



COMMON ISSUES OF DDOS AND WAY FORWARD

**O/o the PRINCIPAL ACCOUNTANT GENERAL
(AUDIT-II), WEST BENGAL, KOLKATA**

08.01.2025



Areas to be covered

- Duties and responsibilities of DDOs
- Functions of DDOs
- Extant provisions on activities of DDOs *viz.*
- WB Treasury Rules, 2005 and amendment in 2018
- WB Secretariat Manual, 2019
- WB Financial Rules
- WB Service Rules –I & II
- GST Act and Rules 2017 and amendment thereon

Role & Responsibility of DDO

- The post of Drawing and Disbursing Officer (DDO) is
 - a specially authorized post created by the Administrative Department with the concurrence of the Accountant General (A&E), West Bengal.
 - All financial transactions have to be routed through DDO.
 - Can admit a claim. He can also reject a claim.
 - Has to maintain financial discipline within the office.
 - Mostly focused on drawal and disbursement of fund.

Functions of DDO

- DDOs function require certain knowledge in IFMS which comprises of –
 - 1. *e –Bantan – Online Allotment*
 - 2. *e-Pradan – Online Payment*
 - 3. *e-CTS – Centralised Treasury System*
 - 4. *e-Billing - Online preparation and submission of Treasury Bill*
 - 5. *HRMS –Human Resources Management System*
 - 6. *GRIPS-Government Receipt Portal System*



- User Administration
- DSC Administration
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- Security Tips
- Awards & Recognition

 **e-Services for Employees**

- ▶ Sign in
- ▶ Sign up for Registration
- ▶ Forgot Password

New features

Functional and Non-Functional Promotion, Sanctioned Strength, Pay Fixation, Transfer and Training Modules in HRMS

Inter Treasury Transfer of Fund functionality

GPF Balance capture and approval for Group D employees

GPF Final Payment Application and Sanction functionality for Group D employees

Coming up next

Confirmation and Recruitment Management, Exit Management and Deputation Management Module of HRMS

Our Inspiration

 Mamata Banerjee
Chief Minister
Government of West Bengal

 **Help Desk**
+91 9038003413/14/15/16/17

 **Complaint / Call Log**

 **Know Your Payment Status**

 **e-Pension**
WEST BENGAL

-  **e-Bantan**
-  **CTS**
-  **e-Billing**
-  **HRMS**
-  **e-Pradan**
-  **GRIPS**

Classification and Codification of Receipt Head

Sl.No	Receipt	Codification	Example
(i)	Major Head – Function	4 digits	0030
(ii)	Sub-major Head – Grouping of various functions of the Government	2 digits	03
(iii)	Minor Head – Programme of each function	3 digits	104
(iv)	Sub Head - Name of Scheme: activities of the organisations under each programme	3 digits	101
(v)	Detailed Head – Object of Receipt	2 digits	16
Total number of digits from (i) to (v)		14 digits	

22.06.2021

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Functions of DDO(Contd)

- A) Preparation of budget
- B) Maintenance of Head-wise allotment cum expenditure register.
- C) Maintenance of Cash Book, subsidiary cash book, bill register, bill transit register, etc.
- D) Statutory compliance with Income Tax Act, Labour laws, GST Act,

Common mistakes by DDOs

- A) Preparation of budget

Chapter 7 of West Bengal Secretariat Manual 2019
(issued on 20 September 2019)

- Dealt with the Budget Procedure

Article 202(1) of the Constitution of India,

- A statement of the estimated receipts and expenditure of the State for each financial year has to be laid before both the Houses of the State Legislature.
 (“Annual Financial Statement”)

Common mistakes by DDOs

A) Preparation of budget

Sl No.	Procedure to be followed	Mistakes by DDOs
1.	The DDO shall prepare the Budget for the next Financial Year within September each year	Delay in submission of budget with cascading effect in delayed administrative approval and financial sanctions(AA&FS).
2.	Revised Budget Estimate (RBE) of the current year and Budget Estimate (BE) for the next F.Y. should be prepared and sent to the concerned fund sanctioning authority. In case of any major increase he should justify his proposal.	However, in many cases Audit found that though the BE has been increased in RBE but actual expenditure was less than the BE. Similarly, BE has been reduced in RBE but actual expenditure was more than BE. <u>Conclusion:</u> No rationale in preparation of BE and RBE.

Common mistakes by DDOs

- A) Preparation of budget

Sl No.	Procedure to be followed	Mistakes by DDOs
3.	Rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management.	In most of the cases it was found that major expenses was done in the month of March.
4	Rule 330A of the West Bengal Treasury Rules (WBTR) and Subsidiary Rules (SR) 1997 read with Finance Department's order (August 2005) stipulates that Utilisation Certificates (UCs) in respect of Grants-in-aid received by the grantee should be obtained by the departmental officers from the grantees within one year from the dates of release of the grants provided for specific purposes	The funds allotted but UCs either not collected or not produced by the executing authority to the fund disbursing authority.

Common mistakes by DDOs

- **A) Preparation of Cash Book**

Preparation and maintenance of Cash Book has been dealt with the

- (i) G.O. No. 12155-F dated 04.12.1990, Rule 39 – 42 of WBFR Vol – I, Appendix 2 of WBFR Vol – II,
- (ii) GO No. 2455(52)-F dated 08.05.1975 read with amendments made by the Finance Department, GoWB.

Common mistakes by DDOs

- B) Preparation and maintenance of Cash Book

Sl No	Procedure to be followed	Mistakes by DDOs
1.	All monetary transaction should be entered in the cash book as soon as they occur (SR31).	In some cases, receipt of funds/allotments/money was not entered in the cash book (ref: Cash book of Director, WBFS)
2.	Cash Book should be closed and balanced each day.	Not followed.
3.	Drawing and Disbursing Officer (DDO) should write himself the amount of closing balance in figure and word in the cash book in each day.	Not followed.

Common mistakes by DDOs

Sl No.	Procedure to be followed	Mistakes by DDOs
4.	Erasing or overwriting of an entry once made in the cash book is strictly prohibited. If any mistake is detected, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. DDO should initial each and every correction with his dated initial.	Not followed.
5.	At the end of the month of Head of Office should verify the cash balance in the cash book and record a certificate to that effect in respect of physical verification of cash with his dated signature.	Not followed.

Procedure to be followed on preparation and presentation of claims at Treasury/PAO by DDO

- 1. Administrative sanction for the withdrawal
- 2. There should be a budget provision and allotment of fund
 - except Bills that are allowed from time to time to be passed without allotment
 - salary bills, diet and oxygen bills of hospitals, etc. (FD Memo No. 1331-F(Y) Dated 31.03.2022)
- 3. The Head of Account (up to the detailed / sub-detailed head) should be selected in e-billing /e-pradan module of IFMS.
- 4. Advances should be drawn only upon receipt of proper authority based on Govt. orders.



Procedure to be followed on preparation and presentation of claims at Treasury/PAO by DDO

- 5. Advance should be adjusted within 60 days from the date of withdrawal
- 6. Purchases are required to be made on the basis of quotation /tender as the case may be.
- 7. TDS for IT and GST as applicable should be deducted
- 8. Bill should be submitted through Bill Transit Register.
- 9. Drawing a claim as soon as it becomes due ,otherwise it will be arrear claim
- 10. Circular of Economy measures *vide* FD Memo No. 4201-F(P) Dated 02.07.2018

Common issues on preparation and presentation of claims by DDOs

- Circular on economic measures not followed.
- Advances not adjusted within 60 days.
- Wrong Head of Account chosen.
- TDS for IT and GST not deducted.
- Purchase made without justification resulted in accumulation of unserviceable items.
- Cess under the Building and Other Construction Worker's Welfare Cess Act, 1996
 - *to be deducted @ 1% be from the bills of a contractor for remittance towards the Building & Other Construction Workers' Welfare Fund*



Common mistakes on preparation and presentation of claims by DDOs

- DDO usually has to deal with the following sections of Income Tax Act,1961 for TDS while making payment
Section 192 (TDS from salaries)
- Section 194C (TDS from contractors)
- Section 194I (TDS from rent)
- Section 194J (TDS from fees paid for professional / technical services)
- However, in many cases the IT act should not be followed properly.

Whether the contractor is eligible for raising GST bills for the particular work or HSN type, regular GST type, *etc*

- **Tax Invoice:**
- A tax invoice should be issued by a registered person who is supplying **taxable goods or services** or both and also charges GST from the customer.
- A tax invoice shows the GST rate charged on the goods and services supplied and allows the seller to collect GST from his buyers, as well as claim Input Tax Credit (ITC) on GST paid to his suppliers.

Whether the contractor is eligible for raising GST bills for the particular work or HSN type, regular GST type, etc

Bill of Supply:

A bill of supply should be issued instead of a tax invoice in case of a registered person supplying **exempted goods or services** or both or a registered person is paying tax the under composition scheme.

A bill of supply does not contain any tax amount as the seller cannot charge GST to the buyer. A bill of supply is evidence of tax-free supply and the taxes cannot be collected from the buyer of goods or services.



Whether GST needs to be paid to the contractor at the rate of 18% for procuring items which are GST free

- *In the Manual of Model Estimate of Directorate of Forests (issued in January 2019), materials like organic manure, chemical fertilizer, insecticides/hormones are treated as zero GST.*
- *However, Audit observed that these materials were charged as 18% GST while paying the contractor.*



Whether GST needs to be paid to the contractor at the rate of 18% for procuring items which are GST free

As per the CGST Act, 2017,

the GST rate of organic manure is zero until it is packed in a unit containers and bearing a brand name.

If it is put in a unit container and having a brand name, then GST @5% would be applicable.

Other fertilizers are charged as 12% GST.

Thus, payment of GST on GST free materials should be checked in case to case basis with applicable/amended GST act.

Whether tender needs to be floated for all works above ₹1 lakh

GoWB, Finance Department vide its notification (no. 3103 dated 27 July 2022

-amended the Note-2 below Rule 47(8) of WBFR) made mandatory provision of e-tendering from ₹5.00 lakh to ₹1.00 lakh.

This order is applicable to all state Government offices and state Public Sector Undertakings/ Urban Local Bodies/ Rural Local Bodies/ Boards/ Councils/ Statutory Bodies/ Development Authorities etc. under the administrative control of the state Government Departments.

Way Out from common mistakes

- **Standard Financial Propriety (Rule 35 of WBFR Vol -I) states that-**
- *Every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety*
- *i. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.*
- *ii. The expenditure should not be prima facie more than the occasion demands.*
- *iii. No authority should exercise its powers of sanctioning expenditure to pass an order which will directly or indirectly to its own advantage.*

Way Out from common mistakes

- Thus, clear idea about WB Financial Rules, WB Secretariat Manual, 2019, Budget procedure, Statutory Compliance of Act/Rules/Regulations, CAG's recommendations advocating the DDOs to maintain high standards on financial propriety.



- Thank You.