

Treasury & Subsidiary Treasury Rules (Theory)

Summer-2022



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Solutions – Treasury & Subsidiary Treasury Rules (Theory)

- Q.1.** For the pay and fixed allowances of officer bills, form S.T.R. 18 should be used in which the whole of the pay and fixed allowances claimable by a Government servant in respect of the same post should be set forth. A Government servant who draws an additional pay or allowance for a separate office need not present a separate bill for it unless it is chargeable to the Local Fund or to sources other than Provincial revenues.
- (a)**

The account of a Local Fund at the Treasury is ordinarily a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure. The Treasury Officer need only to see that the voucher for payment is in proper form and signed by the proper officer and that the amount does not exceed the amount at the credit of the banking account.

- (b)** If the charges of any Local Fund are, under any special orders, drawn from the Treasury on detailed bills in which case the gross amount will be charged by the Treasury Officer in the accounts, the deduction on account of Income Tax, fund subscriptions, etc., being credited by transfer in distinct entries.

Payment in excess of the balance at the credit of the Fund cannot, under any circumstances whatever, be made except upon the special authority of Government previously obtained.

Total Marks 10

- Q.2.** The following procedure should be observed in the payment of refund of revenue credited:

- (1) Amount of less than Rs. 1 due for the refund, shall not be refunded except when such amount has to be refunded under an order by a Court of law. Where several amounts each less than Rs. 1 are refundable to a person in a refund bill, the claim will be admitted if total of such amounts exceeds Rs. 1 at a time.
- (2) Amount of Rs.1/- and over but not exceeding Rs. 100 may be sent to the concerned payee by postal money order subject to the following conditions;
 - (i) Instructions to this effect have been given in the refund order by the competent sanctioning authority.
 - (ii) Clear and definite address of the payee has been given in there fund order for purpose of sending money order to him.
 - (iii) Money order fee shall be deducted from the amount of the refund bill.
 - (iv) Money order shall not be sent where more than one payees are involved.
 - (v) The Money order will be sent by the Treasury at risk and responsibility of the competent authority instructing for payment by money order. In case of non-delivery of money order on any ground, the money order commission shall be debited by the Treasury Officer to the Contingencies of such officer issuing refund order. The undelivered money order will be made voucher of adjustment of the charge involved. The refund order will be returned to the concerned authority with necessary note regarding non-delivery of money order and debit of charges to his office contingencies.
 - (vi) When a money order is issued, the purpose of remittance should be briefly stated on the acknowledgment portion of the money order form in continuation of printed entry over there viz. Received the sum specified above one.



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- (vii) The amount of money order should not be remitted in cash to the Post Office. The Treasury Officer will send a money order form duly filled in together with a certificate that the amount involved and the money order fee thereon have been credited to the Post Office in the Treasury Accounts by contra transfer. The Post Office will accept the money orders on the authority of the Treasury Officer's certificate.
- (viii) On receipt of the money order acknowledgement duly signed by the payee, it should be attached to the usual receipt in form S.T.R. 34 in which the full amount of the refund and deductions made there from on account of the money order fee should be clearly shown. The Accountant-General will accept such voucher with the money order acknowledgment as valid receipt for the full amount of the refund entered therein.

When the amount of refund involved exceeds Rs. 100, the competent sanctioning authority shall issue to the payee a refund order and to the Treasury Officer directly an advice in respect of having issued order to the payee specified in such advice. The payee will then appear in person at the Treasury and produce the said refund order for receiving the payment. The Treasury Officer after proper personal identification of the payee and having exercised checks prescribed in various rules, will pass the bill for payment at the bank to the payee who may then receive the payment personally or through his duly authorized agent or bankers.

Total Marks 10

Q.3. When the Accountant General disallows a payment as unauthorized, the Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest, but to refuse to pay it in future, till the Accountant General authorizes the payment to be resumed; that no warning slip has been received by the Government servant retrenched, or that, being received, it has been answered, are facts with which the Treasury Officer has no concern. The Accountant General is responsible for seeing that Treasury Officers carry out his instructions.

1. If an officer, from whom a recovery is ordered, has, meantime, been transferred to another district, the Treasury Officer should, without delay pass on the order of recovery to the other Treasury.
2. A Treasury Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Accountant General or the officer placed under retrenchment. It is his duty simply and promptly to carry out the orders he has received and to leave the person aggrieved to refer the case to Government through the proper channel.
3. Representations and protests against retrenchments ordered by the Accountant General are not ordinarily considered by the administrative authorities if submitted later than three months from the date of receipt of the intimation by the aggrieved officer. This provision does not remove from the Treasury Officer the duty of enforcing immediately recovery of a retrenchment order under rule 2 above.
4. Recoveries are not ordinarily made at a rate exceeding one-third of pay unless the officer affected has, in receiving or taking the excess, acted contrary to orders or without due justification.
5. A register should be maintained at the Treasury for recording all retrenchments ordered by the Accounts Office. It should contain columns specifying the name and office of the person from whom the recovery is to be effected, the nature and amount of the overpayment and the method by which the overpayment has been adjusted.



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6. The Retrenchment Register should have certain pages allotted to each office or department, preceded by a general index. As each order of retrenchment is received either through the objection statement, a special letter, half margin or retrenchment slip, it should be recorded at once in the appropriate page.
7. When a claim from any office is received, the relevant page should be referred to, the retrenchment, if any, effected, and the fact recorded in the register against the entry concerned.
8. The Treasury Officer should arrange to bring this register regularly before his review to ensure that all entries, which should find a place therein, are promptly recorded and that their adjustment is systematically watched.

Ordinarily the recovery of a sum retrenched from a pay bill need only be made from the next pay bill and of a sum retrenched from a traveling allowance bill, from the next payment of travelling allowance; but retrenchment of travelling allowance must be recovered in cash or from pay bill when the officer concerned does not, within a month, present a travelling allowance claim from which they can be recovered. Similarly recoveries of amounts retrenched from contingent bills will ordinarily be made from the next contingent bill of the department or office concerned.

Total Marks 10

- Q.4.** The inspection of Treasuries by the Audit Office will ordinarily be triennial, unless special circumstances in any case justify more frequent inspections. Treasuries will be inspected from time to time during the course of a year, but as far as possible, a Treasury will not be inspected during the first and the last three days of a month in order to enable it to compile the accounts for the month.

The primary object of the inspection of Treasuries by the Audit Department is to assist the District authorities and not to relieve them of their responsibilities in the matter of frequent check and supervision. The audit inspection is not a local audit of Treasury accounts and will not, therefore, extend to the detailed examination of each and every item of receipt and disbursement.

All that is intended is to check generally, that the rules prescribed by the competent authorities in the matter of financial transactions are duly observed; that the procedure observed at Treasuries meets all the *requirements* of audit; that the accounts are properly maintained and that the orders in force regarding the custody and handling of treasure are observed. The Inspecting Officer from the Audit Department will not be required to verify, by actual count, the balance of Imprest, stamps and opium, etc. which duty devolves upon the District authorities.

Total Marks 10

- Q.5.** There are two methods by which the civil and criminal court deposits may be repaid:

- (i) In the first of these, when each deposit is separately paid into the Treasury repayments are made upon vouchers in form S.T.R. 41 passed by the presiding officer and setting forth the particulars necessary for the entries in the Treasury registers.
- (ii) According to the other method when the civil courts and magistrates merely bank with the Treasury remitting, without detail, their gross deposit receipts for credit in a personal ledger account, repayments are made by cheques on the Treasury which are taken to debit of the same personal account.

Total Marks 10
