM No.11 / Fin / Adm dated 24/08/2012

WORKS

For any works the general principle is that:

- # Administrative approval is obtained from competent authority .
- # Sanction to incur expenditure has been obtained from competent authority .
- # Properly detailed design and estimate has been sanctioned.
- # Fund to cover the charge has been provided.
- # Any anticipated or actual savings on a sanctioned estimate for definite project should not without special authority be agreed to carry out additional work not contemplated in the original estimate.
- # When works are given out on contract the general principles laid down in **Rule 27** shall be carefully borne in mind.
- # Payment for all works done by the contractor or material purchased should be on the basis of measurements recorded in the measurement book kept for the purpose.
- # Measurement book should be considered as very important accounts records and maintained very carefully and accurately as these may have to be produced as evidence in a court of law , as and when required.

Rules 139 to 147 of SFR

CONTRACTS

The authority empowered by the government to enter contract shall see that:

1. The Governor is made party to every contract of the Government. (Article 299)
2. The terms are precise and definite .
3. Standard forms should be adopted.
4. If not , then legal and financial advice to be sought.
5. No uncertain liability is to be entered without the previous approval of government .
6. Tenders are invited wherever practicable and advantageous.
7. Financial status , performance etc of tenderers are taken into account.
8. Suitable penal provisions against breach / non fulfillment are kept.
9. Taxes and duties payment are to be settled beforehand.
10. Security should normally be taken.
11. No payment of compensation without the approval of law and Finance Department.
12. Provision for safeguard of government properties.
13. The interest of public exchequer should be taken for any relaxation of agreement.
14. Provision for unconditional power of revocation and cancellation.
15. Copies of contract and agreements should be sent to Accountant General.

Rule 27 of SFR

ADVANCE S TO GOVERNMENT SERVANTS

An advance from public funds shall not be granted to a Government servant without a substantive appointment and also subject to general or special instructions as may be issued from time to time by the Finance Department.

PERSONAL ADVANCE :

Festival Advance : # Granted once in a calendar year.

- # Rate of advance is Rs.8500/-
- # Recovery of advance in six monthly instalments.
- # Recovery shall commence with the issue of pay for the month following that in which such amount is disbursed.
- # No further drawal of advance unless advance granted earlier has not been recovered in full .

Tours Advance : # Advance to be approved by the financial advisor before sanction by HOD.

- # The financial advisor will take into account items like DA , fares , room rent as per Rules to determine the quantum of advance.

- # Normally 75 percent of the estimated expenditure is to be granted.
- # All advances to be fully settled in the final TA bill for journey actually performed.
- # Approved tour programme by the competent authority .
- # Budget provision is available.
- # AO / DDO shall be fully responsible for settlement of advance .
- # Second advance shall not be sanctioned until the previous advance is settled.
- # Adjustment of advance on completion of tour or by the 31st of March whichever is earlier.
- # Right of government servant to TA/DA shall be forfeited or deemed to have been relinquished if the claim for it is not preferred within one year from the date on which the journey is completed.
- # Detail entered in the advance register .

Rules 205 to 216 of SFR

Non Personal Advance are generally advances given to STCS , SIMFED , SCCS , Printing and Stationery Department and other Government undertakings for purchases of tyres , tubes , vehicle , battery , stationeries, equipments , printing of books etc. And which are of contingent in nature.

Here also the AO/ DDO shall see that 50 percent of the estimated expenditure duly excluding the GST (which is to be provided in full) is proposed , budget provision is available , sanction of competent authority is obtained , detail of advance is entered in the advance register and no further release of advance until the previous advance is not settled .

Things to discuss :

- # Maintenance of proper advance register .
- # Details of advance drawn and its settlement are properly entered in the register.
- # Periodical reconciliation of figures of advances drawn for both personal and non personal with the office of AG and Treasury .
- # Certificate of reconciliation may be obtained from the office of AG.
- # LPC to show unsettlement of advances if any during transfer.
- # All advances to be settled before the retirement of the government servant.
- # Revised guidelines for drawal of advances, submission of detailed contingent bills for adjustment of advances vide OM No.01/Fin/Acctt/2013-14 dated 10/04/2013
- # Outstanding figures of unsettled advance of Judiciary as on date .

Please note that the non submission of detailed account causes non transparency in expenditure reporting system as the money which were drawn from Government exchequer does not get properly accounted for as the purpose for which it was drawn cannot be vouched by the accounting and auditing authorities .
Non settlement also carries with it a risk of fraud and misappropriation of public fund which has been seriously viewed by the office of AG , Sikkim.

Destruction of office records connected with accounts –

No government record connected with accounts shall be destroyed except in accordance with the provisions of **Appendix10.**

Rule 227 of SFR

Appendix 3 A : Maintenance and repairs of Government vehicles

- # For repair in private garages the limit of Rs.30000/- per annum is not exceeded and overall expenditure is within the ceiling limit as per **Schedule I of SFR**.
- # The proposal on major repair and replacement of tyres , tubes and battery is to be forwarded to SNT division of Transport department for technical sanction.
- # The major repair shall be done in the garages empanelled with Transport Department.
- # Comparative statement is to be prepared for lowest quotation called and signed by three officers.
- # The final bill submitted by the lowest quoted garage shall be forwarded to SNT division for verification of rates claimed.
- # For servicing of vehicle it is once in four months for non touring vehicle and once in three months for touring vehicle.
- # All the expenditure details are to be entered in the relevant pages of the History Register of the vehicle and total of cumulative expenditure in the repair section is checked.
- # For purchase / replacement of vehicle needs prior approval of Finance Department , Home Department , CS and HCM.
- # Sanction order enclosed alongwith the bill forwarded to TPAO should show the date of purchase of vehicle , detail of previous expenditure , present expenditure , cumulative distance and ceiling limit .

SIKKIM INTEGRATED FINANCIAL MANAGEMENT SYSTEM

Objective of PRANALI (SIFMS V 2.0)

- # To provide real time picture of expenses and income of the Government.
- # To implement digital mode of billing and processing of expenditure .
- # To implement the collection of taxes and other receipts through e-mode / public friendly e-platform.
- # To exchange the financial data of the state in digital and real time mode with Govt. of India and other institutions as required.
- # To provide the real time statistics of state finances with features of corrective and predictive analysis.

For its implementation :

- # Designation of Resource Controlling Officer preferably officers from SFAS by HOD.
- # Designation of Nodal Officer for signing orders relating to all types of financial sanction
The nodal officer shall be allotted unique code of identification in SIFMS ver 2.0. and all sanction order must bear this code with named seal and signature.

(Not.No. 4/Fin/Adm dated 28/09/2020)

OTHER INFORMATION

- # **Rule 54 of SFR** : After the existing entries the following should be inserted :
‘ On assuming the charge of HOD on transfer , deputation from other Department a copy of the handing and taking over the charge of HOD must be forwarded to the Finance department’ .
- # **Appendix I (see rule 2)**: Head of Department: new clause inserted is Registrar General - High Court of Sikkim .
- # **Appendix 4 (see rule 55)**: Delegation of powers: new clause inserted are for Refund of revenue and Refund of GST .
(Not.No. 4 /Fin/Adm dated 28/09/2020)
- # **Drawal of conveyance allowance**: enhancement of rate from 8000/- to 12000/- and other conditions may be seen in **Not . No. 5/Gos /Fin/Adm dated 28/09/2018.**
- # **Amendment to Sikkim TA Rules 1980** may be seen in **Not. No. 6/Fin/Adm dated 28/9/2020**
- # **Issue of life certificate through digital platform** : Order No.3/Fin/Adm dated 3/9/2020
- #

DRAWING AND DISBURSING OFFICER

Means any gazetted officer declared as such by the Finance Department on the recommendation of the Head of Department to draw bills and make payment on behalf of the State Government. Part 1 Rule 2 (xiii) of SFR 1979.

RESPONSIBILITIES OF DDO:

1. To initially examine the claims submitted to him.
2. Draw the claims in the forms prescribed in the State Government Account (Receipt and Payment Rule or other rules) concerning the claim.
3. Ensure that the budget provision exists for payment of that claim
4. Submit the bills to this accredited PAO
5. Receives payment from PAO through cheques
6. Arrange payment to claimant concerned either by cash, by encashing the cheque or by handing over the cheque itself.
7. Responsible for maintenance of initial and subsidiary accounts records line cash books, stock and stores Account etc.

In other words, DDO is personally responsible for:

1. Amount drawn on a bill against by him until he has paid it to the correct claimant and has obtained a legally valid acquittance
2. Correct maintenance and timely rendition of accounts or returns in r/o public funds or stores handles in his office

1. REGISTERS TO BE MAINTAINED BY DRAWING AND DISBURSING OFFICER

No.	DESCRIPTION OF RECORDS	RETENTION PERIOD
1	SALARY AUDIT REGISTER	35 Years
2	BILL REGISTER	5 years or 1 year after completion of audit whichever is earlier
3	CASH BOOK	20 years
4	CONTINGENT BILL REGISTER	3 years or 1 year after completion of audit whichever is earlier
5	ADVANCE REGISTER	3 years after all the advances recorded in the register have been fully recovered
6	STOCK REGISTER	5 years or 1 year after the completion of audit, whichever is later

2. DRAWING AND DISBURSING OFFICER SHALL SEE THAT (BEFORE FORWARDING THE BILL TO PAO)

- Claim is made in prescribed form
- Entries made in the respective registers
- Progress of expenditure under each head is watched
- Sanction order is complete in all respects
- Account classification is correct
- Arithmetical calculation is correct
- Payee details are correct
- Deductions to be made are done
- Supporting documents are attached
- Proper DDO code is mentioned on the bill
- On receiving the cheque from PAO, cheque number, voucher number, date and amount entries are
 - made in the cash book
 - made in the bill register
 - made in the advance register
- If it is drawal of advance/ adjustment of advance made in the duplicate bill
- Then cheques are disbursed to concern payees and their acknowledgement of receipt obtained
- Next, paid vouchers are compiled and forwarded to the Record Section for safe keeping as these are subject to audit scrutiny, vigilance etc.

3. OTHER IMPORTANT RESPONSIBILITY OF DDO:

1. Reconciliation of accounts of his office with the office of Pay and Accounts Office and Accountant General Sikkim. Any discrepancies seen are attended promptly during reconciliation process so that final booking of account is correct in all respect
2. Timely submission of monthly accounts of Revenue and Expenditure to the Finance Department
3. DDO shall be fully responsible for settlement of advance drawn. No second advance is released unless the previous one is not settled
4. Utilization certificate is obtained for release of Grant in aid if any
5. While submitting the pay bill, the last pay certificate is enclosed for transfer employee and fitness certificate in case of the 1st pay bill of the employee
6. The objection raised by the Pay and Accounts office is promptly attended
7. Proper classification of accounts as per the Estimate of Receipts in case of revenue deposit

3. OTHER IMPORTANT RESPONSIBILITY OF DDO:

8. Entries on account of purchase of items like stationeries, equipments etc are made in the stock register kept by the Department and also in the Asset Register
9. Entries on account of repair, servicing, purchase of tyres/ tubes/ batteries etc are made in the properly maintained History Register of the vehicle
10. He shall see that prior administrative approval and technical sanction if any is to be obtained before the bill is placed for financial sanction

4. FOR GENERAL INFORMATION

- DDO CODE SIX DIGIT CODE
- XX - XX - XX 12 00 01
- Demand no – Headquarter – Serial no

E. HEAD OF DEPARTMENT

- are Government servants declared to be such by the Government. A list of officers declared to be Head of Department for the purpose of these rules is contained in Appendix 1 of SFR, 1979 – Rule (xix)

DUTIES AND RESPONSIBILITIES OF THE HEAD OF DEPARTMENT

1. Be responsible and accountable for financial management of this department
2. Ensure that the public funds appropriated to the department are used for the purpose for which they were meant.
3. Be responsible for effective, efficient, economical and transparent use of the resources of the Department and achieving the stated project objectives of that Department, while complying with performance standards.
4. Appear before the committee on public account and any other Legislative Committee for examination
5. Review and monitor regularly the performance of the programme and projects assigned to this Department to determine whether stated objectives are achieved.

DUTIES AND RESPONSIBILITIES OF THE HEAD OF DEPARTMENT

6. Be responsible for preparation of expenditure and other statements relating to this Department as required by regulation, guidelines and directives issued by Finance Department
7. Ensure that his Department maintains full and proper records of financial transactions and adopts systems and procedures that will at all times afford internal control
8. Ensure that his Department follows the Government procurement procedure for execution of works as well as for procurement of services and supplies and implements it in a fair, equitable, transparent, competitive and cost effective manner
9. Take effective and appropriate steps to ensure his Department
 - Collects all money due to the Government
 - Avoid unauthorized, irregular and wasteful expenditure

SANCTION:

Powers of various authorities in the matter of sanctioning expenditure

1. The financial powers of the Government which have not been delegated to a subordinate authority shall rest in the finance department.
2. Powers specified in **Appendix 3 (part 1 and 2)** and **Appendix 3A of SFR1979**, for incurring contingent expenditure including expenditure on the purchase of stores
3. Specific delegation made to certain Heads of Department and other is contained in **Appendix 4**
4. All these powers shall be exercised subject to Budget Provision
5. **Appendix 3 –Part 1-** Contingent and Miscellaneous Expenditure:
Residential/ Non Residential Building – rents/ electricity/ water/ petty repairs
Purchase and repairs of Furniture – computers/ office furniture etc
Other items – uniforms/stationeries/ printing /etc
PART II – Contingent Expenditure :
Recurring Expenditure not covered under I- (HOD- 1 lakhs), (CS- 4 lakhs)
Non recurring expenditure not covered under I- (HOD- 2 lakhs), (CS- 7 lakhs)
6. **Appendix 4** – Delegation of Powers – to Certain Head of Department and subordinate authorities.
7. All sanctions to expenditure shall indicate the details of the provisions in the relevant grant or appropriation where from expenditure is to be met.
(**Rules 52 to 69 of SFR**)

Any proposal outside the delegated financial powers will after due processing by the respective Department be referred to the Finance department with the recommendations of the HOD with the following informations :

1. Budget provision on account of the expenditure so far proposed ;
2. Expenditure so far incurred ;
3. Expenditure involved in the present proposal ;
4. Balance of funds provided for in the budget .

Rule 60 of SFR

Please note that proposal should be examined by the Accounts Officer posted in the Department before they are sent to Planning and Finance Department.

Reappropriation of Funds : Rule 85 of SFR

Supplementary Grants : Rule 86 of SFR

Advance from Contingency Fund : Rule 87 of SFR

To Have Sound Financial Management, The Head of the Department and Drawing and Disbursing Officer shall see that:

1. All revenue receipts and moneys are to be assessed and promptly credited to the Government Account. The credit shall be as per the proper account classification under Estimate of Receipts.
2. Preparation of monthly accounts for Revenue and Expenditure and analysis of which will help the Controlling Officer to be in a position to estimate the livelihood of savings and excess over Grants and Appropriation
3. Reconciliation of Accounts with office of Pay and Accounts and AG Sikkim, for both Revenue and Expenditure so that final account of the Department is correct.
4. Rush of expenditure at the closing month of the financial year is to be avoided
5. Anticipated savings to be surrendered
6. Submission of detail Contingent bill against the advance Contingent bill
7. Budget should be more realistic and cases of persistent non utilization of funds, excessive provision of funds should be avoided
8. Payment of advances on the last day / month of any financial year to avoid the lapse of budgetary provision is highly irregular
9. Sound internal financial reporting system based on compliance with financial rules is one of the attributes of good governance
10. Utilization Certificate on release of Grants in aid are submitted
11. Any tendered works are completed on schedule so that there is no cash over run of the project.

To Have Sound Financial Management, The Head of the Department and Drawing and Disbursing Officer shall see that:

12. The purchase of computers and its accessories is as per the guidelines issued by the Department of Information and Technology and the rates verified by the concern department.
13. The purchase of reserved items are from SCCS, SIMFED, STCS, DHH/ other government undertakings as per the instructions of the government
14. For open competitive tenders wide publicity is given in the leading newspaper through the Department of IPR, so that minimum of three bids are obtained and the rates claimed are competitive without comprising on quality
15. The printing works are to be given to the Department of Printing and Stationery and the rates on the printing of books etc is to be verified by Information and Public Relations Department
16. Audit Paras, Inspector Reports, CAG reports etc are given topmost priority and attended personally



Thank You