

No. C-11021/45/15/CGA/CVO/Misc./1133  
**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF EXPENDITURE**  
**CONTROLLER GENERAL OF ACCOUNTS**  
**(Vigilance Section)**

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7<sup>th</sup> Floor, Lok Nayak Bhavan  
Khan Market, New Delhi-110511  
Dated: 26<sup>th</sup> August, 2015

**OFFICE MEMORANDUM**

**SUBJECT: REVIEW OF PAYMENT FUNCTIONS.**

The special audits recently conducted in select Ministries/Departments have observed serious financial irregularities stemming out of deviations from laid down rules and regulations. This has been viewed seriously by Controller General of Accounts and the following stipulations are reiterated for strict compliance by all the field formations:

1. No Cheques are to be issued for amount exceeding ₹ 25,000/- as per the guidelines issued by this office. E-payments may be made to all Parties/Vendors/Contractors as per this office OM's issued from time to time.
2. Existing financial powers delegated by PCCA/CCA/CA may be reviewed and delegations may not be done except for, Medical Bills, GPF, leave, TA/LTC etc.
3. Any enhanced delegation of Financial Powers over and above what is enumerated in DFPR requires approval of IFD which must be strictly kept in view (Refer OM No. 1/7/E.II (A)/2008 dated 30<sup>th</sup> May, 2008 issued by Ministry of Finance, Department of Expenditure, E.II (A) Branch).
4. Provisions relating to procurement of goods and services should not be invoked for execution of works. Provisions contained in 'Works' Chapter of GFR must be strictly followed.
5. Tendering process must be meticulously observed as laid down in GFR, Government of India and guidelines issued by Department of Expenditure and Central Vigilance Commission from time to time. Open tenders to be called for works costing Rupees Five Lakhs to Rupees Ten Lakhs – Rule 123 to 134 of GFR, 2005 may be strictly complied with.
6. Outsourcing/hiring of manpower not to be done without specific approval of IFD. The various provisions as laid down in Rule 178 to 185 of GFR, 2005 relating to the same must be strictly adhered to.
7. Misclassification/diversion of funds should be strictly avoided.
8. Rules and procedures regarding Hiring of Vehicles should be followed and specific approval of IFD should be obtained wherever required before incurring the expenditure.

9. Commence e-procurement through Central Public Procurement (CPP) in respect of all procurements with estimated value of Rs. 10 lakhs or above (Refer OM No. 10/3/2012-PPC dated 3rd September, 2012 issued by M/o Finance, Department of Expenditure, Procurement Policy Division).

10. For purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority – Rule 130 of GFR, 2005.

11. Control of Expenditure against Budget and Monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books – Rule 52 to Rule 64 of GFR, 2005.

12. Payments for services rendered or supplies made should be released only after the services have been rendered or supplies made – Rule 159 of GFR, 2005.

13. Adherence of Standards of Financial Propriety – Rule 21 of GFR, 2005.

The performance of internal audit wing in all the offices needs improvement. An internal audit of all the PAO's under the control of respective Pr.CCAs/CCAs/CAs may be carried out in the current year itself in respect of expenditures booked in the last three preceding financial years, if not already done. A Report on the findings /irregularities, if any, may be submitted to IAD wing of this office latest by 31<sup>st</sup> December, 2015.

This issues with the approval of the Controller General of Accounts.



(Alok Ranjan)

Jt. Controller General of Accounts (Vig.)

To,

All Pr. CCAs/CCAs/CAs