

Table of Contents

Exam Notes- Defination and General System of Accounts	6
Definition	6
General Outlines of the System of Accounts	8
Profit and Loss Account	8
Initial Accounts	9
Compilation of Accounts in Circle Postal Accounts Offices.....	9
Compilation of Accounts in the Directorate	10
General Rules of Classification	10
ORGANISATION AND CONTROL	11
Chief Accounting Authority	11
Professional functionary of the Postal Services Board	11
Control Over State of Work	11
Report on the State of Work.....	12
Postal Account works	14
Core System Integrator and Introduction of SAP in DOP	14
Public Financial Management System (PFMS)	14
Compilation of Accounts.....	14
Post Office Balances.....	15
Balances of abolished HPO	15
Due date of completion of CGA abstract	16
Disposal of documents, vouchers, bills etc received from DDOs	16
Role of Accountant - Post PFMS Data Submission.....	17
Objection Registers.....	17
Check of Establishment Pay Bills	18
Check Of Travelling Allowance Bills	19
Medical Reimbursement Claims	19
Difference between long term advance and short-term advance	20
COMPILATION OF ACCOUNTS	21
Introduction to Compilation of Accounts.....	21

Accounts Preparation – Role of PAO.....	21
REMITTANCE	22
Definitions:	22
Different type of Remittances between the post offices	22
Role of Postal Accounts Offices	23
Account current Section	26
Main duties of PAO of Account current section.....	26
Put Through Statement	27
Checking of Daily scrolls	27
Checking of the Treasury/DDO Schedules	28
Pairing of the Schedules with the Bank Scrolls /Treasury Schedules	29
Register of Unlinked Items.....	29
Check over accuracy of Pairing.....	30
Reconciliation of Reserve Bank Figures with the Departmental Figures.....	30
Memo of Clearance from the Reserve Bank of India	31
Outward /Inward Settlement Account are prepared in PAO.....	32
CATEGORIES OF OBJECTIONS	33
Settlement Account Abstract.....	33
Transactions with Railways and Defence Departments, MEA.....	34
Transfer entries, Journal and Ledger	36
Means of Transfer Entries	36
JOURNAL AND LEDGER after Introduction of CSI in DOP	36
Ledger Posting.....	36
Trial Balance Sheet.....	37
Reconciliation of the trial balance sheet with the journal.....	37
BUDGET AND BUDGETRY CONTROL	38
Introduction.....	38
Detailed Demand for Grants:.....	38
Preparation of Preliminary Schedule of Demands:.....	39
Procedure at DOP HQ for Prepration of Budget:-	39
Control Over expenditure and revenue targets.....	40

CAPITAL ACCOUNT	42
What is the Capital Expenditure and how the Capital asset are maintained?	42
EXPENSE COVERAGERATIO.....	43
Expense Coverage Ratio:.....	43
Operating Ratio.....	43
11.06 To achieve the ideal Operating Ratio/ Expense Coverage Ratio:.....	43
PENSION (IMP).....	45
List out main items of works for pension section PAO	45
Procedure for examination of Service Book received at Pension Section of PAO	45
Issuing the payment order of Pension and Gratuities.....	46
Examine Applications for Pension	47
Pension Check Register	48
Compensation Pensions.....	49
Invalid Pension	49
Superannuation Pension	49
Retiring Pension.....	49
Family pension.....	49
Destruction of Pension Records	50
Disbursement of Pension through Public Sector Banks and Other Nominated Banks (Private Sector Banks).....	50
General Provident Fund.....	52
Responsibilities of GPF Section of a PAO	53
Transfer of Accounts	54
Temporary Advances.....	55
Final Payment of Deposits.....	56
Register of Missing Credits	56
Review of Provident Fund Accounts.....	57
Objection Book and Adjustment Registers	58
Unclaimed Deposits	58

Registers to be maintained in the GPF Section.....	59
Questionnaire to be answered at the time of disposal for application for final payment of Provident fund balances	59
INTERNAL AUDIT.....	62
Programme for Internal Audit:	62
Procedure of Audit:	62
Responsibility of Head of Internal Audit Team.....	63
Issue and Disposal of Report.....	64
Salient features of Internal check inspection.....	65
Structure of an Inspection Report.....	66
List of items of work that may be entrusted to the internal Audit section....	67
PREMIUM PRODUCT SERVICES.....	69
OBJECTIVE OF SEPARATE ACCOUNTING OF PREMIUM PRODUCT	69
CHECKS PRESCRIBED FOR MONITORING	69
REMOTELY MANAGED FRANKING SYSTEM.....	71
Introduction:	71
Process flow and Accounting procedure for Issue of license	71
Process flow and Accounting procedure for renewal of license:.....	71
Process flow and Accounting Procedure for recharge:–.....	72
Process flow and Accounting -Rebates and Refunds.....	72
Checks and Balances	73
Postal Life Insurance (PLI)	75
Postal Life Insurance	75
LIST OF PLI.....	75
Whole Life Assurance (Suraksha	75
Convertible Whole Life Assurance (Suvidha)	76
Endowment Assurance (Santosh).....	76
Joint Life Assurance (Yugal Suraksha).....	77
Anticipated Endowment Assurance (Sumangal)	78
Children Policy (Bal Jeevan Bima).....	78

Rural Postal Life Insurance	78
List of RPLI	79
Whole Life Assurance (Gram Suraksha)	79
Convertible Whole Life Assurance (Gram Suvidha).....	80
Endowment Assurance (Gram Santosh)	80
10 Years Rural PLI (Gram Priya).....	81
Anticipated Endowment Assurance (Gram Sumangal)	81
Children Policy (Bal Jeevan Bima).....	81
ROLE OF PAOs IN PLI/RPLI ACCOUNTING	82
WESTERN UNION INTERNATIONAL MONEY TRANSFER.....	83
Define WUIMT	83
Daily checks to be carried out by FS Division.....	83
Role of Postal Accounts Offices (PAOs):.....	84
INDIA POST PAYMENTS BANK.....	86
Indian Post Payments Bank (IPPB).....	86
IPPB Transaction	86
POSA-IPPB Interoperable.....	87
Role of Postal Accounts Offices:	88

Exam Notes- Defination and General System of Accounts

Definition

- (a) **Accounting Authority** - means the General Manager (Finance) Postal Accounts and includes Director of Accounts (Postal) & Deputy Director of Accounts (Postal) who exercises accounting functions.
- (b) **Accounts Officer** -means any officer subordinate to, or under the superintendence of Chief Accounting Authority or the Accounting Authority who exercises accounting functions.
- (c) **Audit Officer** -means any officer subordinate to, or under the superintendence of the Comptroller and Auditor General who exercises audit functions.
- (d) **Bank means-** the Reserve Bank of India or any of its offices or branches, any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (2 of 1934) and any branch of a subsidiary bank as defined in Section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959) or any other agency appointed by the Reserve Bank of India.
- (e) **Branch Audit Office or Audit Office-** means the office of the Director of Audit / Audit officer in-charge in independent charge of one of the Postal and Telecom Audit Offices.
- (f) **Branch Postal Accounts Office or Postal Accounts Office** - means the office of the General Manager (Finance) Postal Accounts, Director of Accounts (Postal) & Deputy Director of Accounts (Postal) in-charge of the Postal Accounts Office of the Circle.
- (g) **Constitution-** means the Constitution of India.

ORGANISATION AND CONTROL

Chief Accounting Authority

The Secretary Department of Posts, Ministry of communications is the Chief Accounting Authority for Department of Posts. He is responsible for

- a) the compilation and consolidation of monthly and annual accounts of the Department.
- b) the preparation of the Postal portion of the combined finance and Revenue Accounts;
- c) the preparation of the annual Appropriation Accounts of the Department

The Additional Secretary & Financial Advisor (AS & FA) will advise the Chief Accounting Authority in the Accounts and financial matters of the Department of Posts.

Professional functionary of the Postal Services Board

The Senior Deputy Director General (Postal Accounts and Finance) is the professional functionary of the Postal Services Board in the Postal Accounts matters. In this capacity he organises, trains and controls from the professional point of view the Postal Accounts Establishments as a whole and is responsible for the professional efficiency as also for correctness of accounts and accounting procedure

Control Over State of Work

Each section of the Postal Accounts Office should maintain a Calendar of Returns in Form Sy. 264 showing the due and actual dates of

- (a)-the dispatch of the returns due from the section
- (b)-the submission to the Branch officers of all accounts, objection, statements, registers etc.;

Postal Account works

Core System Integrator and Introduction of SAP in DOP

Core System Integrator (CSI) In CSI,ERP (Enterprise Resource Planning) – SAP (Systems, Applications and Products) modules are included in the areas of Financial Accounting, Fund Management, Business Intelligence Reporting, Payroll and Inventory Management etc.,

SAP (Systems, Applications and Products), a developed accrual accounting software is introduced, Through CSI-SAP, mainly two types of report are generated for F&A, one is on Cash Based System, with the 15 digit CGA HOA, for submission to CGA and the second is on accrual based accounting, for internal analysis and decision making.

Public Financial Management System (PFMS)

3.04 The **Public Financial Management System (PFMS)** is web-based online software, developed and maintained by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, and Government of India. CGA report, generated through application is pushed to e-lekha through PFMS by the PAOs, as per the prevailing instructions & guidelines of the Department.

Compilation of Accounts

System generated Cash based account (CGA report) for a DDO/NCDDO is processed on T+3 (Transaction day + 3 days) basis and pushed the generated data to e-Lekha through PFMS after performing the following checks.

- a. The account submission is for each day including holidays & Sundays.
- b. Each transaction summary figure, GL wise is cross checked with transaction schedule for debits and credits and ensures that the figure tallies after exclusion of such transactions occurred under accrual based.
- c. GL wise verification as in CGA report and day wise schedule figure is done daily by respective section, responsible for validation of data GL

REMITTANCE

Definitions:

- a. —**Remittance**- means transfer of funds & equivalent between two disbursing officers of the same or other Department
- b. —**Inter-sol Remittance GL**- in relation to CBS transactions means the remittances between two Service Outlets.
- c. —**Grid Clearance Remittance GL**- in relation to CBS transactions means, transactions done through instruments realized at Central Grid circle and transactions occurred at Different Circles.
- d. —**Intra circle Remittance or RSAO** —means, remittance transactions within the same circle accounts jurisdiction.
- e. —**Inter-circle remittance or POR means**, remittance transactions between two different circles accounts jurisdiction.
- f. —**Presentation session** - in relation to CTS-Cheque clearance refers to the morning session wherein the other bank cheques received by Post offices and the POSB cheques received by banks are presented for clearing to banks and post offices respectively.
- g. —**Return Session**-in relation to CTS-Cheque clearance refers to the afternoon session where remarks for returns such as —Realised|| or —Returned|| are marked by banks and post offices respectively.
- h. —**Outward Presentation**- in relation to CTS-Cheque clearance refers to the amount of bank cheques received by the Post offices presented to the banks for clearing.
- i. —**Inward Presentation**- in relation to CTS-Cheque clearance refers to the amount of Post Office cheques received by the banks presented to the Post Offices for clearing.
- j. —**Outward Return** in relation to CTS-Cheque clearance refers to the amount of rejected/bounced PO cheques returned to banks by Post Offices.
- k. —**Inward Return**- in relation to CTS-Cheque clearance refers to the amount of rejected/bounced bank cheques returned to Post Offices by the Banks

Different type of Remittances between the post offices

1. **Intra circle Remittance or RSAO**- The remittances within the circle, i.e., with in the same accounts jurisdiction of circle Postal Accounts

BUDGET AND BUDGETRY CONTROL

Introduction

9.01 Budget is a statement of estimated annual receipts and expenditure, and estimates of expenditure are divided into two parts, namely charged and voted. In the context of department of Posts, charged expenditure represents any sum required to satisfy the decree of a court of Law etc. The estimates of expenditure are met from the Consolidated Fund of India, which is presented to the Lok Sabha in the form of Detailed Demand for Grants except to the extent to which such expenditure is charged. The responsibility for the preparation of the Budget estimates of Department of Posts lies with the Secretary Department of posts, also called Chief Accounts Authority.

Detailed Demand for Grants:

9.03 Demand for Grants is the form in which estimates of expenditure from the Consolidated Fund, included in the annual financial statement and required to be voted upon in the Lok Sabha, are submitted in pursuance of **Article 113** of the Constitution. The responsibility for the preparation of Budget estimates of the Department of Posts as well as submission of any estimates of demands for supplementary grants lies with Secretary Department of Posts.

9.04 Detailed demand for Grants shall be prepared by the Head of circles in consultation with the Circle Internal Financial Advisor based on the Budget circular issued by the Ministry of Finance,

Each circle shall have Budget Cell headed by Chief Postmaster General, which comprises two units (i) Budget Control unit (ii) Budget Operating Unit. Budget Control Unit of the Circle is responsible for preparation & compilation of Demand for grants-

9.05 Budget Division of Postal Directorate shall verify the correctness of Demand for Grants received by the various circles and compile the data and prepares Detailed Demands for grants for scrutiny of Additional secretary & Financial Advisor and approval of proposal by Secretary Department of posts.