

Provisional Issue

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GOVERNMENT OF PAKISTAN

POSTS AND TELEGRAPHS  
AUDIT CODE



VOLUME II

TECHNICAL AUDIT CODE

(TELEGRAPHS)

FIRST EDITION

PROVISIONAL ISSUE

Issued by the Auditor General of Pakistan Karachi

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PRINTED BY THE MANAGER, GOVERNMENT OF PAKISTAN PRESS, KARACHI





PREFACE TO FIRST EDITION—PROVISIONAL ISSUE—  
(PAKISTAN)

This edition is an adaptation of the 1938 edition of this book published in undivided India. It includes all corrections issued upto 14th August, 1947. Opportunity has been taken to carry out verbal changes due to the establishment of Pakistan from the 15th August, 1947.

Errors or omissions, that may come to light, or suggestions regarding amendments should be brought to the notice of the Auditor General of Pakistan.

GHULAM ABBAS,

*Auditor General Substitute.*

KARACHI ;

*The 31st March, -1951.*





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## CHAPTER I.—POST OFFICE INSURANCE FUND

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### Introductory

1. Rules regulating the general business of the Post Office Insurance Fund are issued by the Government of Pakistan. The Director General, Posts and Telegraphs, as the Administrator of the Fund, is also empowered to issue subsidiary rules in connection with the business of the Fund. Rules issued by the Government of Pakistan together with those issued by the Director General have been embodied in Appendix F to the Posts and Telegraphs Manual, Volume VI, and in a separate pamphlet hereinafter referred to as "The Postal Insurance Rules".

Rules prescribing the maintenance of accounts and submission of accounts returns to the Audit Office in connection with the transactions of the Fund will be found in Chapters 15 and 22 of the Posts and Telegraphs Initial Account Code, Volume I.

2. The functions of the Audit Office in connection with the business of the Fund consist not only in auditing and finally accounting for all receipts and payments of the Fund and in preparing statistical and financial returns thereto, but also in the following:—

- (i) Examining the eligibility of the life accepted,
- (ii) Fixing the premium payable,
- (iii) Arranging for the recovery of the first and subsequent premia,
- (iv) Issuing the policy on behalf of the Director General,
- (v) Renewing a contract or policy that has lapsed under rule 40 of the Postal Insurance Rules.

- (vi) Working out and intimating the terms of all conversions and commutations, and
- (vii) Reporting to the Postmaster General concerned, the total amount due for payment on the surrender or maturity of a policy, etc., etc.

The audit and accounts work relating to the transactions of the Fund is conducted in a separate section of the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca.

NOTE.—All personal matters dealt with in the section should be treated as strictly confidential.

3. All premia, subscriptions, medical fees and fines realised are credited to the Fund and all claims arising out of policies and contracts, the cost of medical examination of the lives proposed and all expenses incidental to the working, administration, auditing, accounting, valuation and mortality investigations of the Fund are paid out of the Fund. The accounts of the Fund are incorporated in the Debt Section of the Government accounts and the balance at credit of the Fund accumulates with interest at a rate prescribed by the Government of Pakistan from time to time.

For administrative purposes the Fund is divided into three branches, viz., (1) Life Insurance, (2) Endowment Assurance, and (3) Monthly Allowance.

NOTE.—The monthly allowance scheme is discontinued from the 1st October 1930 but the contracts executed before that date remain unaffected.

#### Definitions and Explanations

4. Besides the terms defined in the Postal Insurance Rules, the following additional terms as used in this Chapter are defined below:—

(a) *Date of Entry* is the date from which a policy or contract comes into effect on being concluded, and is the date of payment of the First premium or subscription.

(b) *Office Age at Entry*, as distinguished from the Actual Age at entry, is the age with reference to which the rate of premium or subscription payable has been fixed. It is, in the case of Insurance, the age (next birthday) following on, and in the case of Allowance, the complete year of age nearer to the date of entry.

*Explanation.*—If on the date of entry the actual age of a subscriber be 29 years, 5 months and 29 days, then the office age at entry in the case of Insurance is "30", and in the case of Allowance "29".

(c) *Attained Age* is, in the case of Insurance, the age derived by adding to the office age at entry (next birthday) the number of years' premiums paid; while in the case of Allowance it is to be taken as the nearer complete age of the subscriber at the period in question.

NOTE 1.—In the case of Insurance, the attained age may include fractional duration while it is always integral in the case of Allowance.

NOTE 2.—In the case of those limited payment Life Insurance and Endowment Assurance policies under which the number of premia payable falls short of the maximum number, the attained age is derived by subtracting from the age at which premia are to cease, the number of premia remaining to be paid.



(d) Valuation Year of Birth in respect of any policy means the year arrived at by deducting the age (next birthday) at entry of the insurant from the year on the 31st March (Second of the two calendar years involved in the financial year) in which the policy is issued.

(e) Reserve value of a policy means the amount that should be debited or credited, as the case may be, to a branch of the Fund on account of the conversion of the Policy from one class to another. This value is ascertained from the Actuary to the Government of Pakistan.

5. The duties of a non-Postal Audit Office in connection with the Fund consist (a) in seeing that premiums and subscriptions recoverable from all insurants under his audit are duly recovered by the Heads of Offices concerned, (b) in scheduling all premiums or subscriptions when they have been deducted from the pay or pension bills of subscribers in his audit jurisdiction, and (c) in sending the schedules monthly to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, in support of the credit for the total amount transferred through the Exchange Accounts to the Posts and Telegraphs (vide Para. 200 of the Audit Manual).

6. An Audit Officer of the Posts and Telegraphs Department is responsible for accounting and consolidating by Circles all premiums and subscriptions that have been recovered not only by deduction from pay bills but also in cash, and also all payments including refunds in connection with the Fund that have occurred in the offices under his audit jurisdiction. The statements and schedules referred to in Article 415 of Volume I of this Code should be sent by each Audit Officer to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, on the dates prescribed in that Article.

#### Scrutiny and audit of intimations of acceptances

7. As soon as the intimation of acceptance of any life is received from a Postmaster-General, it should be indexed in a Register in Form A. G. P. T.-100, the items being serially numbered for each official year. The eligibility of the life accepted to the benefits of the Fund should first be examined with reference to rule 2 of the Postal Insurance Rules and the appointment held as given in the intimation. It should then be seen that the amount and terms of the proposed Insurance are admissible under the rules. If all these are found to be in order, the rate of premium should be worked out in Form A. G. P. T.-101, with reference to the tables given in the Insurance rules. The premium due on a policy should be calculated with reference to the "office age at entry" as defined in Article 4.

NOTE 1.—Deleted.

NOTE 2.—The intimation of acceptance is supposed to contain information on all points required. If any information is wanting or meagre, it should be obtained or completed by reference to the Postmaster-General concerned.

NOTE 3.—The tables for Insurance as given in the Insurance rules are for Rs. 1,000. For multiples or sub-multiples of these amounts, the calculations are to be made by simple multiplication or division, any fraction of a pie being rounded off to 1 when the fraction is  $\frac{1}{2}$  or more and neglected altogether when it is less than  $\frac{1}{2}$ .

NOTE 4.—A proposer may apply within sixty days of the date of the medical examination for additional benefit, either for increasing the value of the original proposal for insurance or for the issue of a fresh policy without submitting a fresh proposal in the prescribed form or undergoing a second medical



examination and the proposal should be accepted. After the expiration of the said period of 60 days, any such proposal for additional benefit will be regarded as a fresh proposal and the proposer will be required to submit it in the prescribed form and also to undergo a second medical examination, the fee for which shall, however, be borne by the Post Office Insurance Fund.

8. Under rule 23 of the Postal Insurance rules, the first premium is payable on or before the 60th day from the date of acceptance. In calculating the premium, the 60th day from the date of acceptance is taken tentatively as the date of entry, provided that, if within this date and the date of acceptance the life enters upon at the next age, the calculations are made for two ages—one for the lower age and the other for the next higher age.

NOTE 1.—When only the year of birth is known, the date of birth is taken as 1st July while when only the month and year are known the date is taken as the 16th of the month.

NOTE 2.—If the 60th day or the day preceding that on which the life enters upon the next age falls on a Sunday or a holiday under the Negotiable Instruments Act, the premium or the premium at the lower rate as the case may be, should be paid on the date preceding such Sunday or holiday.

NOTE 3.—In the case of further insurance the date given in the original acceptance is adhered to, unless the date of birth has subsequently been altered and the alteration has been accepted by the Postmaster-General.

NOTE 4.—A premium is treated as "Paid" on the date on which it has been actually tendered at a Pakistan Post Office and is considered as the premium for that month.

NOTE 5.—It will not be desirable to effect any change in a policy or contract consequent on any alteration of the date of birth, unless the alteration involves any additional risk on the Fund in which case the higher rate of premium or subscription may be charged and the difference recovered from the beginning of the policy or contract with interest at 8 per cent. per annum.

9. After the calculations have been worked out, the intimation of the first premium as well as the last date by which it has to be paid is written out in Form A. G. P. T.-102, in triplicate, one copy being meant for the proposer, the second for the receiving Postmaster, as named in the intimation of acceptance, and the third for the Postmaster-General concerned. With the Postmaster's copy, a loose sheet of Form No. A. G. P. T.-103 should be enclosed with the request that it may be returned duly filled in, on the very day on which the premium is credited. The calculation in Form A. G. P. T.-101 along with the intimations, after they have been carefully checked by an Accountant, should be placed before the Gazetted Officer for signature. After they have been passed by the Gazetted Officer, the last due date for the payment of the first premium, the rate and the date of despatch of the intimations should be noted against the items concerned in the Register in Form A. G. P. T.-100, and the intimations should be despatched "Registered" on Postal Service except the copies for the Postmaster-General and the Postmaster which are despatched as ordinary official letters.

NOTE 1.—When two rates are intimated, the two dates and the two rates are noted in the Register under "last date", and "amount of premium", the earlier date and the lower rate being entered in red ink.

NOTE 2.—When it is apprehended that an intimation cannot reach the party and the Postmaster concerned by post in time, telegraphic notices may be sent, which are confirmed by the despatch of these formal intimations. Telegrams must not be sent unnecessarily.

10. When intimation of credit of the first premium is received from the Postmaster, the date of payment should be noted against the item concerned in the Register in Form A. G. P. T.-100. This Register should be reviewed fortnightly by an Accountant, and monthly on the 10th of each month by the Gazetted Officer who should see whether the intimations of acceptance are being promptly disposed of by the Section and whether there is any case in which information as to the credit of first premium has not been received within a week from the last date noted. In the latter case an enquiry should be made of the receiving Postmaster as well as of the person whose life has been accepted, in Form No. A. G. P. T.-105, the latter being warned that by the non-payment, he has rendered himself liable to pay a sum of Rs. 4 for his medical examination and to refund any travelling allowance granted under the rules. A copy of this intimation is sent to the Postmaster-General concerned for his information. When the actual fact of non-payment is established, the Audit Officer (in the case of proposers belonging to the departments other than the Pakistan Posts and Telegraphs Department) or the immediate superior concerned (in the case of proposers of the Pakistan Post and Telegraphs Department) should be asked in Form No. A. G. P. T.-106 to effect recovery, and intimation of the action taken being given to the Postmaster-General concerned and necessary notes about the amount to be recovered made in sufficient detail in Registers in Forms Nos. A. G. P. T.-107 and 108. Recoveries, when effected, should be entered in the same registers. Irrecoverable amounts may be written off by the Accountant General on his being satisfied that recovery cannot be effected.

NOTE 1.—Subject to the continued good health of a proposer, the limit of 60 days for payment of first premium prescribed in this rule may be extended by the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, for a reasonable period not exceeding 90 days, in cases in which the first premium could not be paid due to circumstances beyond the control of the life accepted and not because there was any intention of not insuring in the fund. Cases justifying condonation of delay of more than 90 days in payment of first premium should be referred to the Director-General of Posts and Telegraphs for obtaining the sanction of the Governor-General in Council.

NOTE 2.—If a life accepted becomes ineligible for admission into the benefits of the Fund at the time of paying the first premium, and if the first premium has not been accepted by the Postmaster, the fee for medical examination and the travelling allowance, if granted, are not recovered from him.

#### Issue of Policies

11. On receipt of information from the receiving Postmaster as to the payment of the first premium and after the date of payment has been noted in the Register in Form A. G. P. T.-100 (see Article 10), the policy should be drawn up in the proper form as laid down in Articles 12 to 15.

NOTE.—When the intimation of credit of first premium is received not from the receiving Postmaster, but from the proposer concerned, no policy or contract should be issued until and unless the credit has been traced in the accounts (schedules received). To avoid delay, the receiving Postmaster may be asked to corroborate the statement of the person concerned in Form No. A. G. P. T.-109.

12. The following are the different forms in use for the issue of policies:—

- (1) L.I.-1 for limited payment Life Insurance.
- (2) L.I.-2 for whole Life Insurance.
- (3) L.I.-3 for Endowment Assurance.



13. With effect from the 1st April 1930, Policies are being numbered in four separate series as detailed below, beginning with one in each case:—

- (i) C series for all insurants belonging to the Civil Departments including Local Funds.
- (ii) M series for all insurants belonging to the Military Department including Naval and Air Forces.
- (iii) R series for all insurants belonging to Railways.
- (iv) P series for all insurants belonging to the Posts and Telegraphs Department.

N.B.—Female lives are further distinguished by the letter 'F' placed against the numbers in brackets in addition to the departmental letters.

NOTE.—Policies bearing dates prior to the 1st April 1930 were numbered in a consecutive series running from the very commencement of the Fund. Policies belonging to non-postal employees were, however, given double numbers, the numerator being the special serial number with the distinguishing index letter as indicated below against the department concerned, and the denominator being the general serial number.

- 'C'—for Civil Departments;
- 'L'—for Local Fund servants;
- 'M'—for Military and Marine Departments;
- 'T'—for Telegraph Branch of the Posts and Telegraphs Department; and
- 'R'—for Railways

14. A separate register of policies issued (Form A. G. P. T.-110) should be maintained for each of the series mentioned in Article 13 and all policies relating to a particular series should be entered in the register of that series in consecutive order. After the policy, Premium Receipt Book and other connected documents have been written out and checked and the Policy has been entered in the Register of Policies issued, they are placed before the Accountant in charge for examination. The Policy, and the Policy Issue register should be submitted to the Gazetted Officer for signature and attestation. The Premium Receipt Book and covering printed letters will be signed by the Accountant.

NOTE 1.—Each policy is given the date of entry as defined in Article 4.

NOTE 2.—Although the policies relating to Local Fund employees are given Civil numbers in the 'C' series [vide item (i) in Article 13], for statistical purposes a distinguishing letter 'L' should be written in the Policy Register against such policies.

15. After the documents have been passed and signed by the Accountant and the Gazetted Officer, the Policy with the accompanying documents is despatched to the Post Office named by the assured by "Registered Postal Service" for delivery under proper acknowledgment to the party concerned, who as well as the Postmaster-General is informed, through a letter in Form A. G. P. T.-112 of the issue of the Policy. When the acknowledgment (Form A. G. P. T.-114) is received back, it is filed in the case opened with the intimation of acceptance.

#### Issue of Duplicate Policy or Contract and Premium or Subscription Receipt Book

16. When the issue of a duplicate Policy or Contract is authorised by the Postmaster-General concerned, the duplicate is written out (marked conspicuously as "Duplicate") from the Policy or Contract

Register on the proper form and is issued over the signature of the Gazetted Officer, after it has been checked by the Accountant. Along with this a new Receipt Book when specially asked for is also prepared and issued over the signature of the Accountant. A note is also made against the entry concerned in the Policy Register and initialled by the Gazetted Officer as to the fact of the issue of a duplicate. The Policy along with the Receipt Book is delivered to the party concerned through the Postmaster named by him, on proper acknowledgment; and the Postmaster-General is informed of the fact of such issue.

**NOTE.**—When a policy or Contract has been damaged and returned to the Audit Office, a fresh Policy or Contract may be issued marked "Duplicate" by the Accountant General without reference to the Postmaster-General, who is informed of the fact of such issue.

17. When a premium or subscription receipt book has been lost a duplicate is issued on application by the assured or annuitant and delivered to him (under Form A. G. P. T.-115) through the Postmaster nominated, on payment of a fee of annas eight. The party concerned is informed of the issue of a duplicate book. Books are issued free of cost only with the original Policy or Contract, or in continuation of the original book when it is exhausted or when the loss has been explained to the satisfaction of the Accountant General to have been due to circumstances beyond the control of the party concerned. In such cases they are sent under Form No. A. G. P. T.-116. Whenever a new book is issued, a certificate is always given on the first page showing up to what month the premium or subscription has been traced in the accounts.

**NOTE.**—The fee of eight annas in respect of the duplicate receipt book should be credited to the fund.

#### Realisation and Audit of Premiums and Subscriptions

18. Rule 28 of the Postal Insurance Rules lays down the manner in which the first and subsequent premiums are generally realised. In special cases, the Accountant General arranges for the payment of premia in cash by the insureds at selected post offices, the authority to the Postmasters being issued in Form No. A. G. P. T.-117.

19. The main object of audit is to see that in respect of every "active" Policy or Contract, which has not been cancelled, surrendered, forfeited or discharged or made paid-up, the monthly premium or subscription has been realised duly and correctly and has been noted properly so that omissions and short payments may be readily detected and that all irregularities discovered are notified to the parties concerned, promptly, so as to give them a chance of rectifying them, and thus protecting the Policies or Contracts from lapse and forfeiture. For this purpose, the premiums and subscriptions paid in respect of each insured or purchaser are noted in ledger cards (Form No. A. G. P. T.-118) in the case of insurance and in the subscription register (Form No. A. G. P. T.-121) in the case of Monthly Allowance.

20. One card is opened for each active policy with the following particulars noted at the top:—(i) the number and date of the policy, (ii) the name of the assured, (iii) the class of policy, (iv) the amount of premium payable monthly, and (v) the last month up to which the premium is payable. For purposes of posting, each card is provided with vertical columns for the month, item number of the schedule or certified list, amount of premium and remarks. The cards are of



uniform size and ruling and each card is designed to record the premiums for two years. They are kept arranged in cabinets according to the entries in the schedule or list in which the credit for the premium on that policy appears. Whenever the policy-holder is transferred from the jurisdiction of one Audit Office to that of another, the respective card is also transferred and placed among the cards of the new Audit Office. As new policies are issued, the auditor concerned will open new cards for them. At the end of two years when the cards have to be renewed, new cards are opened only for the policies that are in force on the date they are copied.

NOTE 1.—When an assignment or reassignment is registered in the office of the Postmaster-General concerned and an intimation thereof is received in the office of the Accountant-General, East Bengal Posts and Telegraphs Branch, Dacca, the particulars of such assignment or reassignment are noted in the relevant ledger card (or if the policy is paid-up, in the Paid-up Register against the entries relating to the Policy). These notes should indicate the Party (insurant or assignee) by whom the further premium on the policy is payable and should be attested by the Accountant.

NOTE 2.—When a policy has been assigned under Rule 21 of the General Provident Fund (Central Services) Rules, the fact is noted in the card concerned.

NOTE 3.—When any policy has matured, has been surrendered, cancelled, forfeited or made paid-up, the fact is noted in the remarks column of the card and the card filed with the case concerned.

NOTE 4.—When there has been any change in the rate of premium payable or in its term on the conversion or commutation of a policy, the alteration is noted in red ink below the original entry, with a note as to the month from which the alteration takes effect, and a similar note is made under the month concerned as well.

NOTE 5.—All entries in the cards on the strength of which audit is conducted are initialled by the Accountant concerned. In the case of recopied cards it is sufficient if they are attested by the copyists and the checkers. The Accountant will review them as they come for percentage review of postings.

21. As soon as the lists or schedules are received in the office (*vide* Articles 5 and 6), the items in each list or schedule are numbered serially, the number being noted in red ink against the name of the insurant. If any policy number or any other particulars are found wanting or incorrect, the auditor will supply the omissions and make necessary corrections with reference to the previous month's list or schedule. Then the list or schedule and the cards belonging to the Department to which the list or schedule belongs are made over to a sorter, who should arrange the cards according to the entries in the list or schedule. The cards which are not found in this bundle should be traced from the bundle relating to cash credits in the same Circle or from any other cabinet by reference to Index Cards (Form No. A. G. P. T.-119) and all the cards required for posting the items in the schedule should be supplied by the sorter.

22. The list or schedule with the cards as arranged by the sorter should then be passed on to the machinist for posting. The machinist will so arrange the totaliser on the machine that the total of all the amounts posted in the column "premium realised" will be accumulated in it. In posting, he will enter the item number in the second column against the month concerned and the amount of premium in the money column of the card. Before fixing the card on the machine, he should take particular care to see that the Policy number and the Premium amount noted at the top of the card agree with the number and amount of the item to be posted. In case any cards are not found,

the machinist will post the items in Form No. A. G. P. T-120 which should be kept stitched to the list or schedule. After all the items in a particular list or schedule have been posted, the total arrived at on the totaliser should be equal to the grand total of the list or schedule. To facilitate the agreement, the machinist should take care to see that as soon as the posting of each page is completed, the total of the page agrees with that indicated in the totaliser. The accuracy of the postings in the ledger cards is automatically proved when the grand total of the list or schedule agrees with the machine total. The machinist who posts and effects the agreement will fill up the entries in Form No. A. G. P. T-120 and sign it with his full name.

NOTE 1.—As a rule there should be no unposted item. The exceptional cases in which such items may occur are due to the inclusion in the list or schedule of insurances newly transferred whose policy numbers are either wanting or incorrectly quoted.

NOTE 2.—When any item in the List or Schedule is composed of several items, for instance, when an insurant has more than one policy active or more than one contract, the number of component items is noted in brackets against the general number, thus 15 (6) when an item number 15 is composed of 6 policies, and the component items are posted under the general number and the special number, thus 15 (1), 15 (2), 15 (3) and so on.

NOTE 3.—Premiums are not as a rule received in advance for several months together except when an officer proceeding on leave intends to pay them in advance on previous arrangement with the Accountant General. The amount in such cases is posted under the month of realisation and necessary note is made under the columns for the months concerned.

NOTE 4.—Premiums and subscriptions deducted from pay or allowances or pension for any month are treated as realised in the month in which the pay, allowances or pension have been drawn and disbursed.

NOTE 5.—For cash realisation, vide Note 4 to Article 8.

NOTE 6.—Any medical fee or fine realised and shown in the schedule or list is posted below the premium with suitable remarks.

23. The posted cards including the Form No. A. G. P. T-120 in which the unadjusted items are posted and the list or schedule relating to them will be taken over by the auditor for detailed check of posting and audit. During this check, the auditor should see that (i) the particulars of each item have been correctly posted in the proper card, (ii) the premiums due on the policy have been correctly and fully paid by the due date, and (iii) all items in a list or schedule have been posted. In regard to the items posted in Form A. G. P. T-120 he should take such steps as may be necessary to trace the cards in respect of the items. If any further information is required in respect of them, he should immediately call for them from the Audit Officer concerned. His responsibility ceases only when the item is removed from the unadjusted list and posted in the proper card under his dated initials.

NOTE.—The audited lists should also be reviewed monthly by the Accountants in charge of the audit groups. The review should be so arranged that all the lists are test-reviewed at least once a year to the extent of 10 per cent. A broadsheet should be maintained with a view to seeing that all the offices come under review during the year.

24. The subscription register is opened in Form A. G. P. T-121 containing the following particulars in respect of each contract: (1) the number of the contract, (2) the name of the purchaser, (3) the amount of subscription payable monthly, (4) the class of contract and (5) the term for which the subscription is payable. Each Register is meant to last for 3 years and hence there are 36 money columns



The Contracts are entered serially and each entry in the Register is attested by an Accountant. The subscriptions realised each month are posted in the column for the month in which the amounts have been realised. After the postings for a month have been completed, the columns are totalled and made to agree with the schedule total of subscriptions realised.

25. On completion of audit, the auditor should take up the cards of his *Credit* of audit, which have been left unposted for want of credits in the list or schedule and should issue notices. Below is given a list of the common irregularities, with instructions as to how they are noticed and set right:—

- (i) *Credit not traced*, in which case reference is made to the life assured in Form A. G. P. T.-123 or 124 and to the Audit Officer in Form A. G. P. T.-122.
- (ii) *Double credits traced*, one in the cash list, and the other in the schedule of deductions, in which case a reference is made to the party concerned; and when the double credit has been established on reference to the Audit Officer, he is requested not to make any deduction from the pay or allowances of the subsequent month in Form A. G. P. T.-129, a copy of the intimation being sent to the party as well.
- (iii) *Excess credit*, in which case the Audit Officer is asked to make a corresponding short deduction from subsequent month's pay or allowances in Form A. G. P. T.-130, but if a set off is not possible, a refund order is issued after verifying that there has been no short credit in any previous month, in Form A. G. P. T.-131.
- (iv) *Short credit of premium or subscription*, in which case notice is issued in Form A. G. P. T.-130 *mutatis mutandis*.
- (v) *Late credit*, in which case a notice is issued in Form No. A. G. P. T.-125.
- (vi) *Payment at a sub-office credited in the Head Office account after the due date*, in which case reference is first made to the receiving Postmaster in Form A. G. P. T.-132.
- (vii) *Credit traced after the payment of premiums or subscriptions has ceased*, which is noticed in the same way as an excess credit. This is refunded in Form A. G. P. T.-131 issued over the signature of the Gazetted Officer, when the excess credit has been established from the accounts.
- (viii) *Credit traced in excess in the account of a deceased insured*, which is brought to the notice of the Postmaster-General (under whose orders the payment of the policy was made) for arranging the payment to the legal heirs. The amount should be noted in the card and also in the Refund Register (*vide* Article 32), the latter being initialled by the Gazetted Officer.

NOTE 1.—Deleted.

NOTE 2.—In noticing non-credit, late credit and short credit (except when the short credit is for a comparatively trifling amount), the parties concerned are also informed that their policies or contracts have lapsed if there has been actually non-credit, late credit or short credit.

In the case of an assigned Postal Insurance policy, when it is in danger of lapsing, an intimation in Form A. G. P. T.-125A will be sent by the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca to the Head of the Circle through whom the insurance was effected and on receipt of this intimation the Head of the Circle concerned should issue a notice to all persons interested in the policy including the assignee.

### Review of Ledger Cards

25-A. At the end of every two years when all the postings in a set of ledger cards have been completed, the reviewers will take up the review of these cards.

The main object in having the postings of premia in the ledger cards reviewed by a set of senior auditor is to see that a Policy is continuously active and that all defects and irregularities which may adversely affect the admissibility of final payments are duly settled.

The duties of reviewers are the following:—

- (1) To periodically check the current ledger cards of each Circle with the active policy register with a view to see that there is a card for every active Policy and that absence, if any, is satisfactorily explained.
- (2) To see that the old ledger cards are arranged serially according to Circles and that the particulars at the top of the cards are legibly written up. In the case of assignments they should see that proper notes regarding the person who is to pay the premium have been made in the card.
- (3) To see that the premiums due on Policies have been correctly and fully paid each month by the due date, that lapses due to non-payments and late payments and other irregularities which might have escaped the notice of the assistant auditors at the time of audit are promptly noticed with a view to regularising the defects.
- (4) In cases where interest at 8 per cent. is levied as a penalty to verify the correctness of the amount recovered by independent calculation.
- (5) In the case of conversions, commutations, etc., to see that the requirements of Notes 4 and 5 to Article 20 are complied with and that short/excess realisations arising out of such changes are subsequently adjusted.
- (6) To enter in the cards the results of review under dated initials of the reviewers and to maintain in a register for each Circle for noting all irregularities detected in the course of applying the above checks and to notice irregularities detected including excess/short realisation of Re. 1 and above.
- (7) To maintain a daily progress report showing:—
  - (a) the particulars of the Circle or department the cards of which are under review, and
  - (b) the number of cards reviewed daily.

### Lapses and Forfeitures

26. The circumstances under which a policy or contract may become void or be forfeited and the terms on which they can be renewed are laid down in Rules 39 and 40 of the Postal Insurance Rules. When the



provisions of Rule 39 or 40 for the renewal of lapsed policies or contracts are complied with, then in the case of lapse under Rule 39 the Postmaster-General concerned is addressed in Form A. G. P. T.-134 with a view to the renewal of the policy or contract and the latter communicates his orders direct to the party concerned sending a copy thereof to the Accountant General for his information; while in the case of lapse under Rule 40 a formal renewal notice is issued to the party concerned in Form A. G. P. T.-135 by the Accountant General.

NOTE 1.—The benefit of 7 days referred to in Note 4 to Rule-28 of the Postal Insurance Rules, should be allowed in consultation with the Audit Officer concerned.

NOTE 2.—As the Postmaster may not always be in a position to satisfy himself about the 7 days' limit he may accept the premium with the fine which is refundable if the benefit of 7 days is allowed.

27. When a policy or contract has been forfeited to Government under the operation of Rule 39 or 40 of the Postal Insurance Rules, the life assured is informed in Form A. G. P. T.-136 and also asked to return the policy or contract if it be of less than three years standing. A copy of the intimation is also sent to the Postmaster-General concerned for his information, and a copy to the Audit Officer with the request that he should not make any further deduction of premium or subscription. At the same time, the fact of forfeiture is noted against the entry concerned in the Policy or Contract Register, in the Ledger-Card or subscription Register concerned, and in a special Register in Form A. G. P. T.-137, all under the initials of the Gazetted Officer.

NOTE 1.—In fixing "the first day of the month for which the premium is due" which is made the basis for calculating the periods at the end of which a policy is forfeited to Government under Rule 39 or 40, the following rule should be observed:—"All payments made should be attributed to the demands due, in the order of these demands. Thus if the premium due on a policy in a month is not paid within the month, the premium paid next to the default should be taken as the premium paid for the month of default, e.g., if the premium payable in March on a policy is not paid by the 21st of March, but the premia payable in April and subsequent months are regularly paid by the due dates, the premium paid in April should be taken as that payable in March, and so on. The same procedure should be observed for allocation of subscriptions on Deferred Monthly Allowance Contracts."

NOTE 2.—So long as a short credit (except for a comparatively trifling amount) has not been made good by excess credit from any subsequent instalment or by payment in cash, the deficiency should be taken as adjusted from the subsequent instalment and the case is to be treated as one of late payment of premium.

NOTE 3.—As soon as a policy of more than three years' duration is forfeited, a definite offer of the surrender value or of a paid-up-policy should be made to the policy-holder. This would give an opportunity to the policy-holder if he then be in good health to revive his policy on production of a medical certificate and would also clear the books of the Fund of outstanding liabilities.

28. When a policy has been forfeited under Rule 39, and if the policy is of less than one year's standing, the assured renders himself liable to pay the sum of Rs. 4 for his medical examination as well as to refund any travelling allowance granted for his medical examination; when a policy or contract has been forfeited under Rule 40, the assured or annuitant can get the surrender value of his policy or contract, subject to the condition that the surrender value is to be calculated up to the month of forfeiture, and from the value so calculated is to be deducted 12 months' premium with the interest thereon at 8 per cent.

NOTE.—The Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, exercises the power to waive recovery, in exceptional cases of the amount of medical fee due under the Note below Rule 14 of the Postal Insurance Rules, from a proposer or an insured, and to write off the amounts of such medical fees.

### Cancellation of Policies and Contracts

29. At any time a policy or contract can be cancelled at the option of the holder, subject to the condition that if the policy is of less than one year's standing the life assured renders himself liable to refund the fee of Rs. 4 incurred for his medical examination as well as of any travelling allowance granted. The fact of cancellation is noted in the Policy or Contract Register and in the Ledger Card or Subscription Register concerned as well as in the special register in Form A.G.P.T.-137 under the initials of the Gazetted Officer and the fact is intimated to the Postmaster General concerned in Form A.G.P.T.-136 and the Audit Officer is asked to discontinue deduction of premiums or subscriptions.

### Audit of Fines and recovery of Medical Fees

30. All recoveries of medical examination fees are noted in a special register in Form A.G.P.T.-108. After the credits have been traced, they are posted in this register against the items concerned in addition to the entries made in the Card or Subscription Register (vide Note 6 to Article 22). This register is submitted to the Gazetted Officer for review on the 25th of each month. All recoveries of fines imposed are watched through the entries in the cards and the cases concerned.

### Paid-up Policies

31. The particulars of all limited payment policies, the premiums on which have been completed and all policies which have been made paid-up by payment of all future payments in lump, should be entered in a separate register in Form No. A.G.P.T.-138 called "The Paid-up Policy Register", each entry therein being attested by an Accountant. Necessary note should be kept in the file and the card concerned, the card being filed with the case. This register should be submitted to the Gazetted Officer with suitable remarks whenever claims arise in respect of the policies noted in this register.

### Refunds and Audit of Refunds

32. When any excess credit of premium or subscription cannot be set off against any future instalment, the amount is refunded in cash under the orders of the Gazetted Officer and communicated in Form A.G.P.T.-131, a copy of the order being sent to the Post Office selected. The amount is noted in the Card or the Subscription Register against the item concerned as well as in a Refund Register in Form A.G.P.T.-139, the latter under the initials of the Gazetted Officer. When the amount has been refunded, it is charged in the schedule of payments which is sent to the Accountant General monthly and is supported by the payee's acquittance on the reverse of the Refund Order and the refund advice to the Postmaster. Audit is conducted with reference to the entry in the Refund Register in which the date of payment is noted against the item concerned.

NOTE.—See Note below clause (i) of Article 517, Posts and Telegraphs Initial Account Code, Volume I.



### Discontinuance or Reduction of Premiums and Commutations, Conversions of Policies and Surrender of Policies and Contracts

33. Under the Postal Insurance Rules, the life assured is allowed to discontinue payment of his monthly premium, reduce the premium to any desired extent, surrender his policy or contract, or commute or convert his policy. The following general principles should be observed in dealing with such cases:—

- (i) When premiums are discontinued in respect of policies of less than a year's standing, he renders himself liable to pay the medical examination fee and the travelling allowance, if drawn.
- (ii) When premiums are discontinued in respect of policies of not less than one year's standing, but of less than three years' standing, nothing is paid to or recovered from him.
- (iii) When premiums are discontinued after a period of not less than three years, a reduced paid-up policy may be issued if desired, provided that the amount of such a policy is not less than Rs. 100.

NOTE.—If the policy has been issued prior to 23rd November 1922, it can be converted into a reduced paid-up policy for an amount not less than Rs. 50.

- (iv) If the policy or contract is of not less than three years' standing, surrender value is granted, which, in the case of a Monthly Allowance Contract, is restricted to 95 per cent. of its present value and is subject to the production, at the expense of the annuitant, of a medical certificate of an average prospect of life.
- (v) The maturity of a policy can be altered only after an integral number of years' premiums have been paid, and subject to the production of a medical certificate, at the expense of the assured, as to his average prospect of life, when the maturity is postponed beyond the original age, or when the proposed conversion entails greater risk on the Fund.
- (vi) Conversion or commutation of a policy into an Endowment Assurance one, payable at the ages of 45, 50 and 55 only, is admissible.

NOTE 1.—The terms of all conversions, commutations and surrender values of policies may be ascertained from the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca.

NOTE 2.—The method of calculations is given in Appendix A and is not intended for publication.

34. The formal application for surrender value, accompanied by the Policy, or Contract and the premium or subscription receipt books and bonus certificates, if any, is made to the Postmaster-General, who will forward the application to the Accountant General. On receipt, the calculations will be made in Form No. A. G. P. T.-140 as on the date of application which should be checked by Accountant and an intimation of the surrender value in Form No. A. G. P. T.-141 signed by the Gazetted Officer sent to the Postmaster-General for his sanction. The necessary intimation to the Audit Officer under Rule 35 of the Postal Insurance Rules will be issued in Form No. A. G. P. T.-142.

NOTE 1.—All applications for surrender values received from the Postmaster-General are entered in a Register in Form A. G. P. T.-149. The issue of the

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certificate as well as the number and date of the sanction of the Postmaster-General when received are noted in the proper columns of the Register. A note is also made in the Card or Subscription Register concerned. The sanction of the Postmaster-General and the Registers or Cards will be submitted to the Gazetted Officer who will initial the entries in the Registers or Cards and pass record order on the sanction. The Register of application for surrender value (Form No. A. G. P. T.-149) will be closed and submitted to the Accountant weekly and to the Gazetted Officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

NOTE 2.—In the case of a policy which has acquired surrender value and has not been forfeited to Government, should the insured die during the month in which his application for surrender value of the policy is received in the Postmaster-General's office, the full value of the policy may be paid, subject to the deduction of any surrender value already paid, and the policy treated as active till the end of the month referred to above.

35. When an application for commutation or conversion of a policy is received and found to be in order the terms thereof are calculated by the auditor, checked by another senior auditor and the accountant and intimated to the party along with a Declaration form in A. G. P. T.-144 as well as a form of consent of the assignee to the alteration where the policy stands assigned. On receipt of (i) the Declaration duly signed by the insured together with the original policy and bonus certificates, if any, duly discharged, if necessary, (ii) the premium receipt book, and (iii) the form of consent duly signed by the assignee, if any, the calculations are revised, where necessary, as on the date of declaration and the revised calculations made by the auditor are checked by another senior auditor, the accountant of the group and the senior accountant. If there is no revision of the original calculations as on the date of declaration they are checked by the senior accountant only. The Gazetted Officer-in-charge before passing his orders in Form A. G. P. T.-145 for the issue of the altered policy should generally satisfy himself that the relevant calculations are correct.

NOTE.—In the case of conversion, a clear discharge on the original policy and also on the bonus certificates, in all cases in which the accumulated bonus is surrendered or altered must be furnished by the party concerned. In case the required discharge is not effected and sent in advance along with the declaration in Form A. G. P. T.-144, the above documents must be duly discharged and given up to the Postmaster concerned before delivery of the converted policy and the Postmaster should send them to the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, for records. In cases in which the certificates for accrued bonus are lost or mislaid and are not forthcoming, a suitable declaration must be furnished by the party concerned before delivery of the converted policy. For the purpose of a valid discharge the following endorsements on the policy and bonus certificate will be sufficient:—

Applicable to policies issued prior to 1-4-40.

Policy.—All the rights, titles and interests in this policy and the bonuses so far accrued thereunder are cancelled by conversion and are hereby foregone.

Bonus certificate.—As the amount secured under this certificate has been taken into account in arriving at the new rate of premium sum assured in respect of a converted policy, the claim to the amount shown in this certificate is hereby foregone.

Applicable to policies issued on or after 1-4-40.

Policy.—All the rights, titles and interests in this policy are cancelled by conversion and are hereby foregone.

Bonus certificate.—The claim to the amount shown in this certificate is hereby foregone on condition that in lieu thereof I am entitled to a fresh bonus of



36. The new policy is issued under the *Original number* on a *fresh form*. The policy is dated with the date of effect of the alteration, the original date of entry being noted in red ink below this date. The "Attained age" with reference to which the calculations have been made is entered under "Age of entry", and the entries in the Policy Register under the item concerned are altered accordingly under the initials of the Gazetted Officer with a note of the date of effect in the remarks column. To work out the financial effect of the alteration on the accumulated figures, it is also entered under the initials of the Gazetted Officer in a Register in Form No. A. G. P. T.-146. The original Policy is cancelled with the remarks "Cancelled by commutation and conversion and filed with the declaration in the case" and the entry in the card is also corrected. The new policy along with a fresh premium receipt book, when premiums are still payable, is issued over the signature of the Gazetted Officer. The policy is despatched in the manner prescribed in Article 15. The usual intimation to the Audit Officer and the immediate superior is also prepared and despatched at the same time.

37. The Postmaster-General's sanction to the payment of the surrender value, on being received, is entered in the Surrender Value Register in Form No. A. G. P. T.-149 under the initials of the Gazetted Officer. When the surrender value has been paid, necessary note is made in the Policy or Contract Register as well as in the Surrender Value Register, all under the initials of the Gazetted Officer. To facilitate the identification of items, the serial numbers thereof as given in the Policy or Contract Register are cited in the Surrender Value Register. Entry in the two sets of Registers is made only when the payment has been taken, as the Policy or Contract holder has the full discretion of changing his mind to revive his policy meanwhile, on payment of arrear premiums with fines due.

#### Maturity of Policies and Contracts

38. When a policy matures either by death or on the attainment of the specified age, an application for payment is made to the Postmaster-General concerned with the policy, bonus certificates, if any, and premium receipt book. On the requisition of the Postmaster-General, a certificate in Form No. A. G. P. T.-148 is issued by the Accountant General. On receipt of the necessary intimation from the Postmaster-General which is to be recorded in the <sup>death</sup> ~~completion~~ Register (Form No. A. G. P. T.-149), the Ledger Cards are consulted to see if any premium is due and if there is any lapse under rule 39 of the Postal Insurance Rules not revived. In the latter case no claim is entertained. If there has been no such lapse but the premium has not been paid, the amount is noted in the certificate to the Postmaster-General as recoverable from the value of the policy. The calculations will be worked out in Form No. A. G. P. T.-149A, and, after they have been checked by the Accountant, the form should be placed before the Gazetted Officer for signature. Necessary entries are made in the Card but not in the Policy Register until and unless the payment has been taken. The Death/Completion Register (Form No. A. G. P. T.-149) will be closed and submitted to the Accountant weekly and to the Gazetted Officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

NOTE 1.—When application is made to the Postmaster-General for payment of the value of a policy without the production of the policy, the Postmaster-General's order of payment is issued only after obtaining an Indemnity Bond duly executed.

NOTE 2.—If the records show that the policy has been assigned to any person, the fact is noted on the certificate.

NOTE 3.—When a policy has been assigned to the Governor-General under Rule 21 of the General Provident Fund (Central Services) Rules, re-assignment is not required before payment of the sum assured to the legal representatives of the deceased.

NOTE 4.—In stating the value of the policy, the bonus additions should be taken into account.

NOTE 5.—If no intimation has been received from the Postmaster-General, but intimation has been received direct from a claimant of the value of a policy, the Postmaster-General is addressed, as a certificate is issued only at his request.

NOTE 6.—A policy holds good even in the event of the assured losing his life on Field Service though the payment is to be made through a Pakistan Post Office.

NOTE 7.—Rule 39 or 40 of the Postal Insurance Rules does not operate when death happens on or before the 21st of the month with the premium left unpaid.

NOTE 8.—When the insured dies on the first day of any month, the premium for that month is not recovered and if it has already been recovered it is refunded to the legal heirs of the deceased along with the value of the policy.

NOTE 9.—Short recoveries or excess credit of premia on account of elimination of pies amounting to less than a rupee may be neglected in the case of final payments but if there is any amount due to the party owing to the premia having been recovered in excess beyond the stipulated period or due from the party owing to the premia not having been recovered up to the stipulated period, the short recoveries or excess credits should be adjusted when the final payment is made.

39. Before the first monthly allowance becomes payable to the purchaser, he is to intimate to the Accountant General the name of the Post Office at which he desires to receive the allowance. On receipt of this intimation, the Monthly Allowance Register as well as the Subscription Register mentioned in Article 24 is consulted. If all subscriptions due have been paid and if there has been no lapse unrevived, the necessary authority is issued to the Postmaster named, for the payment of the allowance, on production by the purchaser of a life certificate in the prescribed form and on proper identification.

40. The authority already issued along with the contract in the case of immediate monthly allowance will hold good only so long as the purchaser is alive. When the annuitant has changed his residence, the original authority is redirected to the new office by the first office, if so desired by the party.

The payment of the allowance is watched through the Register in Form A. G. P. T.-151.

NOTE 1.—When a purchaser of a Monthly Allowance Contract has left Pakistan, the amount may be paid to his authorised agent at a Pakistan Post Office nominated by him, subject to the production each month of a life certificate signed by a Justice of the Peace, Minister, Church Warden or legally qualified Medical Officer. If the agent is a banker who has furnished a bond of indemnity as security against any loss in case of overpayments, the life certificate need not be insisted on.

NOTE 2.—The full amount of the allowance for the month in which the purchaser dies is paid to his heirs.



### Audit of Payments

41. The payment in respect of policies and contracts by a Post Office are accounted for each month in two schedules, one for the period from 1st to 10th and the other for the rest of the month. The schedules along with the vouchers duly receipted and complete in form are forwarded each month to the Accountant General by the Postal Audit Offices concerned. In the case of policies, the payment is audited with reference to the sanction recorded on the policies concerned, and entered in the Register of Policies—<sup>discharged</sup><sub>surrendered</sub>, in Form

A. G. P. T.-150 as well as in the Policy Register (Form A. G. P. T.-110) against the items concerned under the initials of the Gazetted Officer. The attestation of the paid vouchers by the Gazetted Officer will be completed by the end of the fourth month following and the payment registers will be closed and submitted to the Gazetted Officer for review on the 15th of the 5th month following the month of account. In the case of refunds, the payments are audited with reference to the refund orders, and are noted against the items concerned in the Register of Refunds, vide Article 32. In the case of medical fees paid, they are audited with reference to the sanctions of the Heads of Circles received with the paid vouchers and the total amount paid is posted directly into the Broadsheet of charges (Form No. A. G. P. T.-160) for each circle while payments of monthly allowances are audited through the Register referred to in Article 40.

NOTE 1.—All payments must be supported by vouchers duly signed and stamped, if necessary. These vouchers should be carefully checked according to the instructions contained in para. 8 of the Audit Manual.

NOTE 2.—The following procedure should be followed in connection with the payment of Postal Insurance Policies to the heirs of a deceased insured:—

- (a) In cases in which the claim is contested and in cases in which the amount payable exceeds Rs. 5,000 payment should not be made without production of probate or letters of administration or a succession certificate.
- (b) When the amount payable exceeds Rs. 3,000 but does not exceed Rs. 5,000 and the claim is uncontested, the production of the legal evidence referred to above may be dispensed with at the discretion of the Head of the Circle, provided an indemnity bond with two approved sureties is produced.
- (c) When the amount payable does not exceed Rs. 3,000, an indemnity bond with two approved sureties need be taken only when any dispute among the heirs of the deceased insured is anticipated.

NOTE 3.—When any deduction on account of arrear premium due or fine unrealised is made from the value certified under Article 38, the gross amount is charged in the payment register with per contra credit to premium or fine, as the case may be.

NOTE 4.—The travelling allowance for medical examination, should be charged to the head "XIX—Posts and Telegraphs" and not to the Post Office Insurance Fund. A register in Form No. A. G. P. T.-107 is maintained in the Postal Life Insurance Section to record all payments in connection with the travelling allowance. This register is submitted to the Gazetted Officer for review on the 25th of the third month following the month of account.

### Account Reconciliation

#### Receipts

42. (a) As soon as all the items in a list or schedule are posted, the totals of the amounts posted and accumulated on the totaliser will be found to agree with the total of the list or schedule. If, for any special



reason, any item could not be posted for want of the proper card, it is posted in a separate list of "unadjusted items". The total of the list or schedule, the totals of the amounts posted, and the total amount of unposted items, if any, will be typed by the machinist in the monthly reconciliation statement of Postal Life Insurance receipts (Form No. A. G. P. T.-120) and the details of the unposted items will be shown on the reverse of the form. The entries made on both sides of the Form should be attested by the machinist under his dated initials.

(b) The monthly reconciliation statement should be stitched to the list or schedule to which it relates. The auditor concerned must copy all the items which have not been posted by the machinist in a separate (Part I) of the Register in Form No. A. G. P. T.-154 and take prompt action for settling the items noting the number and date of reference in the remarks column of the Register. The items which remain unsettled for over six months should be transferred to Part II of the Register with the remark "For previous correspondence see item..... of Part I". Further correspondence should be pursued and noted in Part II.

When an item is settled, the auditor should post and attest the posting in the card and strike out the entry in the relevant part of the Register under his dated initials duly noting against that entry the number of the policy and the month in which it is posted.

The Register of items remaining unposted (Form No. A. G. P. T.-154) should be reviewed by the Accountant and submitted to the Gazetted Officer for review on the 15th of each month.

(c) The auditor should classify the figures under the heads " (i) Life Insurance, During Life and Fixed, (ii) Endowment Assurance, (iii) Monthly Allowances, (iv) Medical Fees and (v) Fines. The total of the amounts under the various heads must agree with the total of the list or schedule as verified by the machinist.

The list or schedule, with the monthly reconciliation statement, should then be made over to the accounts group for purposes of posting the Registers maintained in that group and effecting the agreement with the credits intimated by the office of the Auditor-General. At the end of the year, the totals of all the schedules or lists should be compiled and verified with the figures of the General Book and suitable explanations should be given of all items remaining unposted at the end of the year and the explanation sheet should be attached to the annual reconciliation statement for the information of the Gazetted Officer.

43. The difference between the consolidated total of premiums as arrived at in the Broadsheet of premiums realised (Form A. G. P. T.-155) and the total in the detail books is explained in Form A. G. P. T.-156. The Broadsheet is submitted to the Gazetted Officer on the last day of the fourth month following the month of account.

#### Payments

44. As regards payments, the totals of the several registers mentioned in Article 41 are similarly consolidated and reconciled with the detail book figures through Form A. G. P. T.-160. The Broadsheet of charges is submitted to the Gazetted Officer on the last day of the 4th

month following the month of account. At the end of the year the totals of all the schedules or lists should be compiled and verified with the figures of the General Book. The several account heads are as under:—

- (i) Medical Fees paid, (ii) Refunds of medical fees, (iii) Life Insurance Policies paid, (iv) Surrender value of Life Insurance Policies, (v) Life Insurance premia refunded, (vi) Endowment Assurance Policies paid, (vii) Surrender value of Endowment Assurance Policies (viii) Endowment Assurance premia refunded, (ix) Monthly Allowance paid, (x) Surrender Value of Monthly Allowance and (xi) Monthly Allowance subscription refunded.

#### Interest Calculations and Annual Adjustments

45. Interest is allowed on the balance at credit of the Post Office Insurance Fund at the rate of 3½ per cent. per annum on the balance on the last day of each month.

46. The interest-bearing balance is worked out in a register in Form No. A. G. P. T.-162 as follows:—

The total receipts of a month as realised by deduction from the pay and allowances and as paid in cash into the Post Offices, and the total charges for that month are posted in the register (Form No. A. G. P. T.-162). The net balance is then worked out and added to the opening balance of the month. On this total amount which represents the interest-bearing balance for the month, interest is calculated.

When the interest register (Form No. A. G. P. T.-162) is completed for a month, the totals of receipts and payments for the month are agreed with the corresponding figures in the Broadsheets (Forms No. A. G. P. T.-155 and No. A. G. P. T.-160) and the register is submitted to the Gazetted Officer on the last day of the 4th month following the month of account. At the end of the year, the progressive total of interest for the year is passed on to the credit of the Fund by debit to the head '22-Interest on debt and other obligations—Interest on Postal Insurance and Life Annuity Fund.'

NOTE 1.—The interest is calculated separately for the three branches of the Fund.

NOTE 2.—Medical fees paid are distributed between Life Insurance and Endowment Assurance in the proportion which the total number of policies issued under Life Insurance bears to the total number under Endowment Assurance in the year.

NOTE 3.—For the purpose of working out the monthly interest bearing balances, a fixed sum, i.e., an approximate monthly average of all the charges enumerated in Articles 258 and 299 of the Posts and Telegraphs Account Code should be calculated and deducted monthly from the lowest balances of each month. The difference between the total of such deductions and the total amount actually debitable to the Fund as worked out at the end of the year should be adjusted in the accounts for March.

47. The cost of working and administration of the Fund and the cost of accounting and auditing should also be worked out and adjusted in the manner described in Chapter 6 of the Posts and Telegraphs Account Code.



### Preparation of Statistical and Financial Returns for the Director-General

48. To enable the Director-General to include in the annual Administration Report information about the operations of the Post Office Insurance Fund the following statistical and financial returns are prepared and furnished to the Office of the Auditor General to reach by the 25th of August each year for transmission to him with the Comments of the Auditor General on the general position of the Fund on or before the 31st August:—

- |  |     |  |
|--|-----|--|
| Statement A-I<br>(Form A. G. P. T-163)   | ... | Showing the operation of the scheme of Life Insurance and Endowment Assurance during the year under review as compared with the previous year.   |
| Statement A-II<br>(Form A. G. P. T.-164) | ... | Showing the operation of the scheme of Monthly Allowance during the year as compared with the previous year.   |
| Statement B<br>(Form A. G. P. T.-165)    | ... | Abstract of Life Insurance and Endowment Assurance Policies and Monthly allowance Contracts issued, discharged, lapsed and surrendered during the year.                                    |
| Statement C-I<br>(Form A. G. P. T.-166)  | ... | Financial result of the Life Insurance Section.  |
| Statement C-II                           | ... | Financial result of the Endowment Assurance Section.   |
| Statement C-III                          | ... | Financial result of the Monthly Allowance Section.   |
| Statement D-I                            | ... | Showing the number of policies in the Pakistan Posts and Telegraphs Department only, which have been discharged or closed during the official year and which are active on the 31st March. |
| Statement D-II                           | ... | Showing the outstanding liabilities of the Fund on the Policies which have become claims but have not been paid during the financial year.   |

NOTE.—Copies of statements C-I, C-II and C-III are also sent to the Actuary to the Government of Pakistan along with the valuation statements mentioned in Article 56.

49. Statement A-I is prepared separately for each of the several Departments from the Policy Register, Broadsheet of Premia realised, and Broadsheet of charges, and shows the following details:—

- (a) Number of lives assured.
- (b) Amount insured.
- (c) Amount received as premia including fines and medical fees.
- (d) Amount of claims met separately under Life Insurance (whole life) and Life Insurance (Limited period) and also under Endowment Assurance heads; a grant total is given at the end. The cost of establishment and stationery is also shown here.



The total under each sub-head is compared with the totals of the previous year's statement and the difference is shown under increase or decrease, as the case may be.

50. Statement A-II is prepared separately for each Department from the Register of Contracts issued, Register of Subscriptions realised and Broadsheet of Charges and includes the following details:—

(a) Amount of subscription realised.

(b) Claims met and cost of establishment, stationery and printing.

The details are shown separately for immediate and deferred monthly allowances and the grand total is struck at the end. The total under each sub-head is compared with the total of the last year's statement, the difference being shown under increase or decrease.

51. Statement B is compiled from the Issue Register and also from the Lapse, Surrender and Payment Registers.

It shows the following details:—

Balance of the previous year.  
issue during the year.

Discharge during the year  $\frac{\text{by death}}{\text{by maturity}}$

Balance at the close of the year.

The number and amount under Life Insurance, Endowment Assurance and Monthly Allowance Contracts are shown separately. The number and amount of lapse, cancellation, surrender and payment of policies are also shown separately. The amount of bonus paid is also shown separately under payment of policies.

52. Statement C-I (Life Insurance) is prepared from the Broad-sheet of Premia Realised, Broadsheet of Charge, and Interest Register, and shows the following details:—

#### Receipts

Balance on 1st April.  
Premia realised during the year.  
Fines realised during the year.  
Medical fees realised during the year.

#### Total Receipts

#### Payments

Life Insurance Policies paid.  
Surrender value paid.  
Medical fees paid.  
Refund.  
Refund of Medical Fees.  
Postal establishment including printing, etc.

#### Total Payments

Interest on balance.  
Balance on 31st March.

$\frac{\text{Deduct}}{\text{Add}}$  Reserve value of converted policies.

Statement C-II (Endowment Assurance) is prepared in the same way as C-I.

53. Statement C-III (Monthly Allowance) is prepared from the Broadsheet of Subscriptions, Broadsheet of Charges and Interest Register and shows the following details :—

**Receipts—**

Balance on 1st April.

Subscriptions realised during the year.

Amount paid in lump for purchase of immediate Monthly Allowance.

Fines realised during the year.

*Total*

**Payments—**

Allowance paid.

Surrender value paid.

Refund of subscription.

Postal establishment including printing, etc.

*Total*

Interest on balance.

Balance on 31st March.

54. Statements D-I and D-II are compiled from the several registers of policies paid, surrendered, lapsed and cancelled, after classifying them according to the Departments to which the insureds belong.

55. A statement showing the particulars of policies converted during the month from one class to another with copies of the memoranda of calculation, is sent monthly to the Actuary to the Government of Pakistan for the calculation of reserve value.

**Actuarial Valuation of the Fund**

56. To enable the Government Actuary to conduct the periodical Valuation and Mortality Investigation of the Fund, the following statements for each quinquennium are prepared and furnished to him after the close of the accounts for each year of the quinquennium :—

- (a) Summary of policies showing the variations and the number and sum assured exposed to risk at each attained age in the year ending 31st March.
- (b) Consolidated statement showing the number and sum assured exposed to risk at each attained age on the 31st March and the number and sum assured of policies under claims by death, extracted from statement No. A-I.
- (c) Statement showing the particulars of monthly allowance contracts as they stand on the 31st March of the year.
- (d) Copies of annual statements C-I, C-II and C-III (vide Note to Article 48).

To avoid delay at the end of the quinquennium it is essential that the statements for each year should be prepared and submitted to the Actuary as soon as possible after the close of the accounts for the year.



NOTE.—The following two additional statements are sent to the Actuary at the end of the quinquennium :—

- (1) Particulars of policies which became claims either by death or survival since the establishment of the Fund down to 31st March ending the quinquennium but which will remain unpaid on that date.
- (2) Particulars of policies forfeited under Rule 40 of the Postal Insurance Rules, since the establishment of the Fund, the surrender values of which have not been claimed and paid during the period.

57. The statement referred to in clause (a) of Article 56 shows the number of policies at the beginning of the year, the additions and deductions during the year, and the number of policies which became claims by death. There is a special column "Policies exposed to risk" showing the number and sum assured, each of the sub-columns "number" and "sum assured" being filled up by adding half the number and sum of assured policies issued, to the balance of the previous year and deducting therefrom half the number and sum assured of policies discharged except by death. The statement required to be sent to the Actuary is prepared from the particulars of the Primary and Secondary Statements. The various processes leading up to the final statements are given in Articles 38 to 64.

58. Valuation cards in Form No. A. G. P. T.-170, one for each policy, bearing necessary important particulars are prepared by the issue group while issuing policies. They are collected together for each official year in the valuation group.

59. These cards are first sorted according to the serial numbers of the policies and any missing card should at once be supplied by the valuation group. These are again arranged according to the different maturing ages, viz., Endowment Assurance 45 to 55, Whole Life, Whole Life Limited Payments 50 and 55.

60. The cards so arranged are then re-sorted according to the valuation year of birth and entered in that order in the primary statements of policies issued, in which the following particulars are given :—

- (a) The number of the policy.
- (b) The monthly premium.
- (c) Amount of sum assured.

The totals of amounts under heads (b) and (c) are then struck.

61. To prepare the Primary Statements of policies discharged, the valuation cards relating to policies that have matured, been surrendered, cancelled or forfeited, are picked out from the sorted bundles of previous years. The necessary entries in respect of date and mode of exit (V. Y. O. B.) and quinquennial bonuses of each of the policies are then noted in the valuation cards. The Primary Statement of policies discharged showing the particulars of discharge, viz., by death, maturity, surrender, conversion or lapse to Government is then prepared with the help of the sorted cards.

62. From the total of the Primary Statements of the policies issued are prepared the Secondary Statements of active policies called "Addition Statements" in which are recorded in total numbers, the particulars of policies issued during the year, the policies affected by conversion and also the policies which have been revived during the year.

63. The Secondary Statements of discharged policies called "the Deduction Statements" are similarly prepared from the totals of the Primary Statements of discharged policies under different heads, viz., maturity, surrender, forfeiture, conversion, etc.

64. The particulars of policies in force at the beginning of the year, the additions and deductions during the year as per Addition and Deduction Statements and the policies which became claims by death and the balances thus arrived at the end of the year are then entered in the final statements. The column "policies exposed to risk" is then filled up from the entries in the previous columns.

65. On receipt of the report of the Actuary regarding the valuation of the Fund at the end of the quinquennium, the Governor-General will issue orders sanctioning the rates of bonus and interim bonus, if any, for each branch of the Fund. As soon as orders of the Governor-General are received, the bonus due on each policy is calculated and intimated under the signature of the Gazetted Officer to the party concerned under a printed letter (Form A. G. P. T. 171) on receipt of a requisition from him. The sheet on which the calculations are made with the initials of the auditor and Accountant who checked the calculations will be filled in the personal case of the insurant.

NOTE.—In calculating the bonus, all fractions of a rupee should be omitted.

66. Deleted.

#### Preparation of Financial and Statistical Statements for the Actuary to the Government of Pakistan

67. Under the Life Insurance Company's Act (Act VI of 1912) the following Financial and Statistical Statements are required to be sent to the Actuary to the Government of Pakistan in March every year:—

- (1) Revenue Account of the Post Office Insurance Fund.
- (2) Statement showing the number of Policies issued, sum assured and the total amount of premia realised and also the number, amount and bonus of policies and the number and amount of contracts remaining in force on 31st March of each year.
- (3) Statement showing the additions to, and the deductions from, the number of policies existing on the 1st April of each year, as also the sum assured and the amount of reversionary bonus.
- (4) Statement showing the particulars of policies forfeited or lapsed in the last financial year, less those revived, classified according to the year in which they were issued.

NOTE.—Statement (4) should be prepared separately for Life Insurance and Endowment Assurance, statements (3) and (4) being sent in four copies.

#### Progress Report

68. A daily progress report should be maintained in Form No. A. G. P. T.-172 by each of the Auditors in charge of the Audit Groups and submitted to the Gazetted Officer through the Accountant every Monday. Separate reports should be maintained in manuscript for the Issue, Account, Machine and Review Groups and submitted to the Gazetted Officer every Monday.



### Record Arrangements

70. All forms that are used in the Section are kept in the custody of a clerk who is also placed in charge of all important cases of the Section. He is to work under the direct orders of the Senior Accountant, as a General Assistant in the Section and to receive and distribute the dak. Forms of policies and premium receipt books are, however, kept in the custody of an Accountant who is required to keep a proper account of them (in Form No. S. Y.-240) and to verify the balances annually.

71. One case will be opened for each insurant, as laid down in Note 1 to Article 7 and all correspondence relating to the policy or policies held by the insurant will be filed in it. The cases will be kept arranged in racks in the custody of the reference Clerks and will be supplied by them to the Auditors on requisition. The cases of insurants whose policies have been closed either by payment or by surrender or forfeiture are transferred to the Old Records for preservation.

72. Nil.

## CHAPTER 2—GOVERNMENT SECURITIES

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### Introductory

73. To facilitate the investment of Savings Bank deposits, in Government Securities, the Pakistan Post Office, acting as Agent to the Government of Pakistan, undertakes the purchase, sale and safe-custody of Government Securities on behalf of Savings Bank depositors. Such transactions are regulated in accordance with the Indian Securities Act (Act X of 1920) and subsidiary rules made thereunder by the Governor-General—both of which will be found in the Government Securities Manual. Rules regarding such transactions, for the guidance of investors are published in the Sub-section "Investments" in Section VI of the Post and Telegraph Guide. Detailed rules of procedure to be followed in Pakistan Post Offices will be found in Chapter 8 of the Posts and Telegraphs Manual, Volume VI (Post Office).

NOTE.—The Securities Act (X of 1920) does not recognise any Trusteeship in Government Promissory Notes. These Notes are regarded as the property of the person in whose name they stand issued or endorsed and these endorsements are considered valid so long as the Notes have been dealt with under the provisions of the law and rules framed thereunder. As Government Securities held in the custody of the Auditor General stand in his own name, he may use his own discretion on the merits of each case, apart from the provisions of the Securities Act or the rules issued thereunder, in making endorsements in favour of claimants.

74. The Auditor-General exercises the same authority in respect of the audit of Government Security transactions as in the case of



Savings Bank transactions (vide Article 270). The Rules issued by the Auditor-General governing the submission of accounts to the Audit Office in respect of transactions in Government Securities and the maintenance of initial accounts from which the accounts so rendered are compiled, will be found in the Posts and Telegraphs Manual, Volume VI (Post Office). The audit and accounts work in connection with Government Securities is conducted by the Accountant-General, East Bengal, Posts and Telegraphs Branch, Dacca on behalf of the Auditor-General.

**Auditor General's Imprest and Purchase  
and Sale of Securities through the State Bank of Pakistan**

75. An imprest of Government Promissory Notes of the nominal value of Rupees one lac in various Government of Pakistan Loans is held by the Auditor-General. Out of this imprest Government Securities are sold to the Savings Bank depositors and into it are absorbed the securities sold by them. Transactions which cannot be effected through the imprest without reducing the balance in any loan to a negative figure or increasing the total imprest beyond the limit of one lac should always be effected through the State Bank of Pakistan.

In order to keep a watch over the state of the imprest, the fluctuations of the Government Securities market and the gain or loss arising out of the daily transactions, the following registers are maintained in the Government Security Section :—

- (1) Register for controlling the imprest and sales and purchases (Form No. A. G. P. T.-200).
- (2) Imprest Register showing daily average cost of Securities (Form No. A. G. P. T.-201).
- (3) Imprest Register showing Profit and Loss (Form No. A. G. P. T.-202).

76. In the register in form No. A. G. P. T.-200 will be posted the individual amounts of each application for purchase and sale of securities in the various loans and bonds received on the day and the Gazetted Officer's orders will be obtained in respect of each application as to whether transaction should be effected through the imprest or the Bank. The balance of imprest at the end of the day, which is arrived at by adding to or deducting from the previous day's balance the net result of the day's transactions, is also shown therein. The average cost per cent. of the balance of the imprest as worked out in the register referred to in Article 77 is then noted in the appropriate column of this register.

The register is placed daily before the Gazetted Officer-in-charge of the section who will note his orders for replenishing or reducing the stock in the columns provided for the purpose. The register should be submitted to the Accountant-General by the 10th of the following month.

77. The register in Form No. A. G. P. T.-201 is maintained for the purpose of working out the average cost per cent. of the balance of the imprest. This is done by adding to the previous day's balance the

amount of securities purchased either from the Savings Bank depositors or through the agency of the State Bank of Pakistan. The average cost per cent. should be worked out from the purchase transactions only and the cost of the imprest to be carried forward to the next day will be the cost of the balance of the imprest after deducting the nominal value of the securities sold.

78. Deleted.

79. In order to keep the imprest held by the Auditor General within its limit and also to replenish the stock, Government securities are purchased and sold through the State Bank of Pakistan. Purchase and sale of Government Securities on behalf of S. B. depositors are also made through the State Bank of Pakistan when the state of imprest does not permit of the transaction being effected through it.

80. When Government Securities are to be purchased from the State Bank of Pakistan for replenishing the imprest or on behalf of Savings Bank Depositors, a requisition in Form No. A. G. P. T.-203 is sent to the Bank. On receipt of the Bank's intimation of purchase together with the securities the particulars of the latter are verified and entered in the Intermediate Day Book (vide Article 131) and then transferred to Stock after renewal if necessary. The second half of the counterfoil of the intimation of purchase is sent to the Bank in acknowledgment of the securities received. When Government Securities are to be sold through the State Bank of Pakistan on account of accumulation in the imprest or out of the depositors' holdings in the Auditor-General's custody, the particulars of the securities are entered on the issue side of the Stock Day Book and a requisition in Form No. A. G. P. T.-203A is sent to the Bank along with the Government Promissory Notes duly endorsed in its favour. When Government Securities tendered for sale by a S. B. depositor are to be sold through the Bank, the Securities tendered after examination by the Public Debt Office—vide Article 100—will be sent to the Bank duly endorsed in its favour along with a requisition in form No. A. G. P. T.-203A. On receipt of the Bank's intimation of sale the details thereof are checked. The particulars of the transactions (purchase and sale) are noted in the Register of Purchase and Sale of Government Securities through the Bank in Form No. A. G. P. T.-212 and the entries in the register are initialled by the Gazetted Officer on the same day. The entries are totalled monthly and the total amounts of purchases and sales are agreed with those shown in the Inward Exchange account of the Accountant-General, East Bengal, Civil, Dacca.

NOTE.—Transactions on behalf of S. B. depositors will be completed within 14 days from the date of receipt of the application or such further period beyond 14 days as may be specified by the investor on his application. If owing to the absence of sellers or buyers in the market the Bank is unable to effect the transaction within 14 days, the period within which a transaction should be completed will be specified on the requisition sent to the Bank.

81. Deleted.

82. Deleted.

83. Deleted.



84. The cost of Government Securities purchased through the State Bank of Pakistan and the sale-proceeds of securities realised from it are adjusted through the Exchange Account with the Accountant-General, East Bengal, Civil, Dacca. When the necessary debit or credit appears in the Exchange Account of the Accountant General, East Bengal, Civil, Dacca, the following transfer entries are made in the Government Security Section:—

- (i) In the case of purchase of Government Promissory Notes for the imprest—

Dr.

Post Office Savings Bank Investment Account:—

- (a) Cost of Government Promissory Notes held in the imprest.  
(b) Interest on the imprest of Government Promissory Notes.

Cr.

To

Exchange Account between Civil and Posts and Telegraphs.

Account between Accountant General, East Bengal, Civil, Dacca, and the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca—

Items adjustable by Post Office—Miscellaneous.

IV—Taxes on Income—other than Corporation Tax. Government Security Tax.

- (ii) In the case of sale of Government Promissory Notes for the imprest—

Dr.

Exchange Account between Civil and Posts and Telegraphs.

Account between Accountant General, East Bengal, Civil, Dacca, and the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca—

Items adjustable by Post Office.

Miscellaneous.

Cr.

To

Post Office Savings Bank Investment Account:—

- (a) Cost of Government Promissory Notes held in the imprest.  
(b) Interest on the imprest of Government Promissory Notes.

IV—Taxes on Income—other than Corporation Tax. Government Security Tax.

(iii) In the case of purchase of Government Promissory Notes for S. B. depositors—

Dr.

Post Office Savings Bank Investment Account—  
Net cost of G. P. Notes outside the imprest.

Cr.

To

Exchange Account between Civil and Posts and Telegraphs—  
Account between Accountant General, East Bengal, Civil, Dacca, and the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca—

Items adjustable by Post Office—Miscellaneous.

(iv) In the case of sale of Government Promissory Notes for S. B. depositors—

Dr.

Exchange Account between Civil and Posts and Telegraphs—

Account between Accountant General, East Bengal, Civil, Dacca, and the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca—

Items adjustable by Post Office—Miscellaneous.

Cr.

To

Post Office Savings Bank Investment Account—  
Net cost of G. P. Notes outside the imprest.

#### Purchase of Securities

85. All applications for purchase received on a day should be collected and examined to see whether they are in order. A memo. of cost in form No. A. G. P. T.-208 should then be attached to each application which is found to be in order. After instructions to effect the transaction through the imprest or the Bank according to the Gazetted Officer's orders—vide Article 76—have been noted on the memo. the application should be entered in the register in form No. A. G. P. T.-207, separate sets of pages being used for recording transactions negotiated through the imprest and the Bank. An application incomplete in any respect should be returned to the Postmaster with form No. A. G. P. T.-219 for resubmission after completion, the fact being noted in the register mentioned above.

All applications should ordinarily be disposed of on the day following the date of their receipt or on the next day. If the balance at credit in the Savings Bank account of any investor is less than the cost of the Securities applied for, the nominal value should be reduced to an



amount which would be covered by the balance in the Savings Bank account, unless the deficit is for a sum not exceeding Rs. 25 in which case Securities for the amount applied for should be purchased and the Postmaster instructed to recover the deficit from the depositor at the time of delivery of the Securities or the receipts for safe custody thereof. If the depositor is unable to make good the deficit, the security should be sold and if the transaction resulted in any loss, the loss should be made good by the depositor.

NOTE 1.—Investments in any Government loan bearing interest at 3½% by means of Investment Certificates have been discontinued.

NOTE 2.—The check regarding the annual limit of investment admissible to a depositor under Rule 46 (2) of the Savings Bank Rules should be applied with reference to the actual date of purchase of Government Securities. The check is conducted through a running account maintained for the purpose (*vide* Article 109).

86. The State Bank of Pakistan furnishes the Accountant General, daily with a statement showing the mean rates for securities of different loans and bonds. These rates are adopted by the Accountant General in dealing with purchase and sale applications, when the transactions are negotiated through his imprest. In the case of transactions negotiated through the State Bank of Pakistan the rates at which they are actually effected by the Bank are adopted.

In the case of a transaction to be negotiated through the imprest the purchase will be effected on the day on which the application is received in complete and correct form and the depositor charged at the rate for that date as intimated by the State Bank of Pakistan. The cost of Government Securities, interest from the beginning of the half year up to the day preceding the date of purchase and income-tax, will be calculated and noted on the memo. of cost in form No. A. G. P. T.-208, attached to the application. In the case of Securities purchased through the imprest and kept in safe custody within the fortnight before the close of the half-year of each loan or bond, the interest for the period from the date of purchase to the end of the half-year less income-tax should be deducted from the amount of cost price. These details should also be noted in the register of applications mentioned in Article 85. If the purchase is to be negotiated through the Bank, the procedure laid down in Article 80 will be followed. When the memo. of purchase is received from the Bank the details of the cost as actually charged by the Bank will be noted on the memo. of cost in form No. A. G. P. T.-208 attached to the application and also in the register of applications.

NOTE 1.—In the case of securities purchased through the Bank and kept in the safe custody within the fortnight before the close of the half year of the loan or bond or when interest for previous half years is due on the Securities purchased through the Bank, interest for the full current half year or for the previous half years remaining undrawn less income-tax will be advised through an Interest Payment Order to the Postmaster, necessary entries being made in the register of Interest Payment Orders. The interest which will be drawn from the Public Debt Office will be taken to the credit of 'Interest on G. P. Notes due to living S. B. depositors'.

NOTE 2.—Applications should not be treated as having been received on a day the office is closed under Government Orders. Transactions should be effected at the rate for the day on which the office reopens after the holiday or a series of holidays.

87. If the Government Security is to be kept in the safe custody of the Auditor General, a receipt in form No. A. G. P. T.-214 signed by the Gazetted Officer-in-charge of the Government Security Section under the date of purchase of the security and an acknowledgment in form No. A. G. P. T.-215 should be forwarded to the Postmaster along with the intimation in form No. A. G. P. T.-211, the nominal value of securities being credited to the depositor ledger account under the Gazetted Officer's initials. An extract of the intimation should be forwarded to the Audit Office concerned for necessary action. The cost of securities inclusive of the amount of accrued interest mentioned in Article 86 should be advised in the intimation to the Postmaster for debit to the depositor's Savings Bank account. On receipt of the acknowledgment and the intimation from the Postmaster, the date of receipt should be noted in the column provided for the purpose in the application register (vide Article 85) which should be reviewed by the Gazetted Officer once on the 15th and again on the last day of every month.

NOTE.—When the Accountant General's receipt for securities held in safe custody is reported to be lost by the depositor, a certificate in lieu thereof may be issued in form No. A. G. P. T.-216, the number and date of the original Safe Custody Receipt being noted thereon, which should be forwarded to the Postmaster concerned under cover of a forwarding memo. in form No. A. G. P. T.-25c along with an acknowledgment in form No. A. G. P. T.-217. If a safe custody receipt is reported as lost before delivery to the holder, a certificate in lieu thereof is issued only after a proper investigation has been conducted by the Superintendent of Post Offices concerned and a report clearly establishing the loss is received. A note of issue of the certificate should be kept in the ledger card of the depositor under the initials of the Gazetted Officer. The acknowledgment, when received back (with the depositor's signature in token of receipt of the certificate) should be filed with the case.

88. If the Government Security is to be delivered to the depositor, it should be taken out of the Auditor General's stock. The security should then be charged off on the issue side of the Stock Day Book, entered in the register of Government Promissory Notes received and disposed of (Form No. A. G. P. T.-242) and endorsed in favour of the depositor under the signature of the Gazetted Officer-in-charge, care being taken that the name of the depositor is spelt in strict accordance with his signature on the application and that the words "a minor" are added to the name when he is a minor.

Enfacement of Securities for payment of interest at a treasury or sub-treasury can be obtained through the Auditor General, provided the treasury or the sub-treasury is situated in the province of East Bengal. (vide para. 2 of the Government Securities Manual). Enfacement at all treasuries can be obtained when the Securities to be delivered relate to 3 per cent. Bonds 1941, 4 per cent. Bonds 1943, 5 per cent. Loan 1940-43 and 5 per cent. Income-tax free loan 1945-55 only. In such cases the Securities on being taken out of stock should be entered in the Day Book (Form No. A. G. P. T.-209) and sent to the Public Debt Office with a requisition in duplicate in form No. A. G. P. T.-210 for enfacement for payment of interest at the treasury or sub-treasury specified by the depositor on his application on receipt of the Securities from the Public Debt Office, their return should be noted against the original entries in the Day Book and they should then be disposed of in the manner stated above.

NOTE 1.—Delivery of Securities in the form of stock certificates is permitted only in cases referred to in the above sub-para. In such cases Government



Promissory Notes of equivalent value should be taken out of stock and endorsed in favour of the Governor-General and forwarded to the Public Debt Office with a requisition in duplicate in form No. A. G. P. T.-210 showing:

- (1) The name of the depositor.
- (2) Address of the depositor.
- (3) Name of the treasury or sub-treasury.

On receipt of the stock certificates from the Public Debt Office, their return should be noted against the original entries in the Day Book and then charged off on the Issue side of the stock Day Book of Government Promissory Notes. They should then be entered on the Receipt side of the stock Day Book of stock certificates and charged off on the Issue side thereof.

NOTE 2.—If the payment of interest is required at the Public Debt Office, Dacca, no enforcement is necessary.

NOTE 3.—When a Government security is required to be enforced for payment of interest in London, the name of the depositor should be endorsed on the Note and then sent to the Public Debt Office for the issue of a non-transferable London certificate. A fee of Re. 1 is charged by the Bank on each Note presented for such enforcement and should be credited by the Postmaster as a miscellaneous receipt by recovery from the depositor by debit to his Savings Bank Account. The Audit Office should be required to watch the recovery which, when traced should be taken to the head "Account between Accountant General, Pakistan Revenues, Karachi, and Accountant General, Posts and Telegraphs Branch concerned, Items adjustable by Post Office, Miscellaneous."

89. The security should be made over to the Record Section, under receipt, through the Register of Notes received and disposed of (Form No. A. G. P. T.-242) together with an intimation in Form No. A. G. P. T.-211 and acknowledgment in Form No. A. G. P. T.-215 for despatch to the Postmaster. An extract of the intimation in Form No. A. G. P. T.-211 should be forwarded to the Audit Office concerned for necessary action. An intimation of purchase to the depositor in Form No. A. G. P. T.-213 should also be sent through the Postmaster.

90. In cases where the security is delivered to the depositor, both the cost price of the security as well as the amount of interest (the net amount after deduction of income-tax where due) accrued on it up to the day previous to the date of purchase, should be advised in the intimation to the Postmaster for debit to the depositor's Savings Bank account.

NOTE.—The intimations of purchase in Form No. A. G. P. T.-211 should, when received back from the Postmaster, be filed after their receipt has been noted in the Register of Applications. Reminders in Form No. A. G. P. T.-221 should be issued to Postmasters calling for these documents when they are delayed for more than a fortnight. The depositors acknowledgment in form No. A. G. P. T.-215 when received back should be placed before the Gazetted Officer and filed after he initials the entries in the Register of Government Promissory Notes received and disposed of.

91. The cost of Government securities purchased by Savings Bank depositors, whether kept in safe custody with the Auditor General or purchased and delivered to depositors during a month and the interest on such investments are adjusted by means of the following transfer entry.

(i) When the purchase is effected through the imprest—

Dr.

Savings Bank Deposits.

IV—Taxes on Income other than Corporation tax. Government Security Tax.

To Savings Bank Investment Account.

Cost of Government Promissory Notes in the imprest.

Interest on the imprest of Government Promissory Notes.

Cr.

(ii) When the purchase is effected through the Bank.

Dr.

Savings Bank Deposits.

To

Savings Bank Investment Account.

Net Cost of G. P. Notes outside the imprest.

#### Exchange of Investment Certificates for Securities

92. The holders of Investment Certificates (which represent 3½% Loan of 1865) may sell them or exchange them for complete pieces of Government Promissory Notes in accordance with Rules 46(6) and 47 of the rules for the guidance of Savings Bank depositors, in Section VI of the Post and Telegraph Guide. When an application, in the prescribed form, for exchange of one or more investment Certificates having an aggregate nominal value of not less than Rs. 100 for a complete Government paper is received it should be seen that the certificates accompany the application. The nominal value of certificates exchanged should be charged off in the Register of Stock of Investment Certificates under the initials of the Gazetted Officer.

The balance of the nominal value of certificates left after the exchange should be sold in the usual way (*vide* Article 101) unless the depositor desires to have Government securities, which can be purchased if the balance in his Savings Bank account is sufficient for the purpose.

93. The amount of certificates exchanged should be debited to the depositor's Investment Certificate ledger account under the initials of the Gazetted Officer. The nominal value of securities, when kept in safe custody with the Auditor General, should be posted in the ledger card maintained for the depositor (a new card being prepared, if necessary) and attested by the Gazetted Officer. A receipt in form No. A. G. P. T.-214 should be forwarded to the Postmaster in the manner described in Article 87. If the securities are to be delivered to the depositor, their nominal value should be charged off on the issue side of the Stock Day Book and the security sent to the Postmaster in the manner prescribed in Article 88. The certificates exchanged should be cancelled under the initials of the Gazetted Officer-in-charge of the Section.



### Safe Custody and Delivery of Securities

94. On receipt of an application for the safe custody of securities, the notes and the application should be examined with reference to Rule 48 (1) of Savings Bank Rules in Section VI of the Post and Telegraph Guide. Any irregularities noticed should be communicated to the Postmaster, if necessary, in Form No. A. G. P. T.-218 and the application and the securities returned to him for resubmission after completion. When everything is in order, the securities should be entered in the Day Book (Form No. A. G. P. T.-209) and sent to the Public Debt Office with a requisition (in duplicate) in Form No. A. G. P. T.-210 for renewal or examination of the endorsement, re-encasement at Dacca Treasury (if necessary) and drawing of arrear interest, if due, on those securities. On receipt of the securities from the Public Debt Office, the application should be entered in the register maintained in Form No. A. G. P. T.-222. The date of receipt back of the securities from the Public Debt Office with their nominal value should be noted against the original entry in the Day Book. The particulars of the securities should also be entered in the Intermediate Day Book and then transferred to the Stock Day Book. A receipt for the securities should be made out in Form No. A. G. P. T.-214 and forwarded under a covering letter (Form No. A. G. P. T.-223) to the Postmaster for delivery to the depositor, together with an advice of interest, less income-tax at the prescribed rate, for credit to his Savings Bank account, if any interest is due on the securities tendered for safe custody. If the depositor has already some holdings in the same kind of securities in the custody of the Auditor General, the nominal value of securities tendered for safe custody should be noted in the ledger card maintained for him, otherwise a new account should be opened in the ledger card in which the securities should be entered. The entries in the ledger card should be made under the date on which the application is received complete in all respects from the Postmaster and attested by the Gazetted Officer-in-charge of the Section. The register in Form No. A. G. P. T.-222 should be reviewed by the Gazetted Officer on the 15th of each month.

NOTE 1.—Securities belonging to deceased depositors may be kept in custody through the account of the person to whom they are to be delivered, if he desires them to be so kept. Even if the securities are taken delivery of and subsequently tendered by him for safe custody, they may be accepted.

NOTE 2.—When Government Securities are endorsed by the Auditor General in favour of a minor and are re-endorsed by him in favour of the Auditor General after his attaining majority, an affidavit should be obtained to that effect from one of his relatives in support of the endorsement. In such cases, it is not necessary that securities should first be renewed.

NOTE 3.—Payment orders for the full half year's interest less income-tax should be issued along with the safe custody receipts when the securities are tendered for safe custody within a fortnight before the close of the half-year of the loan concerned.

### 95. Deleted.

96. When an application is received from a depositor for delivery of a Government Security out of custody, it should be seen that the safe custody receipt accompanies it. It should also be ascertained by reference to the Government Security ledger card that the security is within the balance of the depositor's holdings. A security of the same nominal value and of the same loan or bond as that held by the

depositor should then be taken out of the Auditor General's Book. The security should be charged off on the issue side of the Store Day Book, necessary entry being made in the register maintained in form A. G. P. T.-224 and then entered in the register of Government Securities received and disposed of maintained in Form No. A. G. P. T.-242 and endorsed in favour of the depositor under the signature of the Gazetted Officer-in-charge of the Section. The nominal value of the security should be debited to the depositor's ledger card under the initials of the Gazetted Officer and forwarded to the Postmaster with a covering letter (Form No. A. G. P. T.-225) and an acknowledgment in form No. A. G. P. T.-215 for delivery to the depositor. The acknowledgment when received back should be placed before the Gazetted Officer and filed after he has initialled the entries in the register of Government Security received and disposed of. Reminders should be issued when acknowledgments are not received back within a fortnight from the issue of the securities. The register in form No. A. G. P. T.-224 should be reviewed by the Gazetted Officer on the 15th of each month.

NOTE 1.—The conditions and procedure laid down in the sub-paragraph of Article 88 and the Notes thereunder apply also in the case of delivery of securities out of Auditor General's custody.

NOTE 2.—In the case of securities delivered out of custody within a fortnight before the close of the half-year the amount of full half-year's interest less income-tax should be advised to the Postmaster for debit to the depositor's Savings Bank account under intimation to the Audit Office concerned.

### Sale of Government Securities and Investment Certificates

97. All applications for sale received on a day will be collected and examined to see that they are in order with reference to Rule 47 of the Savings Bank Depositors' Rules in Section VI of the Post and Telegraph Guide. In the case of a sale from safe custody it will also be seen that the safe custody receipt accompanies the application and that the nominal value of the securities to be sold is within the amount held for the depositor by consulting his ledger card. Any irregularity noticed should be intimated to the Postmaster by means of objection memo. in form No. A. G. P. T.-219 and the documents returned to him for resubmission after completion. A memo. of cost in form No. A. G. P. T.-208 will be attached to each application found to be in order and after instructions to effect the sale through the imprest or the Bank according to the Gazetted Officer's orders have been noted on the memo.—vide Article 76—the application will be entered in the register maintained in form No. A. G. P. T.-207, separate sets of pages being used for recording transactions negotiated through the imprest and the Bank. All applications for sale should ordinarily be disposed of on the day following the date of their receipt in the section or on the next day.

98. In the case of sale of securities held in the safe custody negotiated through the imprest the transaction is effected on the day on which the application is received in complete and correct form. The sale-proceeds will be calculated at the mean rate for that date as intimated by the State Bank of Pakistan—vide Article 86—and interest less income-tax allowed up to the day preceding the date of sale. The details of the proceed; will be noted on the memo in form No. A. G. P. T.-208 attached to the application. If the sale is effected within the



fortnight before the close of the half year of the loan or bond the net sale proceeds will be calculated after deducting the amount of interest from the date of sale to the end of the half year. When the sale is to be effected through the Bank the procedure laid down in Article 80 will be followed. On receipt of the memo. of sale from the Bank the details of the sale-proceeds as actually shown in the Bank's memo. will be noted on the memo. in form No. A. G. P. T.-203 attached to the application. In every case the details of sale-proceeds will be noted in the register of applications referred to in Article 97. The nominal value of securities sold will be posted in red ink in the ledger card of the depositor under the initials of the Gazetted Officer.

NOTE.—Note 2 below Article 86 also applies in the case of transactions of sale of Securities.

95. An intimation of sale in Form No. A. G. P. T.-237 should be sent to the Postmaster advising him of the sale-proceeds and of any interest accrued on the securities during the current half-year up to the day preceding the date of sale less income-tax for credit to the depositor's Savings Bank account. At the same time, an extract of the intimation should be sent to the Audit Office concerned for necessary action. The particulars of sale-proceeds and interest less income-tax should also be intimated to the depositor through the Postmaster in Form No. A. G. P. T.-213. The receipt sent with the application for sale should be cancelled under the initials of the Gazetted Officer and filed with the application. If the securities sold form part of an investment held on behalf of a depositor, a revised receipt in form No. A. G. P. T.-214 for the balance still remaining in the custody of the Auditor General should be sent along with the intimation of sale to the Postmaster for delivery to the depositor. On receipt of the intimation from the Postmaster with a certificate of credit to the depositor's Savings Bank account, the date of receipt should be noted in the column provided for the purpose in the register of applications which should be reviewed by the Gazetted Officer once on the 15th and again on the last day of every month.

NOTE.—In the case of securities sold through the Bank within the fortnight before the close of the half year the following procedure should be followed:—

If an Interest Payment Order has been prepared but not issued it will be cancelled. In the case where an I. P. O. has already been issued the net amount of the I. P. O. will be deducted from the net amount of sale-proceeds intimated by the Bank and the balance only will be advised to the Postmaster for credit to the depositor's S. B. account. The income-tax deduction certificate already issued will be called for and cancelled. Deduct entries under S. B. deposits and income-tax will be made in the I. P. O. register with a remark that the Securities have been sold through the Bank. A remark to the effect that this has been done and the net amount of the I. P. O. will also be noted on the memo. in form No. A. G. P. T.-208 attached to the application. In the intimation of sale sent to the Audit Office concerned a remark will be made to the effect that the net amount of sale-proceeds as per Bank's memo. will be posted as credit to the depositor's S. B. account and that the net amount of the I. P. O. will be posted as deduction from credit under S. B. deposits as it represents write back of net interest advised.

100. In the case of security tendered for sale the particulars of the security should be entered in the Day Book (Form No. A. G. P. T.-209) and the scrip sent to the Public Debt Office for examination of endorsement and re-encasement at the Dacca Treasury and drawing of interest.

interest if due, or renewal, with a requisition in Form No. A. G. P. T. 210. If it is returned under objection by the Public Debt Office, the irregularities should be removed in communication with the Postmasters (Form A. G. P. T. 218) and the Security sent again to the Public Debt Office. When the security is received back after examination or renewal, the sale should be effected if the transaction is to be negotiated through the imprest at the rate for the day on which the application is received by taking the security into the Auditor General's imprest, the security being transferred to the stock through the Intermediate Day Book. When the securities are to be sold through the Bank the procedure laid down in Article 80 regarding sale will be followed. The sale-proceeds should be noted on the memo. in form No. A. G. P. T. 208 attached to the application. An intimation of sale in Form No. A. G. P. T. 237 should be sent to the Postmaster advising him the sale-proceeds together with accrued interest—less income-tax for credit to the depositor's account. An intimation should also be sent to the depositor through the Postmaster in Form A. G. P. T. 213. An extract of intimation should be sent, at the same time, to the Audit Office concerned for necessary action.

101. When an Investment Certificate is received with an application for sale, the procedure detailed in Articles 97 to 99 dealing with the sale of securities should generally be followed with the distinction that the amount of sale-proceeds is communicated to the Postmaster in Form No. A. G. P. T. 240 for credit to depositor's Savings Bank Account. As the issue of Investment Certificates has been discontinued vide Note (1) below Article 85, sale of these certificates should strictly be effected according to the terms laid down in Rule 46 (6) and Rule 47 (1) of the Savings Bank Rules in Section VI of the Post and Telegraph Guide.

102. When Government securities are sold by depositors, the amount is credited to "Savings Bank Deposits" by debit to "Post Office Savings Bank Investment Account". "Cost of Government Promissory Notes in the imprest and interest on the imprest of Government Promissory Notes" or "Net cost of G. P. Notes outside the imprest" according as the sale is effected through the imprest or the Bank, in the case of sale of Investment Certificates, the detailed heads of account affected are 'Cost of Investment Certificates held in the imprest' and 'Interest on the Imprest of Investment Certificates'.

#### Repayment of Securities on maturity and maintenance of General Ledger Accounts

103. Government securities held in the custody of the Auditor General on behalf of Savings Bank depositors are repayable through the Post Office on maturity. A list showing names of holders of Safe Custody acknowledgments, numbers of their Savings Bank accounts and the nominal value of securities is prepared by the Government Security Section in duplicate and sent to each Head Post Office a fortnight before the date of maturity. On receipt of the duplicate copy of the list it should be seen that all the items have been initialled by the Postmaster in token of his having checked them. In the case of accounts transferred to other Post Offices, supplemental lists should be prepared in duplicate and sent to the Postmasters concerned. As regards Safe Custody receipts which have been discharged by the Post Office, a schedule of payments



of securities supported by discharged Safe Custody receipts should be forwarded by Postmasters to the Government Security Section, a copy thereof being also sent to the Audit Office concerned along with the cash account rendered by them. The entries in the schedule of payments should be carefully checked and any irregularity noticed therein should forthwith be reported to the Postmaster in form No. A.G.P.T.-220. Any discharge irregularly effected by the Post Office should be entered in a register which should be reviewed by the Gazetted Officer on the 25th of the following month. Further action in respect of each irregularity detected should be noted in the register. The nominal value of Securities discharged should be debited to the depositor's ledger card and the date of discharge noted in the duplicate copy of the list of holders. The Safe Custody receipts should be cancelled under the initials of the Gazetted Officer and the entry in the ledger card attested by him.

A subsidiary General Ledger Account in respect of each matured loan is maintained in the name of Auditor General by the Public Debt Office. On the maturity of a loan, the consolidated stock certificate held by the Auditor General in that loan should be surrendered to the Public Debt Office for cancellation and credit of the value to the subsidiary General Ledger Account in respect of the expired loan.

Half-yearly statement showing the balance outstanding at the end of each half-year in respect of each expired loan will be furnished to the Accountant General, East Bengal, Posts and Telegraphs' Branch, Dacca, by the Public Debt Office. These balances should be verified in the manner indicated in Note 1 below Article 105.

104. Discharged Safe Custody receipts should be examined in audit with reference to the following points:—

- (1) Every adult depositor should himself sign the discharge of securities matured for re-payment. If discharge is effected by an agent on behalf of any depositor on the strength of a general power of attorney, the document should be carefully examined by the Postmaster and the fact noted against the signature of the agent. The thumb impression of an illiterate depositor should be attested by a witness who is known to the Post Office but not himself a postal official, this fact being certified by the Postmaster on the surrendered Safe Custody Receipt. The ex-minor's signature on the Safe Custody acknowledgment should also be attested in the manner mentioned above.
- (2) In the case of a security deposit account, the Postmaster should certify against the signature of the pledgee on the Safe Custody acknowledgment that the signatory is the pledgee.
- (3) In the case of securities held on behalf of a minor or a lunatic or any depositor incapable of managing his own affairs:—
  - (i) When the value of Securities does not exceed Rs. 5,000:—
    - (a) The father or the widowed mother should sign the discharge, the relationship of the signatory being certified by the Postmaster.
    - (b) When the holder of the Securities and his father or the widowed mother ordinarily reside at a place other than

where the depositor's Savings Bank account stands, the acquittance signed by that father or the widowed mother should be accepted on the production of a certificate of identity signed by any Magistrate. The certificate should be attached to the Safe Custody acknowledgment surrendered by the depositor.

- (c) Discharge by a person other than the father or the widowed mother should be accepted on production of a certificate from the District Magistrate to the effect that the person is the actual guardian of the holder of the securities. In the case of minor depositors, an authority for payment from the Postmaster General is necessary. The certificate should always accompany the discharged Safe Custody receipts.
- (ii) When the value of Securities exceeds Rs. 5,000 :—
- (a) In the case of a minor depositor payment should only be made under the orders of the Postmaster General to the legal guardian.
- (b) In the case of a lunatic or any person incapable of managing his own affairs, payment should not be made unless and until the applicant has produced evidence to the satisfaction of the Auditor General that he is the actual guardian of such person. Such evidence should be attached to Safe Custody acknowledgments forwarded to the Government Security Section of the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, before payment.
- (4) The acquittance given by the applicant for discharge of securities belonging to a deceased depositor should be accepted on the authority of the Postmaster General recognising the applicant's title to the Securities. The Postmaster General's authority should be attached to discharged Safe Custody receipts.

105. Each Audit Office furnishes a monthly statement of Securities discharged to the Government Security Section, so as to reach it by the 14th of the month following that to which the transactions relate. The figures for discharge reported by the Postmasters in their schedule of payments are reconciled with those communicated by the Audit Officer. Any difference between these two sets of figures will be placed under either of the suspense heads "Advances Recoverable—Excess Debit on account of Discharge of Loan" or "Deposits—short Debit on account of Discharge of Loan" and cleared by correspondence with the Audit Office. The reconciliation register should be submitted for the Gazetted Officer's review on the 25th of the following month.

Payments on account of the discharge value of Securities, appearing in the cash accounts, should be taken by the Audit Office concerned to the head "Account Current between Civil and Posts and Telegraphs :

Account between Accountant General, Pakistan Revenues, Karachi, and Accountant General, Posts and Telegraphs Branch concerned :

Discharge of Loan (D. L. A.)



The actual amount of securities discharged and the debits passed on to the Accountant General, Pakistan Revenues, Karachi, through the Exchange Accounts of the Accountant General, Posts and Telegraphs Branch concerned (copies of which are furnished to Government Security Section by the Accountant General, Posts and Telegraphs Branch concerned), should be agreed every three months. The amount of securities discharged during the period should then be intimated to the P. D. O. for debiting the respective subsidiary General Ledger Account.

NOTE 1.—One page at the end of the Stock Day Book should be set apart for showing the balance of undischarged securities held by the Auditor General through the subsidiary General Ledger Accounts. When a stock certificate of a matured loan is sent to the Public Debt Office for cancellation the amount should be entered in the appropriate column and the amount of the securities discharged should be deducted therefrom at the time of sending the quarterly intimation to the Public Debt Office. The balance should be agreed with the corresponding amount of outstanding securities shown in the half-yearly statement received from the Public Debt Office.

NOTE 2.—Discharged Stock Certificates (vide paragraph 70 of the Government Securities Manual) received with the monthly statement of discharged securities should also be forwarded to the Public Debt Office for cancellation.

#### Maintenance of Security-Holders Accounts

106. Security-holders' accounts are maintained in loose ledger sheets (Form No. A.G.P.T.-248) which are kept in securely locked binders grouped according to each loan and arranged serially according to numbers of Savings Bank accounts in each Post Office under each circle. Bound ledgers are also maintained separately for Postal and Telegraph employees and contractors.

Entries in ledger accounts are made of the following transactions under the attestation of the Gazetted Officer in Charge of the Section:—

- (1) Purchase and Safe Custody.
- (2) Tendered for Safe Custody.
- (3) Exchange of Investment Certificates for Government Promissory Notes to be kept in Safe Custody.
- (4) Delivery out of custody.
- (5) Sale of Government Promissory Notes or Investment Certificates kept in Safe Custody.
- (6) Discharge of Securities.

107. Ledger accounts are opened and posted in accordance with the following rules:—

- (a) The name of the Post Office, the number of the Savings Bank account and the particulars of the loan in which investment is made should be properly written in the space provided for those purposes. Transactions detailed in article 106 should be noted in proper columns with indications of case-mark in the 'Remarks' column and a balance struck after each transaction under the initials of the Gazetted Officer in charge of the Section.

- (b) The names of minor depositors should be written in red ink, with the addition of the word "minor".

- (c) The designation of Departmental employees and the nature of work or contract in the case of contractors, should be entered in their accounts along with the official designation of the Officers through whom the securities are received.
- (d) In the case of securities purchased through security deposit accounts, the words "Security deposit" and the designation of the Officer to whom the Securities are pledged should be noted in red ink in the ledger cards.
- (e) When a certificate of exemption from or abatement of income tax is produced by a depositor a note thereof should be kept on the respective ledger cards and the entries duly attested by the Accountant.

108. A transfer register should be maintained in form No. A. G. P. T.-249 separately for each Postal Circle and in respect of each Loan or Bond or Investment Certificate. Transfers of security-holders accounts from one Post Office to another intimated through supplemental interest Payment Orders, intimations from Post Offices, sale or deliver applications from Investors, should be noted in the register after carrying out necessary corrections in the names of Post Offices and numbers of Savings Bank accounts in the ledger cards. Cases of corrections in the numbers of Savings Bank accounts due to attainment of majority by minor depositors and transfer of securities from Savings Bank Accounts of deceased depositors to those of recognised claimants should also be noted in the register and necessary corrections made also in ledger cards. Transfers of Security-holders' accounts affecting Post Offices in two different postal circles should be noted in the register of the transferring circle. The shifting of cards to proper binders for the disposal of items noted in all the transfer registers should be undertaken without any avoidable delay in the presence of an Accountant who should initial the item in the transfer register as soon as the particular card or cards are removed and put in proper binders. The transfer registers should be submitted to the Gazetted Officer for review on the 15th of every month.

NOTE 1.—Ledger cards relating to Savings Bank Accounts of depositors who are reported to have died should be removed to separate binders maintained for the purpose.

NOTE 2.—When the Government Security holdings of individual Savings Bank depositor are completely sold or delivered and there have been no transactions on their behalf during subsequent three years, the respective cards should be removed from the loose leaf ledgers and filed in a separate binder of closed cards arranged according to Circles and loans.

#### Check over the annual limit of investment in Government Securities purchased through the Post Office.

109. The check over the annual limit of investment, prescribed in Rule 46 of Savings Bank rules in Section VI of the Post and Telegraph Guide, of a Savings Bank depositor in Securities kept in the custody of the Auditor General is exercised through a running account maintained for the purpose in Form No. A. G. P. T.-252 in respect of each individual investor. These cards are kept in cabinets which should be in the charge of an Accountant. They should be arranged serially according to numbers of Savings Bank Accounts and Post Offices according to each Postal Circle.

110. As soon as applications for purchase or Safe Custody...



Securities Section, a requisition slip in Form No. A. G. P. T.-255 should be prepared in respect of each application. The cards should then be picked out from the cabinets, the slips being kept in their places. The applications should be scrutinised by reference to these cards. If it is found that the annual limit is exceeded by acceptance of the full amount of an application, the excess should be cut down or the application returned to the Postmaster for modification according as the application is for purchase or for Safe Custody of Securities tendered with the application. Requisition slips in form No. A. G. P. T.-225 in respect of applications for sale of securities, delivery out of custody and repayment on maturity received on behalf of individual investors, should also be prepared and used for taking out the cards of respective depositors.

Before the applications are finally disposed of, the transactions should be posted in the respective cards maintained for the purpose of exercising the check over the annual limit, vide Article 109, and the balance of holdings struck therein under the initials of the Accountant. New cards should be opened in respect of investors having no previous holdings in Safe Custody with the Auditor General. The cards should then be replaced in the cabinets and the requisition slips removed therefrom.

111. When the Savings Bank account of a depositor having some holdings in Securities, in the custody of the Auditor General is transferred from one office to another, the total amount of such holdings should promptly be ascertained by reference to the relative card maintained for the purpose of exercising the check over the annual limit (vide Article 109). Necessary corrections of the number of account and of the name of the Post office to which transferred should be carried out in the card on the authority of the intimation received from the Post Office. The card should immediately be placed in its proper place in the cabinet of the Post Office to which the account has been transferred.

### Security Deposits

112. Security deposits of Posts and Telegraphs employees and contractors when they take the form of Government Securities received in trust by the Administrative Officers of the Department, in accordance with the rules in Chapter 20 of the Posts and Telegraphs Initial Account Code, Volume I, should be dealt with by the Auditor General, as far as possible, according to the rules laid down in Chapter VIII of the Government Securities Manual.

NOTE 1.—One copy of the covering letter received with the Government Securities tendered for safe custody should be returned duly signed by the Gazetted Officer-in-Charge of the Section to the officer tendering the securities.

NOTE 2.—Port Trust, Municipal and City Improvement Trust Debentures and securities issued by Provincial Governments deposited as security are held in trust by the Auditor General.

### Calculation and Payment of Interest on Securities and Investment Certificates

113. Deleted.

114. One week before the half-yearly interest on each loan or bond falls due unconverted Notes from the Stock are forwarded to the Public

received back along with interest warrants. Stock Certificates are not required to be so presented but interest warrants in respect of different classes of securities held in the form of stock certificates are duly received from the Public Debt Office on due dates. An intimation of the amount of interest due on different classes of securities converted into stock certificates is duly received from the Public Debt Office. On receipt of the interest warrants from the Public Debt Office, the gross amount should be checked and the warrants sent to the Public Accounts Department of the State Bank of Pakistan under cover of a memo. in Form No. A. G. P. T. 258 for realisation and credit of the amount in the portion of the Bank's account, under the head "Account between Accountant General, Pakistan Revenues, Karachi, and Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca."

The interest warrants received from the Public Debt Office include interest on three accounts, namely :—

- (1) Government Security held on behalf of Savings Bank depositors,
- (2) Security deposits of Postal employees and contractors,
- (3) Security deposits of Telegraph employees and contractors.

As regards interest on stock certificates, a separate page should be set apart for each half-year at the end of the Stock Day Book. In the first column should be entered the description of the loan, in the second column the due date on which interest accrues during the half-year and in the third column the amount outstanding on the due date. The date of despatch of the interest warrants should be entered in the column for that particular loan and the entry attested by the Gazetted Officer-in-Charge of the Section.

NOTE 1.—To ensure that all interest warrants in respect of Government Promissory Notes are sent to the Bank, the amount of interest noted in the Bank's credit slip (Form No. A. G. P. T.-236) should be checked with that in column 7 of the Day Book (Form No. A. G. P. T.-209) which should be initialled by the Gazetted Officer.

NOTE 2.—Payment of interest on Stock Certificates by Head Post Offices at headquarters of Pakistan States where there are no Civil Treasuries is admissible in cases in which the holders of Securities have obtained the stock certificates from the Public Debt Office in the ordinary way and only payment of interest is required to be made at the Post Office.

115. Before the half-yearly interest on any loan or bond falls due, the gross interest on the holdings of each depositor in that loan or bond, income-tax and net interest should be calculated and posted in the proper columns of the ledger card (Form No. A. G. P. T.-248) with particulars of the half-year and the number of the interest Payment Order noted against the Item. Interest on all transactions (purchase, sale, safe custody and delivery) effected within a fortnight before the close of the half-year is adjusted at the time of disposal of these applications. Such transactions should not therefore be taken into account for the purpose of calculation of half-yearly interests.

Interest payment orders should then be prepared in Form No. A. G. P. T.-228 (b) from the ledger cards in triplicate, of which one copy along with a form of certificate of credit in form A. G. P. T.-228 (a) and certificates of deduction of income-tax in form A. G. P. T.-263 should be sent to each Postmaster under cover of a forwarding letter in Form No. A.G.P.



T.-228 for credit of the net amount of interest noted therein to the depositors' accounts. Of the remaining two copies, one should be sent to the Audit Office concerned with a forwarding memo. in Form No. A. G. P. T.-231 while the other is retained as office copy. These payment orders should be despatched to Postmasters five days prior to the close of the half-year and to Audit Offices within one week after the close of the half-year to which they appertain. A manuscript register is maintained to effect a reconciliation of the total nominal value in each loan or bond for every half-year on which interest has been advised with the amount held in stock excluding holdings of deceased depositors in respect of the said loan or bond. This register should be submitted for the Gazetted Officer's review 10 days after the issue of Interest Payment Orders.

NOTE 1.—In the case of an Income Tax free loan the amount of interest to be intimated should be calculated without deduction of income-tax.

NOTE 2.—In case an intimation of death of a depositor is received from the Post Office, the fact should be noted in the depositor's ledger card and the advice of the half-year's interest should not be issued. The accumulated interest should be passed for payment in cash after receipt of the application from the recognised claimant regarding the disposal of securities and the Postmaster General's orders.

116. On receipt of Interest payment Orders, the Postmaster will, in the case of accounts transferred to other Post Offices within the same Postal Circle, certify that necessary intimations in duplicate readvising the amounts of interest have been sent to Post Offices where those accounts have been transferred and quote all particulars thereof in the space provided for the purpose below the certificate. If, however, necessary particulars have not been furnished by any transferring Post Office in the certificate of credit, a reference should be made in Form No. A.G.P. T.-230 (c). A register should be maintained in Form No. A. G. P. T.-233 wherein the details of those intimations should be recorded to watch the return of the copies of the intimations meant for the Government Security Section from the Post Office to which the accounts are transferred.

In the case of an account transferred to a Post Office in a different Circle, the Postmaster will note its particulars in the space provided below the certificate and a supplemental payment order in form No. A. G. P. T.-229 should be advised by the Government Security Section to the Post Office where the account has been transferred. A copy of the supplemental Interest Payment Order is required to be sent to the Audit Office concerned when amounts of Interest on Government Securities advised therein are finally credited by a Post Office in a different Postal Circle.

117. Deleted.

118. When a Muslim depositor refuses to take interest on Government Securities, a proper note should be kept in the ledger card and the interest as it falls due should be credited to the head "Abstract B-II—Miscellaneous Revenue—Fees and other Receipts—Other Items". If, however, interest is claimed afterwards, it will be allowed with effect from the month succeeding that in which the application is received.

119. The balance on which interest is payable in respect of Government Securities held on behalf of a Savings Bank depositor should be checked

with the depositor's ledger account before interest is advised to the Postmaster for credit to the depositor's Savings Bank account. The Accountant should, before issue of the interest payment orders, test-check a few items in the ledger accounts.

120. The interest payment orders should be entered in a register maintained in Form No. A. G. P. T.-222 and despatched with the distinguishing number assigned to each Post Office in a Circle. Before despatch of Interest Payment Orders, an agreement should be effected between the closing balance of the Government Securities on which interest for the period in question is advised and that of the preceding half-year by taking into account all transactions occurring thereafter. The despatch register should be reviewed by the Accountant seven days after the close of the half-year to which the interest Payment Orders appertain and by the Gazetted Officer in July and January each year. On receipt back, the certificates of credit should be examined to see if the Postmasters have certified that necessary postings have been made in the depositors' accounts. When such postings could not be made on account of transfers of accounts within the same Postal Circle, it should be seen that necessary intimations have been furnished to Post Offices where the accounts have been transferred. In the case of accounts transferred to Post Offices in different Postal Circles, supplemental Interest Payment Orders should be prepared in triplicate in Form No. A. G. P. T.-229 and despatched in the usual way within three days from the date on which the certificates are received back. In case the certificates of posting interest are not received back within a fortnight from the date of despatch from the Postmasters, a reminder should be issued in Form No. A. G. P. T.-230. When intimations regarding credit of interest to depositors' Savings Bank accounts have not been received from the Post Office (within the same Postal Circle) where those accounts have been transferred, a reminder should be issued in Form No. A. G. P. T.-230 (a) after a fortnight from the dates of issue of those intimations.

121. Trust Interest Payment Orders relating to Postal and Telegraph employees and contractors will be made out in Forms Nos. A.G.P.T.-234 and 235 particulars being taken from a register maintained in Form No. A. G. P. T.-227 and communicated to Heads of Circles and other officers to whom the Securities are pledged for payment of the amounts to the parties concerned, five days before the close of the half-year to which the orders relate, so that payment may be made on the date on which interest becomes due. The check prescribed in Article 119 should also be exercised before issue of these payment orders. These registers along with the Despatch Register of Interest Payment Orders mentioned in Article 120 should be reviewed by the Accountant at the time of issue of payment orders. Such payments appearing in the cash accounts should be taken by the Audit Office to the head "Trust Interest Account". A list of these payments should be furnished by each Audit Office to the Government Security Section in Form No. A. G. P. T.-236.

A broadsheet showing the outstandings under the head "Trust Interest Account" should be maintained in manuscript by the Government Security Section and reviewed by the Gazetted Officer at the end of the third month following.

NOTE.—Income-tax on interest due on the Security investment of Government servants and contractors is calculated at the maximum rate. Commission is also charged in the case of Securities deposited by the contractors which were not purchased through the Post Office.



## 122. Deleted.

123. The amount of interest (gross) on Government Securities drawn from the Public Debt Office should be adjusted by means of the following transfer entry :—

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Exchange account between Civil and Posts and Telegraphs—Accounts between Accountant General, East Bengal, Civil, Dacca, and Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca.

Items adjustable by Post Office—

Miscellaneous.

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To Post Office Savings Bank Investment Account :—

1. Interest on Government Promissory Notes due to living Savings Bank depositors.
2. Interest on Investment Certificates held by living Savings Bank depositors.
3. Interest on Government Securities held in the Savings Bank accounts of deceased depositors.
4. Interest on the Imprest of Government Promissory Notes.
5. Interest on the Imprest of Investment Certificates.
6. Exchange account between Civil and Posts and Telegraphs—Accounts between Accountant General, East Bengal, Civil, Dacca, and the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca.

Items adjustable by Civil Department.

Miscellaneous.

(Commission deducted from the interest on Government Promissory Notes.)

The amount of interest payable to Savings Bank depositors is credited to "Savings Bank Deposits" by debit to the Head "Post Office Savings Bank Investment Account":—

- (a) Interest on Government Promissory Notes due to living Savings Bank depositors.
- (b) Interest on Investment certificates held by living Savings Bank depositors as the case may be. Interest on Government Promissory Notes deposited as Security by Departmental employees and contractors vide Article 121 is credited to the head "Trust Interest Account" by debit to the head "Interest on Government Promissory Notes due to living Savings Bank depositors".

**Payment of Sale-proceeds of Securities and Interest accrued thereon after the death of a depositor.**

121. Interest on Government securities falling due on or after the date of death of a depositor or their sale-proceeds or discharge value should not be credited to the Savings Bank account of the deceased depositor. The total amount should be advised to the Postmaster in Form A. G. P. T.-260, 260 (a), 260 (b) as the case may be for payment in cash to his legal heir as determined by the Postmaster-General through the Post Office where the Savings Bank account of the deceased stands open.

Sanctions received for the disposal of securities including Investment Certificates held by a deceased depositor should forthwith be noted in the register maintained in manuscript as well as in the personal ledger card of the deceased so that no further interest may be advised for credit to the Savings Bank account of the deceased depositor. The register should be submitted to the Gazetted Officer for his review on the first working day of the following month.

NOTE.—In the case of death of a holder of Government Securities in the safe custody of the Auditor General in the shape of security deposit (but not through any Savings Bank deposit account) where the conditions laid down in clause (2) of rule 38 of the Securities Rules, 1935, are not fulfilled, the Manager, State Bank of Pakistan, will determine the claims of the heirs of deceased holders in accordance with the provisions of Section 19 of the Securities Act (X of 1920) and clause 1 of rule 38 (*ibid*).

125. When an intimation of death of any security holder is received, the date of death and other particulars should be noted in a manuscript register and the relevant card or cards should be shifted to the deceased depositor's Binders (vide Note 1 below, Article 108) and each entry in the register should be attested by the Accountant. It should then be examined to see whether any interest has been advised for credit to his Savings Bank account after the date of his death. If such credit has been advised, the Postmaster of the office where the Savings Bank account of the deceased stands open, should at once be addressed in Form No. A. G. P. T.-259 to cancel all such amounts of Interest on Government Securities from the Savings Bank account of the deceased depositor and a copy of the letter sent to the Audit Office concerned along with a statement showing the amount of interest written back in the accounts of the Circle concerned. Necessary re-adjustments in accounts should promptly be made by crediting 'Post Office Savings Bank Investment Account—Interest on Government Securities held in the Savings Bank accounts of deceased depositors' and debiting 'Savings Bank Deposits (deduction from credit) and IV—Taxes on Income other than Corporation Tax—Government Security Tax (deduction from credit)'.  
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When the amount of interest held over and written back is advised to the Postmasters for payment in cash to the claimants of the deceased depositors, such amount is forthwith adjusted by the Government Security Section by debit to the head 'Post Office Savings Bank Investment Account—Interest on Government Securities held in the Savings Bank accounts of deceased depositors' and credit to the head 'Post Office Savings Bank Investment Account—Proceeds of Government Securities sold on behalf of claimants to deceased depositors' accounts and IV—Taxes on Income other than Corporation Tax—Government Security Tax'.



If the sale proceeds of Securities of a holder have been credited to his account after his death, the Postmaster should at once be addressed to cancel the credit from the Savings Bank account of the deceased depositor and a copy of the letter sent to the Audit Office concerned. Necessary readjustment in amounts should be effected by crediting 'Post Office Savings Bank Investment Account—Proceeds of Government Securities sold on behalf of claimants to deceased depositors accounts' and debiting 'Savings Bank Deposits' (deduction from credit).

The proceeds of Securities of a deceased holder sold on the authority of the Postmaster-General should when advised to the Postmaster for payment in cash, be credited to "Post Office Savings Bank Investment Account—Proceeds of Government Securities sold on behalf of claimants to deceased depositors' account" and "IV—Taxes on Income other than Corporation Tax—Government Security Tax" and debited to the head "Post Office Savings Bank Investment Account—cost of Government Promissory Notes in the Imprest" and "Interest on the imprest of Government Promissory Notes or cost of Investment Certificates held in the imprest" and "Interest on the imprest of Investment Certificates" as the case may be. The proceeds of Securities of a holder who dies before the issue of sale intimation to the Postmaster, should not be advised for credit to the Savings Bank account of the deceased but should be adjusted as above.

A register should be maintained in manuscript in which all transactions of write-back of interest on Government Securities and cash payments should be noted to watch payment and correct adjustment. Each entry in the register should be attested by the Accountant-in-Charge.

126. Cash payments on account of sale-proceeds of Government Securities and interest accruing thereon after the death of a depositor appearing in the schedule of unclassified payments in the Post Office accounts should be classified by the Audit Office concerned under the head "Savings Bank Investment Account—(1) Proceeds of Government Securities sold on behalf of claimants to deceased depositor's accounts".

A statement in Form No. A.G.P. T.-261 showing the details of cash payments mentioned in Articles 124 and 125 should be prepared in the Postal Audit Section of each Audit Office from schedules of unclassified payments and a consolidated statement for each Postal Circle forwarded to the Government Security Section by the 25th of the month following that to which the transactions relate. The number and date of the pay order and the detailed head under which the amount has been adjusted should invariably be quoted against each item.

### Receipt and Disposal of Securities

127. All Government Securities received should be carefully examined and entered in a register of securities received and disposed of in Form No. A.G.P.T.-242 under the attestation of the Gazetted Officer in charge of the Section. These securities should be sent to the Public Debt Office for examination of endorsement or renewal as the case may be, duly entered in the Day Book maintained in Form No. A.G.P. T.-209 along with a memo. in duplicate in Form No. A.G.P.T.-210. Suitable notes should be recorded against the numbers of those securities in the

register referred to above. One copy of the memorandum is retained by the Public Debt Office while the other will be returned the same day, duly endorsed, in acknowledgment of the securities. This register is reviewed by the Gazetted Officer on the 15th of each month.

128. The acknowledgments should be presented at the Public Debt Office on the due dates noted below:—

- |   |        |                              |
|---|--------|------------------------------|
| (a) Issue of warrant for interest only              | ...    | *After 7 clear working days. |
| (b) Renewal, sub-division or consolidation of Notes | ... .. | †After 9 clear working days. |
| (c) Enforcement of a Note. Inland or London         | ... .. | After 3 clear working days.  |
| (d) Registration of a document                      | ... .. | After 1 clear working day.   |

129. On receipt back of the securities after examination or renewal, their return should first be noted against the original entries in the Day Book (Form No. A.G.P.T.-209). The securities should then be brought on to the Stock Day Book (vide Article 132) through the Intermediate Day Book (vide Article 131) under the initials of the Gazetted Officer. Securities received back with objection, memoranda should be returned to the officers concerned for compliance with the requirements of the Public Debt Office.

NOTE 1.—Securities tendered for re-enfacement will not be brought on to the Intermediate Day Book. They should be returned to the Postmaster direct, after re-enfacement.

NOTE 2.—When Government securities are returned by Postmasters as undeliverable, they will be entered in the Stock Book of undelivered securities maintained in Form A.G.P.T.-262. The undelivered Stock is verified by the Gazetted Officer on the first working day of each month. They will remain in the name of the holders until they are requisitioned for by them. The acknowledgment of these securities when delivered to depositors is duly noted in the register (Form No. A.G.P.T.-242) which is reviewed by the Gazetted Officer on the 15th of every month.

130. When securities are deposited by Departmental employees and contractors for 12 months or less, or when they are deposited for more than 12 months but the depositor does not desire to draw interest thereon during the period, they should remain in the name of the depositor and be entered in the Intermediate Day Book and transferred to stock Day Book (Form No. A.G.P.T.-244) on a separate page maintained for the purpose, vide Articles 131 and 132. The words "No Interest" should be entered prominently at the top of the ledger card of the depositor.

#### Intermediate Day Book

131. In the Intermediate Day Book (Form No. A.G.P.T.-243) are entered all securities (Government Promissory Notes or Stock Certificates) received from the State Bank of Pakistan as well as those received from Heads of Circles and other departmental officers for sale or safe custody. In the latter case, the Securities are entered in the Intermediate Day Book only after examination of the endorsement or renewal. The securities are then transferred to the Stock Day Book (Form No. A.G.P.T.-244.)

\*Save in the fortnights preceding and succeeding the dates on which half-yearly interest on a loan becomes due when two additional days are required.

† If interest also is due, five additional days are necessary.



### Stock Day Book

132. All Government Securities (G. P. Notes and Stock Certificates) entered in the Intermediate Day Book (vide Article 131) are transferred to the Stock Day Book which is maintained in Form No. A. G. P. T.-244 separately for Government Promissory Notes and Stock Certificates. Entries relating to Securities mentioned in Article 130, i.e., Departmental employees and contractors should be made in the receipt side in a separate page of the Stock Day Book and when they are returned or sold they should be charged off on the issue side. Each entry in the Stock Day Book, both on the receipt and issue sides, is attested by the Gazetted Officer. The Stock Day Book is balanced monthly. The closing balances as well as the balance under each loan in the Stock Day Book are verified by the Gazetted Officer-in-Charge of the section on the first working day of each month by actual enumeration of Government securities in the custody of the Auditor General.

133. In the Stock Day Book separate columns are provided for different loans. It shows on the receipt side the amount of Securities held by the Auditor General and on the issue side are entered, in detail, the amount of all securities returned, sold or converted. When Government Promissory Notes of higher denominations or Stock Certificates as the case may be, are sent to the Public Debt Office for sub-division into Government Promissory Notes of smaller denominations, they are not entered on the issue side of the Stock Day Book, but are shown in the Day Book only.

When there is an accumulation of Government Promissory Notes in the Auditor General's Stock, they are sent in convenient batches to the Public Debt Office to be converted into Stock Certificates. Government Promissory Notes of each loan are converted into Stock Certificates of the same loan. They are sent to the Public Debt Office with a forwarding letter in Form No. A.G.P.T.-210 duly entered in the Day Book (Form No. A. G. P. T.-209).

NOTE.—The Notes sent to the Public Debt Office for conversion into Stock Certificates must bear the following endorsement:—

“Pay to the Governor-General of Pakistan”.

134. A separate register (known as Denomination Register) showing the number of Government Promissory Notes of each denomination of each kind of loan or bond held in stock after each day's transactions should be maintained in Form No. A. G. P. T.-247. The balances in this register at the end of each month under each loan or bond should be verified with the balances exhibited in the Stock Day Book.

135. On the 1st April and 1st October each year, an officer belonging to the Outside Audit Department of the office of the Accountant General, East Bengal, Civil, Dacca, verifies the balance of Government Promissory Notes and stock certificates held by the Auditor General, and furnishes a certificate of verification along with an abstract of the verified stock.

### Monthly Reconciliation of purchase, sale and interest on Securities

136. When all intimations of purchase and sale of securities and interest payment orders for one complete month are issued, the total

amount on account of purchase and sale of securities as also of interest for each postal circle is separately worked out from manuscript registers maintained in the Government Security Section and forwarded to Audit Offices concerned embodied in statements (in Form No. A. G. P. T.-238) not later than the 3rd day of the second month following that to which the figures relate, in order to reconcile these figures with the total of the amounts advised through several intimations of purchase and sale and interest payment orders. Any discrepancy detected by the Audit Offices in the course of this reconciliation should be communicated to the Government Security Section of the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca for readjustment, if necessary, along with the details of each intimation of purchase and sale and interest payment order by summation of which the total figures for the month are arrived at in the audit offices.

137. A register in Form No. A.G.P.T.-241 should be maintained in the Government Security Section for the purpose of effecting a monthly reconciliation of purchases and sales. This register should be submitted to the Gazetted Officer for inspection at the end of each month.

#### Half-yearly verification of balances in Depositors' Accounts

138. The total holdings in different loans and bonds of each depositor on the 30th September and 31st March each year should be compiled in Form No. A. G. P. T.-251 from ledger cards separately for each Postal Circle. The total holdings in each loan and bond thus arrived at should be verified with the Stock Day Book, vide Article 132. The Senior Accountant-in-Charge of the Government Security Section is personally responsible for seeing that this verification is regularly made and that the ledger abstracts are submitted to the Gazetted Officer on due dates, namely, 1st February and 1st August each year.

#### Annual adjustment of gain or loss

138-A.—The cost of balance of Government Promissory Notes in the Imprest in each loan on the 31st March of each year should be calculated at the market rate or at the average cost, whichever is less.

If the total cost so arrived at for all the loans taken together is more than the net Detail Book balance under the head "Savings Bank Investment Account—Cost of Government Promissory Notes in the Imprest" the excess represents profit, and if less, loss. The profit or loss so worked out should be passed on to the Accountant General, Pakistan Revenues, Karachi, by debit or credit to the head mentioned above. The cost of Investment Certificates held in the Imprest on 31st March should be valued at the market rate for  $3\frac{1}{2}$  per cent. The difference between this figure and the net Detail Book balance under the head "Cost of Investment Certificates in the Imprest" should be passed on to the Accountant General, Pakistan Revenues, Karachi, as profit or loss as the case may be by debit or credit to the head mentioned above.

In order to work out the average cost of Government Promissory Notes referred to in the preceding paragraph a register in Form A.G.P.T.-202 should be maintained in which columns 1 to 18 should be filled in



monthly and progressive totals worked out. Columns 19 to 22 should be filled in only when profit or loss is required to be calculated, i.e., whenever any estimate of profit or loss is to be intimated to the Accountant General, Pakistan Revenues, Karachi, or when profit or loss is to be passed on to him at the end of each year.

The net Detail Book balances at the close of the year under the heads "Interest on the Imprest of Investment Certificates" and "Interest on the Imprest of Government Promissory Notes" represent the interest earned by the Imprest during the course of the year and should be passed on to the credit of the Accountant General, Pakistan, Revenues, Karachi, in the March Final Accounts.

### Statistical Returns and Publication of Accounts

139. A general account of transactions relating to Government Securities on behalf of Savings Bank depositors only is required by the Director General, Posts and Telegraphs, for incorporation in the Annual Report on the operation of the Post Office Savings Bank. This account should be compiled in forms A. G. P. T.-253 and 254 maintained in manuscript and despatched in duplicate to the Auditor General on the 15th August of each year, for sending it to the Director General of Posts and Telegraphs.

139-A. Deleted.

139-B. A monthly statement showing approximate figures of purchases and sales of Government Securities and Investment Certificates with interest thereon effected on behalf of Savings Bank depositors only is rendered to the Auditor General, on the 13th of the month following that to which the transactions relate.

139-C. A monthly abstract of transfer entries effected by the Government Security Section is compiled in form No. A. G. P. T.-519 and forwarded to the Audit Offices concerned for inclusion in their accounts on the 18th of the month following that to which those entries relate. A "nil" abstract should invariably be sent to an Audit Office if in any particular month there is no account adjustment affecting any Postal Circle under the jurisdiction of that Audit Office.

139-D. Deleted.

139-E. A monthly statement in manuscript showing the discharge of securities held in the custody of the Auditor General, on behalf of Savings Bank depositors and of Stock Certificates discharged by Post Offices in Pakistan States and the total amount of debits passed on to the Accountant General, Pakistan Revenues, Karachi, through the exchange accounts of the Accountant General, Posts and Telegraphs Branch, concerned (copies of which are furnished to the Government Security Section by the Accountant General, Posts and Telegraphs Branch, concerned) is rendered to the Accountant General, Pakistan Revenues, Karachi, on or before the last day of the second following month.

139-F. A statement showing particulars of Government Securities held by the Auditor General on behalf of departmental employees and contractors should be compiled in Form No. 20 of the Government Security Manual and despatched to the Publisher, Gazette of Pakistan, Karachi, on or before the 5th February every year for publication in the Gazette of Pakistan (Part II).

NOTE.—The names of Post Office Savings Bank depositors should not be published in the account, but the total amount held on their behalf should be exhibited in one entry, "Savings Bank depositors".





## CHAPTER 3.—BRITISH POSTAL ORDERS, ETC.

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### Introductory

140. The Auditor General is responsible for the stock, custody and issue of British Postal Orders as also for the audit of all transactions relating to them. The rules for indent, sale and payment of British Postal Orders in Post Offices as well as those relating to maintenance of the initial accounts and submission of account returns of British Postal Order transactions to Audit Offices will be found in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

141. The Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, acting on behalf of the Auditor General is responsible for maintaining the central stock of British Postal Orders, their safe custody and issue to the other Audit Office.

### Central Stock

142. The central stock is obtained by half-yearly indents on the London Post Office for the supply of Orders calculated as sufficient to increase the existing stock of each denomination so as to meet the requirements of one year. For this purpose, half-yearly reports in the following form should be drawn up and submitted to the Accountant General, on the 15th January and 15th July each year, showing what denominations need replenishing. The indents should be prepared accordingly and issued over the signature of the Accountant General. Office copies of indents should be kept in a register maintained for the purpose. When an indent for the supply of British Postal Orders is placed



on London, full particulars of the requirements of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, is furnished separately to the Postal Authorities in London who are requested to send his supply direct to him, under advice to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore.

Customs duty is payable on packets of British Postal Orders received from London Post Office for Central Stock. The Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, should intimate the amount required, to the Director General of Posts and Telegraphs by the 15th October every year to enable him to make the necessary provision in the Revised and Budget Estimates under the head "Abstract J. V.—Miscellaneous other payments."

#### Half-yearly indent for British Postal Orders.

Denomination	Issues in the previous twelve months as detailed on the reverse	Central stock on		Additions required (in even thousands) to make up a year's demand. Column (3), when less, deducted from column (2).	Remarks
		31st Dec.	30th June 19		
(1)	(2)	(3)	(4)	(5)	
One shilling.					
One shilling. and six pence.					
Two shillings and so on.					

Note.—If the number in column (3) exceeds that in column (2), the word Nil should be written in column (4) and no indent will be necessary.

#### Custody of the stock

143. The central stock is kept in a safe with double locks one key being kept in the personal custody of a Gazetted Officer of the office and the other, with an Accountant, a senior clerk or cashier selected by the Accountant General.

On receipt of the Orders from London, their serial numbers, etc., should be noted in the register mentioned in Article 142 and attested by the Gazetted Officer. The acknowledgment for the Orders should also be prepared and despatched to London duly signed by the Accountant General or the Gazetted Officer. British Postal Orders supplied by London to the Dacca Audit Office direct should be treated as issues out of the Central Stock. Entries of their receipts on the Central Stock and issues therefrom should be recorded in the Register on receipt of the necessary advice from London.

NOTE.—On receipt of British Postal Orders from the British Post Office, they should be counted in the presence of the Gazetted Officer who should conduct a test check of the counting.

**Stock in Dacca Audit Office.**

144. The Dacca Audit Office will be provided with a stock of British Postal Orders for issue to Head Postmasters under its audit jurisdiction. The stock in the Audit Office should similarly be kept in a safe with double locks, one key being kept in the personal custody of a Gazetted Officer of the office and the other, with an Accountant, a senior clerk or cashier selected by the Accountant-General.

145. Deleted.

146. Deleted.

**Record of Central Stock**

147. As British Postal Orders are received from the London Post Office or are issued, the cashier etc. should enter the Orders received or issued in a register in Form A. G. P. T.-301. This register should be placed before the Gazetted Officer (see Article 143) for his initials whenever an entry is made therein.

**Stock Register in Dacca Audit Office**

148. A stock register, in Form A. G. P. T.-301, should be maintained to account for the British Postal Orders received and issued by the Dacca Audit Office. This register should be posted, as regards receipts, from the supplies from London and as regards issues, from the invoices referred to in Article 150. The register should be placed before the Gazetted Officer for his initials whenever an entry is made therein.

NOTE.—British Postal Orders received from London should be counted in the presence of the Gazetted Officer, who will conduct a test check of the counting.

**Issues to Postmasters**

149. British Postal Orders are issued to Head Post Offices on indents received from the Postmasters. These indents (whether by telegram or otherwise) should be entered in the appropriate columns of the stock register. Cases in which indents for British Postal Orders are made by telegram should be reported to the Head of the Circle when it appears that such telegrams might have been avoided by the exercise of proper foresight.

150. The indents received from the Postmasters should, in the first place, be sent to the audit section concerned for verification of the figures as to balance and sale noted by the Postmasters. They should next be submitted to the Gazetted Officer through the Accountant and when orders for supply have been passed, the required number of British Postal Orders should be taken out from the safe and an invoice prepared in triplicate by carbonic process, in Form A. G. P. T.-303. The serial and consecutive numbers of each denomination of Orders issued, should be detailed in the invoice.

NOTE.—The Stock should be kept so arranged that the Orders issued may always be from the earliest supply received from the central stock.

151. One copy of the invoice should be kept as office copy duly filed with the indent and the other two sent to the Postmaster with the British Postal Orders detailed therein, under registered cover. One of these will be received back with the Postmaster's acknowledgment and should be pasted into a guard file after verification with the entry made by the audit section concerned in the column provided in the stock register prescribed in Article 148.



### Returns of British Postal Orders received in the Audit Office

152. The following monthly returns of British Postal Orders will be received in the Audit Office from Head Post Offices (vide Article 372 of the Posts and Telegraphs Initial Account Code, Volume I).

- (1) List of British Postal Orders sold.
- (2) Abstract of payments of British Postal Orders with the paid Orders.
- (3) Memo. of unsold British Postal Orders in stock.

Soon after the 1st April of each year, a detailed list showing the serial numbers of British Postal Orders in stock will be received from Post Office (vide Rule 383 of the Posts and Telegraphs Manual, Volume VI).

NOTE.—If the list of British Postal Orders sold or the Abstract of payments of British Postal Orders for any month is not received in sufficient time to admit of their being audited before the preparation of the Classified Abstracts, the credits or debits appearing in the Cash Account, should be taken to the suspense head "Credit Suspended" or "Debit Suspended", as the case may be.

### Audit of the List of British Postal Orders Sold

153. On receipt of each list, the total should be checked with the credit afforded in the monthly cash account of the Head Postmaster and the calculation of the value of each class of Orders sold should be verified. The value and poundage should be classified under "Deposits—British Postal Orders".

NOTE.—The rates at which the sterling values of British Postal Orders are to be converted into Pakistan currency before they are sold or paid are prescribed by the Director-General, Posts and Telegraphs, from time to time. (See Note 3 below Article 519).

154. Short or excess credits exceeding annas two in the cash account, of the value of British Postal Orders sold, should be held under objection and adjusted thus:—

The correct value should be credited to the proper head and (a) the amount short realised debited to "Advances Recoverable" in the accounts, (b) the amount realised in excess should be credited to "Fees and Other Receipts—Other Items" in Abstract B. II—Miscellaneous Revenue, and entered in the inner column of the Objection Book. The items will be removed from the Objection Book on credits on account of (a) and debits on account of (b), being traced. In the case of (b), if a refund can not be made within a reasonable time, the amount will be removed from the Objection Book with the remarks "Removed, purchaser not traceable".

Differences in the British Postal Order accounts of sums not exceeding two annas on account of over-credits and short credits or short payments and over-payments should be treated in the manner laid down in Article 165. These small differences should be accounted for by per contra entries in the classified abstract, thus:—

#### (i) Short credits and over-payments

Dr.—Abstract J-V—Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable over-payments.

To Deposits—British Postal Orders—Cr.

(ii) *Over-credits and short payments*

Dr.—Deposits—British Postal Orders.

To Fees and other Receipts—other items—Cr.

### Audit of the Abstract of Payments of British Postal Orders

155. The paid lists or abstract of payments should be examined to see :—

- (a) that every entry in the abstract of payments is supported by paid Orders to that value. If a paid Order is not received with the list and its absence is not explained against the entry in the list, it should be immediately called for by telegram ;
- (b) that the full value calculated at the prescribed rate plus the value of the British Penny postage or Pakistan postage stamps, or any, affixed to the face of the Orders to make up broken amounts, agrees with the entries in the abstract of payments ;
- (c) that the total number of paid Orders which were issued in Pakistan is entered at foot of the abstract, and that it agrees with the total number of Orders stamped "Pakistan" ;
- (d) that the total value of postage stamps, either British, Colonial or Pakistan, affixed to the Orders for making up broken amounts agrees with the entries at foot of the abstract of payments ;
- (e) that the total amount paid (in rupee currency) as per Abstract, agrees with the charge in the monthly cash account.

NOTE.—The value of half-penny postage stamps and half-anna Pakistan Postage Stamps affixed to British Postal Orders is not payable, vide Rule 19 of the "Rules for Post Masters at Money Order Offices in the United Kingdom" and Rule 389 (a) of the Posts and Telegraphs Manual, Volume VI.

156. The paid Orders should be further examined in detail in the following manner :—

- (a) If the amount is paid to a person other than the payee named in the British Postal Order [except as provided in Rule 52 (2) (b) of the Posts and Telegraphs Manual, Volume VIII], the sanction of the Director General, Posts and Telegraphs, for payment, should invariably accompany the Order and the sanction should be quoted on the paid Order before its submission to the Lahore Audit Office (vide Article 174).
- (b) If the Order is not genuine, or if the amount has been altered, or if it was payable at another office, or if it has been cut, defaced, mutilated or bears erasures or alterations, the amount thereof should be placed under objection under "Advances Recoverable" and the postmaster asked to recover the amount from the party at fault; the Order should not be included in the return of British Postal Orders paid ;
- (c) In case the extra poundage be not realised on an Order paid after currency or if realised by short charge in the list of British Postal Orders paid, the Order should be returned to the postmaster with instructions to have Pakistan postage stamps for the amount equivalent to poundage affixed on the



back of the Order and to re-submit it to the Audit Office. In such cases the full amount of the Order should be placed under objection as "Advances Recoverable".

- (d) The stamps affixed for making up broken amounts should be defaced in the Audit Office, and if they are affixed elsewhere than in the prescribed space on the face of the Order, their value should be recovered from the postmaster concerned. Any payment exceeding 5d. to Orders of denominations upto, and including 4s. 6d. and 11d. to orders of denominations above 4s. 6d. for the value of stamps affixed to make up broken amounts should also be disallowed in audit and recovered.

NOTE 1.—The stamps should not, however, be regarded as defaced when such defacement consists merely in stamps being encroached upon by a portion of the issuing officer's signature, or by entries made by the payee in filling in or receiving the Order, etc.

NOTE 2.—The procedure outlined in Article 154 should be followed *mutatis mutandis* in the case of short payments or overpayments exceeding two annas on account of British Postal Orders. For short payments or overpayments not exceeding two annas, see sub-paragraph to Article 165.

157. British Postal Orders repaid to the purchaser are treated in the same way as Orders paid to the payee and are included in the monthly abstract of payments. They should be audited with reference to Rule 395 of the Posts and Telegraphs Manual, Volume VI.

158. If the amount of Orders paid or refunded is irregularly charged in the schedule of unclassified payments, it should be transferred to the abstract of payments of British Postal Orders and the irregularity pointed out to the postmaster concerned.

159. In the case of loss of a paid British Postal Order, a certificate of payment by the paying Postmaster in the form prescribed in Rule 399 of the Posts and Telegraphs Manual, Volume VI, together with the Postmaster-General's letter of authority for its issue should be accepted as a paid Order.

160. The total amount of British Postal Orders paid (*less* the amount placed under objection) should be classified to the head "Deposits—British Postal Orders".

Postage stamps of the Somaliland Protectorate affixed to British Postal Orders, though expressed in Rupee currency, are not Pakistan Stamps. They should, therefore be classified under the head "British or Colonial Stamps."

#### Audit of the Memorandum of unsold British Postal Orders

161. The memo. of unsold British Postal Orders in stock in Post Offices received with the monthly lists of sales, should be checked by the auditor to see that the opening balance corresponds with the closing balance of the previous month. He should also see that:—

- (i) the supply received, if any, agrees with the entries in the register prescribed in Article 148; he will then fill in the column provided for "Entries to be made by the audit section" in the register;
- (ii) the sales agree with the corresponding entries in the list of sales;

- (iii) the balance of Orders shown as in stock under each denomination agrees with the total of the numbers shown against the heads "Orders unsold in Head Office" and "Orders unsold in Sub-offices" under that denomination.

After an arithmetical check, the memo. together with the sale list should be filed with the cash account.

NOTE.—The memorandum should be carefully examined to see whether Postal Orders are unnecessarily locked up in any office and if so, a portion of the stock should be recalled at once.

#### British Postal Orders transferred from one office to another

162. British Postal Orders transferred for sale from a Head Office which keeps a stock, to one which does not, are shown in the Memo. of unsold Orders as a deduction. In dealing with these Orders, the following procedure should be observed:—

- (a) The auditor of the supplying office will see that the requisitions for the Orders are received with the memo., and that the numbers and denominations of the Orders supplied, agree with those indented for.
- (b) He will then enter the Orders transferred, in the register prescribed in Article 163 and after verification, will file the requisition with the Memo. of unsold Orders to which they appertain.
- (c) In the monthly statement of unsold Orders (vide Article 175) the net balance after deduction of the Orders transferred, should be shown.
- (d) Orders shown as sold in the invoices received in the office at the time the monthly statement is prepared (vide Article 173), should be entered in the balance memo. in red ink by the auditor of the indenting offices against those offices, but excluded from the total Orders not sold or in transit being shown in black ink and included in the total with a red ink note in the margin, indicating the name of the office by which they were supplied. In the latter case, the auditor will make the entries from the register prescribed in Article 163.
- (e) The auditor of the indenting office will see that the invoice of the Order transferred for sale has been received with the first cash account in which the value thereof has been credited, and that the value has been noted therein in the columns provided for the purpose in cases in which the sale has been effected.
- (f) He will then acknowledge the Orders sold in the register prescribed in Article 163 and show the sale in the statement of sales (Article 173) against the office by which it was effected.

NOTE.—It should be noted that Post Offices which do not keep any stock can procure British Postal Orders from other Offices when they receive applications from intending purchasers (see Rule 385 of the Posts and Telegraphs Manual, Volume VI).



163. A manuscript register in the form prescribed below should be kept in the audit section for the check of Orders transferred from one office to another for sale. Columns 1 to 6 of this register will be posted by the auditor of the transferring office on receipt of the monthly British Postal Order returns, and columns 7 to 11 by the auditor of the receiving office as the sales appear in the monthly cash account, the Orders unsold being shown in column 12 of the register.

1	2	3	4	5	6	7	8	9	10	11	12	13
Supplying Office	No. and date of requisition	Total number supplied	Denomination of British Postal Orders supplied	Stock of the month from which deducted	Initials of the auditor of the Supplying Office	Receiving Office	Date of sale	Total number of Orders sold	Denomination of Orders sold	Initials of auditor of the receiving post office	Description of unsold Orders	Signature of Accountant and Gazetted Officer

164. In opening the register for a month, the unsold Orders of the previous month should first be entered in detail in column 3 against an entry "Unsold Orders of the previous month". Then should follow the Orders transferred for sale during the month to which the register relates. As soon as all the cash accounts of the month have been received and the sales appearing therein noted in the register and before the despatch of the statement prescribed in Article 173 to the Lahore Audit Office, it should be closed, and the Orders unsold carried forward to the next month. A watch should be kept through the register to see that an Order not sold within one month from the date of its transfer for sale is returned to the Audit Office concerned by the Postmaster of the indenting office. When this is done, the word "return" (vide Post Master's No. \_\_\_\_\_, dated \_\_\_\_\_) should be written in red ink across columns 7 and 8 and the Order written off when the register is closed.

NOTE.—All unsold Orders returned to the Audit office and found unfit for re-issue should be treated as spoilt (vide Article 170).

#### Objections

165. The procedure for raising, communicating and adjusting objections detected in course of audit and maintenance of Objection Books, etc., will be found in Chapter 20 of the General Audit Code (see also Article 463 *ibid*).

Differences in the British Postal Order accounts of sums not exceeding two annas on account of over-credits and short-credits or short-payments and overpayments need not be included in the Objection Book. They should nevertheless be included in the Objection Statement with a warning to the Postmaster to avoid such irregularities in future. Over-credits or shortpayments on British Postal Orders not exceeding two annas should be noted in a register in Form A. G. P. T.-414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of 'Fees and other Receipts—Other items' in Abstract B. II—Miscellaneous Revenue by debit to 'Deposits—British Postal Orders.' Short-credits or overpayments on British Postal Orders should be noted in a separate register in Form No. S. Y.-265. The total amount will be adjusted monthly by debit to 'Abstract J-V—Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable overpayments' and credit to 'Deposits—British Postal Orders'. The two registers should be submitted monthly to the Gazetted Officer in charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

#### British Postal Orders lost or stolen

166. On receipt of a report of the loss or theft of British Postal Orders (vide Rule 384 of the Posts and Telegraphs Manual, Volume VI), the bundle of British Postal Orders paid in the month in which the loss is reported to have occurred should be examined to see whether the missing Orders have been paid. If not, the fact should be brought to the notice of the Head of the Circle, so that the latter may issue instructions to all postmasters prohibiting their payment. If the payment is traceable the Orders should be examined and forwarded to the Head of the Circle for an investigation of the fraudulent payment, placing the amount under "Advances Recoverable" in the Objection Book.

On receipt of a similar report in the Lahore Audit Office, an intimation will be sent to the Controller, Money Order Department, General Post Office, London, requesting authority to take credit for Pakistan, for the value and poundage of the lost Orders in the British Postal Order account.

167. Sums recovered on account of lost or stolen British Postal Orders will be credited by postmasters as "unclassified receipts" and should invariably be brought to account under "Fees and other Receipts—Other Items" in Abstract B. II—Miscellaneous Revenue. Missing British Postal Orders should continue to be shown in the stock until sanction to write off the value and the poundage has been obtained from the British Post Office and communicated to the Audit Office, which will then direct the Postmaster to remove the Orders from his stock, by an entry in red ink in his list of British Postal Orders sold without including the value of the Orders in the total of the list.

#### Disposal of British Postal Orders received from Postmasters, etc.

168. British Postal Orders received in Audit Offices either from Postmasters or from any other source generally fall under one or other of the following classes:—

- (1) Spoilt and unclaimed orders.
- (2) Surplus orders returned to stock.



(3) Orders remaining unsold for more than four years (Article 172).

(They should reach the Audit Office in separate registered covers marked "Important" in red ink, and when this is not the case, the irregularity should be brought to the notice of the sender).

All such British Postal Orders must be treated as "Valuables" and entered in the Register of valuables kept in the Record Section. Those falling under classes (1) and (2) above should be made over to the section concerned through the Register of valuable. Those falling under class (3) above should be retained by the cashier himself after due agreement of their particulars as entered in the forwarding letter or invoice with which they are received from the Postmasters, and made over to the officer holding the Audit office stock of British Postal Orders under article 144 of this code for being forwarded to the Accountant General, Punjab, Posts & Telegraphs Branch, Lahore, for disposal under Article 172 *ibid.* The receipt of these British Postal Orders from the Postmaster and their despatch to the Accountant General, Punjab, Posts & Telegraphs Branch, Lahore should be accounted for in the Audit Office Stock Register in form A. G. P. T.-300 with suitable entries.

169. If the serial and consecutive numbers of the Orders returned by Postmasters are detailed in the letter accompanying them or in a separate invoice, the Orders should be checked with the entries in the letter or the invoice and an acknowledgment (in the prescribed form) signed by the Gazetted Officer-in-Charge, sent to the Postmaster. If no details are given in the letter or no invoice is received, a suitable list should be prepared in manuscript and the omission pointed out to the Postmaster.

#### Spoilt and Unclaimed British Postal Orders

170. Spoilt Orders received either with the list of Orders sold or otherwise, should be entered in a manuscript register in the form prescribed below which should be submitted to the Gazetted Officer for orders and attestation of entries made therein. Cases which reveal carelessness or rough handling of Orders in Post Offices or where the explanation of Postmasters for treating the Orders as spoilt is not satisfactory, should be reported to the Head of the Circle concerned.

Unclaimed Orders received in the Audit Offices should be sent to the Lahore Audit Office immediately and spoilt Orders and Orders unfit for reissue should be sent with a covering memo, which should be enclosed in a separate service envelope; registered and superscribed "Important" in red ink:

#### Register of spoilt British Postal Orders.

Date of receipt	From whom received	Serial No. of Orders	How spoilt	Value R. s. d.	Accountant's remarks	Gazetted Officer's orders	Remarks

171. A register in the same form should be maintained in the Lahore Audit Office for the record of all spoilt and unclaimed British Postal Orders received from the Audit Offices. Unclaimed Orders should be sent to the General Post Office, London, immediately on receipt (by

the first available mail), with a forwarding letter in Form No. A. G. P. T.-310, and spoilt Orders received up to the last day of a month should be sent with the Account Current for that month in a statement in Form No. A. G. P. T.-309.

#### Returns of British Postal Orders supplied to Pakistan more than four years ago

172. A list of British Postal Orders supplied to Pakistan more than four years ago, will be prepared annually in the Lahore Audit Office and forwarded, in the month of May of each year, to the Audit Offices concerned, which will immediately recall any such Orders lying unsold in the Post Offices. The Orders, when received, together with similar Orders lying in the Audit Office itself, should be entered in a list (in triplicate) and forwarded to the Lahore Audit Office under registered cover. One copy of the list will be retained in the Lahore Audit Office, the second copy with the Orders will be forwarded to the London Office and the remaining copy returned to the Audit Office with acknowledgment of receipt of the Orders.

NOTE.—For Orders returned to London, credit should be taken for their value including poundage, in the monthly Account Current referred to in Article 180.

#### Monthly Statements of Sales, Payments, and British Postal Orders in stock

173. Every Audit Office should compile for each Postal Circle separately, two statements of British Postal Orders sold and paid in each month in forms A. G. P. T.-304 and 305 respectively, and forward them in time to reach the Lahore Audit Office on the 23rd of the month following that to which the statements relate. The value of paid Orders as well as of postage stamps affixed thereto should be shown separately. The number of Orders paid, which were issued in Pakistan, should be noted against each denomination and the number and amount of each class or denomination of Orders should be grouped together and totalled separately. The additional poundage (representing Pakistan Post Office share) realised by the sale of British Postal Orders in Pakistan should also be exhibited separately in the monthly statement of British Postal Orders sold.

174. The Audit Office should be careful to see that every paid Order included in the statement is sent with it to the Lahore Audit Office. When it is found absolutely necessary to detain a paid Order on any account, its number and amount should not be included in the statement of paid Orders until the Order is actually despatched. The amount of the Order so detained should be placed under objection under "Advances Recoverable". When the Order is subsequently included in the statement and actually despatched, its amount should be debited to the head "Deposits—British Postal Orders" by credit to the head "Advances Recoverable."

175. The monthly statement of British Postal Orders in stock (Form A. G. P. T.-304) should also be sent on the same date. No details need however be furnished in these statements; only the total number of Orders held in the Audit Office and Post Offices under its jurisdiction should be shown (but see Article 176).

The Audit Office stock to be added to the statement will be that actually held in the Audit on the last day of the month to which the



statement relates, plus any issues which may have been invoiced to Post Offices but which have not been shown as received in the month's accounts incorporated in the statements.

176. The statement for the month of December should be submitted in the following form:—

	Number in each denomination
Last year's stock ... ..	...
Received from Central stock ... ..	...
Total	...
Deduct—	
British Postal Orders sold during the year	...
British Postal Orders spoilt	...
British Postal Orders returned to the Central stock	...
Total No. of British Postal Orders at the close of the year	...
In the Audit Office	...
In Post Offices in Circle	...
In Post Offices in Circle	...
In Transit	...
Total	...

177. The "total" of each statement must be proved by the Accountant in charge of the audit section concerned. He should see:—

- (i) that the "sterling value" (including poundage) is correct, and
- (ii) that the total amount converted into "Pakistan currency" at the prescribed rate is correct.

178. Before the statements referred to above are despatched, the transactions of the month should also be communicated in advance by means of a telegram worded as follows, so as to reach the Lahore Audit Office, by the 16th of every month:—

Postal Orders (month of transaction) issued (total number and double the figure as a check) pounds—shillings—pence—paid (total number and double the figure as a check) pounds—shillings—pence—

#### Account Current with London

179. On receipt of the Telegraphic advice of British Postal Order figures from the Audit Officers (Article 178), the Accountant General, Punjab, Posts and Telegraphs Branch, (P. A. Misc. Section), Lahore, will send an advice by a registered Express letter to the Superintendent.

Foreign Post, Karachi, so as to reach him positively by the 25th of each month, informing him of the amount of British Postal Order and Savings Bank remittances due to the United Kingdom for incorporation in the monthly General Account between Pakistan Post Offices and Post Offices in England, rendered by the Superintendent, Foreign Post, Karachi and asking him to report compliance.

180. On the first mail day of each month, an Account Current (Form No. A. G. P. T.-306), showing the known sales of the second preceding month and the value of the stock of British Postal Orders remaining with the Pakistan Post Office, is despatched to the General Post Office, London. In this account are included the sales of the third preceding month omitted from the previous Account Current and all the known sales of the month to which the Account Current relates. As a necessary preliminary to the preparation of this Account, the statements of sales and stock for each Postal Circle received from the Audit Offices should be consolidated by the Lahore Audit Office in Form No. A. G. P. T.-304.

The total of the account should be checked and verified and the account scrutinised to see:—

- (i) that the sterling value (including poundage) is correct, and
- (ii) that the "rupee currency" has been converted into sterling according to the prescribed rate of exchange.

NOTE.—To the stock reported by the Audit offices should be added that held in the Central Stock on the last day of the month for which the Account is rendered.

181. The prescribed entries on the two sides of the Account Current provide for:—

On the Debit side—

- (i) The gross value (including poundage) of British Postal Orders "remaining unsold" in the previous account.
- (ii) The gross value (including poundage) of British Postal Orders (if any) received from London.
- (iii) Value of Pakistan postage stamps affixed to British Postal Orders paid in the United Kingdom.
- (iv) Imprest repaid for Savings Bank transfers.

On the Credit side—

- (v) British Postal Orders paid in Pakistan including value of British or Colonial postage stamps.
- (vi) The gross value (including poundage) of spoilt British Postal Orders forwarded to the Comptroller and Accountant General, General Post Office, London.
- (vii) Allowance for the issue and payment of British Postal Orders at £2 per 1,000.
- (viii) Imprests received for Savings Bank transfers.
- (ix) Remittance to London on account of—
  - (a) British Postal Orders, viz., the balance in favour of the British Post Office, being the amounts realised by sale of British Postal Orders minus the amounts paid and the commission due to Pakistan.



- (b) Savings Bank transfers, viz. the balance in favour of the United Kingdom or Pakistan, being the difference between the amount of Savings Bank accounts transferred out of Pakistan and the amount of Savings Bank accounts transferred to Pakistan.
- (x) The gross value (including poundage) of British Postal Orders remaining unsold with the Post Offices in Pakistan being the amounts reported by the Audit Offices plus the amount of Central Stock.
- (xi) Special entries (in manuscript) with full particulars of each item.

NOTE 1.—The detailed statement of unsold British Postal Orders (appended to Form A. G. P. T. 306) should be furnished with the Account Current for the month of December of each year, the total number and the estimated value thereof being exhibited in lump in the Account Current for the other months of the year.

NOTE 2.—British Postal Orders which have been lost or stolen from offices in Pakistan must be considered as remaining in stock, until authority is received from the General Post Office, London, for credit being taken to Pakistan for their value and poundage.

NOTE 3.—In the event of a lost or stolen British Postal Order finding its way to the United Kingdom and being paid there, credit for its value (including poundage) should be given to the British Post Office in the Account Current by transfer from "Commission on British Postal Orders". The item should be shown on the Debit side of the Account Current with full particulars.

181-A. (a) For the amount of British Postal Orders sold and for other special items for which credit is due to the United Kingdom, a monthly adjustment will be made by the P. A. Misc. Section of the Lahore Audit Office debiting the head "Deposits—British Postal Order remittances" and crediting the head "Account between High Commissioner for Pakistan in London and Pakistan Government.—Postal and Money Order transactions with United Kingdom adjustable in England". In making this adjustment, the sterling amount payable to the United Kingdom should be converted into rupee currency at 2s. 129/32d. per rupee. The difference between the total sterling amount converted at the rate of 2s. 129/32d. per rupee and the amount arrived at according to the rate prescribed by the Director General, Posts and Telegraphs, for the month or if different rates were in force during the month, according to the rate in force for the greater part of the month, should be adjusted to the head "Deposits—British Postal Order remittances" by a *per contra* credit or debit to the head "Exchange on Remittance Account—Postal and Money Order transactions". The total amount chargeable to the head "Deposits—British Postal Order Remittances" should be the amount arrived at according to the rate prescribed by the Director General, Posts and Telegraphs. The amount of additional poundage (Pakistan Post Office share) realised by the sale of British Postal Orders in each Postal Circle should also be adjusted in the accounts of circle by the Lahore Audit Office by debit to the head—"Deposits—British Postal Orders" and credit to the head "Receipts on account of Money Orders, British Postal Orders and Pakistan Postal Orders—Commission on British Postal Orders" in Abstract 'B-II-Postal Receipts'.

(b) Similar adjustment crediting "Deposits—British Postal Order Remittances" and debiting "Accounts between High Commissioner for

Pakistan in London and Pakistan Government. Postal and Money Order transactions with United Kingdom adjustable in England " and taking the difference caused by the difference in rates to the head " Exchange on Remittance accounts—Postal and Money Order transactions " should be made for the amounts on account of British Postal Orders paid, commission and other items.

(c) At the end of the year, a statement showing progressive figures under " Deposits—British Postal Orders " and " Deposits—British Postal Order Remittances " for each Circle up to March (Preliminary) will be made out by the P. A. Misc. Section of the Lahore Audit Office which will ask the Dacca Audit Office to settle and adjust discrepancies found, if any, between the figures under " Deposits—British Postal Orders " as shown in the statement and the totals of the figures shown in the monthly statement sent by it. The discrepancies in regard to the Lahore Audit Office, if any, will be settled and adjusted by the P. A. Misc. Section. If the total of the credit under the heads " Deposits—British Postal Orders " and " Deposits—British Postal Order Remittances " is found to differ from the total of the debit under the same heads due to different rates having been applied in the same month and adjustment thereof, made at the rate obtaining for the greater part of the month, the difference should be adjusted in the accounts for March Final by a credit or debit as the case may be, to the head " Exchange on Remittance Accounts—Postal and Money Order transactions."

#### Annual Statements to the Director General, Posts and Telegraphs

182. Annual consolidated statement of British Postal Orders sold and paid in Pakistan should be sent to the Director General, Posts and Telegraphs, in Forms Nos. A. G. P. T.-307 and 308 on or before the 10th June every year. For the compilation of these statements two registers should be maintained in the Lahore Audit Office one for recording the monthly sales and the other for recording monthly payments of British Postal Orders in each Postal Circle in Pakistan.

#### VERIFICATION OF STOCK

##### Central Stock

183. The Central Stock of British Postal Orders should be verified annually by an officer of the Accountant General, Punjab, Civil, Lahore. This verification should be conducted to the extent of 25 per cent. of the orders up to the value of 10s. 6d. and to the extent of 50 per cent. of orders of higher denominations. The cost of verification on the above basis will be payable by the Posts and Telegraphs Department and debited to the head " Charges for annual verification of central Stock of British Postal and Pakistan Postal Orders " under the major head 26-Audit. This verification will generally be done in July or August when the balance of the Stock is at its lowest, i.e., just before receipt of the first half-yearly supply from London.

A certificate of the verifying officer for completion of the verification should be sent to the Auditor General within a week after the verification is finished. The office of the Auditor General should watch that the certificates are duly received. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

Note.—A verification of the stock of British Postal Orders should also be carried out on the lines of the procedure indicated in " Note " below Article 143, whenever there is a change in the Gazetted Officer-in-charge of the Stock.



### Audit Office Stock

184. On the last day of each month, the stock of British Postal Orders in the Audit Offices should be verified by the Gazetted Officer concerned with the balance shown in the stock register which will be initialled by him and a certificate of verification signed by him will be appended to the monthly statement forwarded under Article 175 to the Lahore Audit Office.

184-A. In addition to the usual monthly verification (vide Article 184), an independent verification of the stock of British Postal Orders in the Audit Offices should also be carried out annually on the 31st March of each year either by the Accountant General himself or by one of his Gazetted Officers unconnected with the British Postal Orders work, and a certificate of the verifying officer to that effect forwarded to the Auditor General, so as to reach his office by the first-week of April. The office of the Auditor General, should watch that the certificates are received by the due date. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

NOTE.—A verification of the stock of British Postal Orders should also be carried out on the lines of the procedure indicated in 'Note' below article 143 whenever there is a change in the Gazetted Officer-in-charge of the stock.

### Stock in Post Offices

185. At the time of inspection, Superintendents and Inspectors of Post Offices are required to send to the Audit Office a memorandum showing the balance at the end of the month preceding his visit, subsequent receipts and sales up to the date of his visit, and the balance in stock on that date, with a certificate that the stock and accounts were found to agree (vide Rule 239 of the Posts and Telegraphs Manual, Volume VIII). The memorandum should be checked with the return of the corresponding period received from the Post Office, any discrepancy being reported to the Head of the Circle.

185-A. Deleted.

185-B. Deleted.

### BRITISH PENNY POSTAGE STAMPS

186. The stock of British Penny Postage Stamps is obtained from the London Post Office through the Director-General, Posts and Telegraphs. The central stock is maintained in the office of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore. Supplies for the Dacca Audit Office are made direct to that office under advice to the Lahore Audit Office which treats these as issues from the central stock. The Audit Offices supply these Stamps to the Post Offices authorised to hold stock of such stamps (vide Article 159 of the Posts and Telegraphs Initial Account Code, Volume I). The supply received from the London Post Office and the issues to the Audit Offices are entered in a register in Form No. A. G. P. T.-311, which is placed before the Gazetted Officer whenever an entry is made in it.

187. As soon as a supply of British Penny Postage Stamps is made to the Postal Audit Offices the stock of stamps of the denominations reduced by such supply should be examined and if it is found to have gone below the total of such stamps issued during the preceding six

months, an indent should be forwarded within a week from the date of such supply to the British Post Office through the Director General of Posts and Telegraphs for necessary recoupment:

188. As soon as a supply is received, the Superintendent, Foreign Post, Karachi, is instructed by the Director General to afford credit in his General Account with the London Post Office, for the face value of the stamps.

On receipt of the General Account in the Lahore Audit Office the amount should be adjusted by credit to the head "Account between High Commissioner for Pakistan in London and Pakistan Government etc." (the sterling amount being converted at the rate of Rupee 1 = Rs. 1 29 23d.) and debit to the head "Deposits—Penny Postage Stamps" the amount being converted at the current market rate of exchange, the difference between the two being adjusted under "Exchange on Remittance Accounts—Postal and Money Order transactions."

189. When a supply is made to a Post Office by the Audit Office, an intimation of the supply is sent to the Postmaster in Form No. A. G. P. T-313. The Postmaster credits the face value of the stamps in the schedule of unclassified receipts vide Article 159 of the Posts and Telegraphs Initial Account Code, Volume I."

The Audit Office should classify the credit under "Deposits—Penny Postage Stamps."

NOTE.—When the stamps are sold to the public, no credit appears in the Post Office accounts as the stamps are treated as part of the cash balance of the office (vide Article 159 of the Posts and Telegraphs Initial Account Code, Volume I).

189-A. In order to watch that credits for the value of the British Penny Postage Stamps supplied to the Postmasters are duly afforded by them in their monthly cash accounts, the cashier in each audit office should prepare a statement, separately for each Postal Circle, showing the total value of the stamps supplied to each Postmaster during the month and send it by the 5th of the month following the month of supply to the Postal Accounts Section concerned for verification of the credits and return under the initials of the Gazetted Officer in charge by the 10th of the month following the month of supply. The cashier should watch the return of these statements by the Postal Accounts Sections and submit them to the Gazetted Officer in charge for review not later than the 15th of the month following the month of supply. Any discrepancy or non-credits found as a result of the verification should be immediately noticed by the cashier to the Postmaster concerned.

190. On the last day of each month, the Stock of British Penny Postage Stamps in the Audit Offices should be verified by the Gazetted Officer concerned with the balance shown in the stock register which will be initialled by him. At the beginning of every month, the Audit Office should submit to the Accountant General, Punjab, Posts and Telegraphs, Branch Lahore, a statement in Form A. G. P. T-312 showing the balance of British Penny Postage Stamps of each denomination held in Stock upto the end of the previous month with a certificate of verification appended to the statement.



**190-A.** In addition to the usual monthly verification (vide Article 190) an independent verification of the stock of British Penny Postage Stamps in the Audit Offices should also be carried out annually on the 31st March of each year either by the Accountant General himself or by one of his Gazetted Officers unconnected with the British Penny Postage Stamps work and a certificate of the verifying officer to that effect should be forwarded by the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, who should submit a consolidated certificate to the Auditor General. The office of the Auditor General, should watch that the certificate is received. Certificate showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

**NOTE.**—A verification of the stock of British Penny Postage stamps should also be carried out on the lines of the procedure indicated in 'Note' below article 143 whenever there is a change in the Gazetted Officer-in-charge of the stock.

**190-B. Deleted.**

**191.** When a charge appears in the accounts of a Post Office on account of damaged or useless British Penny Postage Stamps (vide Article 159 of the Posts and Telegraphs Initial Account Code, Volume I), the Audit Office will admit it on the authority of the Postmaster General, adjust it to the head "Abstract J-V-Miscellaneous Postal Expenses—Losses, etc." and forward the stamps to the Superintendent, Foreign Post, Karachi.

When credit for the amount as claimed by the Superintendent, Foreign Post, Karachi through his General Account with London appears in the accounts, it should be adjusted to "Abstract B.II—Fees and Other Receipts—Other Items."

### INTERNATIONAL REPLY COUPONS

**192.** The stock of these coupons is maintained in the office of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore. Early in March and September each year, a requisition for the supply of International Reply Coupons estimated to last for six months should be forwarded by the Accountant General to the International Bureau for compliance. Supplementary requisitions marked "Urgent" may however be sent at any time of the year, if necessary.

When an indent for the supply of these coupons is placed on the International Bureau, full particulars of the requirements of the Post Offices in the Eastern Pakistan are furnished separately to the Bureau, which is requested to send to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, the supply for the Post Offices in Eastern Pakistan under advice to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore.

**193.** On receipt of the stock of coupons, the amount on account of the printing charge as intimated by the Bureau should be communicated by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore to the Superintendent, Foreign Post, Karachi, for payment to the Bureau and charged in the schedule of unclassified payments in the

accounts of the Karachi Post Office. The charge is classified by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, to the head J-V-Contingencies-Other payments.

194. The coupons are supplied to Head Post Offices by the Accountant General Posts and Telegraphs Branch, Lahore and Dacca in the Western and Eastern Pakistan respectively. A stock register in Form No. A. G. P. T.-314 is maintained by the two Accountants General in which the number of coupons received from the International Bureau and the supplies made to Post Offices are noted. The Register maintained by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, is treated as Central Stock Register and shows the supplies received in both the Western and Eastern Pakistan. The supply made to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, by the Bureau is recorded to this register as an issue by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, for which an acknowledgment will be obtained by him from the former. The register should be submitted to the Gazetted Officer in charge, each time an entry is made in it. Every supply to a Postmaster is also intimated in Form No. A. G. P. T.-315 to the Audit Office concerned for verification of the credit of the value of the coupons in the cash account.

194-A. An annual verification of the stock of International Reply Coupons held by the Accountants General, Punjab, Posts and Telegraphs Branch, Lahore and Dacca, should be carried out on the 31st March of each year by a Gazetted officer unconnected with the International Reply Coupons work, nominated by each Accountant General. The certificate to that effect in respect of the stock held in the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, is forwarded to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, for record in his office. The Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, furnishes a consolidated certificate in respect of the stock held in his own office as also that in the office of the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, to the Auditor General. The office of the Auditor General should watch that the certificate is received. If the certificate shows no discrepancy it may be filed immediately but if any discrepancy is noticed, it should be filed only after the discrepancy is settled.

NOTE.—A verification of the stock of international Reply Coupons should also be carried out on the lines of the procedure indicated in 'Note' below Article 143 whenever there is a change in the Gazetted Officer-in-charge of the stock.

195. When a supply is made to a Post Office, the value of the coupons, at the rate of five annas and six pies for each, is credited in the cash account (vide Article 160 of the Posts and Telegraphs Initial-Account Code, Volume I). The Audit Office should adjust the credit under the head "Deposits—International Reply Coupons issued".

196. When coupons are sold to the public by the Postmaster, no credit appears in his accounts, as the amount is treated as part of the cash balance. The number of coupons sold every month is, however, shown in the Memorandum of Reply Coupons at foot of the monthly cash account. From this the Audit Office should calculate the Post Office profit at one anna and six pies per coupon sold and adjust it to the head "Fees and Other Receipts—Other Items" in Abstract B-II, by per contra debit to the head "International Reply Coupons issued."



197. The holder of a coupon is entitled to exchange it for Pakistan postage stamps of the value of four annas only. The value of coupons exchanged in a Post Office is charged in the schedule of unclassified payments. The charge should be supported by the coupons themselves as vouchers and should be adjusted in the Audit Office under the head "Deposits—International Reply Coupons exchanged".

198. The coupons exchanged in Eastern Pakistan are forwarded monthly by the Dacca Audit Office to the Lahore Audit Office, with a memorandum in Form No. A. G. P. T.-316, showing their number and value. All the coupons exchanged in both the Western and Eastern Pakistan in a calendar year are forwarded by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, to the countries of issue with a statement showing the number and value of the coupons. All these statements must be despatched by the 15th March of the year following that to which the transactions relate.

NOTE.—The due date of the monthly submission of the Memorandum of International Reply Coupons exchanged is the 25th of the next month.

199. An annual Account Current in Form No. A. G. P. T.-317 is received from and rendered to each Foreign Administration concerned by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, (see Article 198) showing (a) the number and value of coupons at 28 cents per coupon issued by the Administration and exchanged by Pakistan, (b) the number and value of coupons issued by Pakistan and exchanged by the Administration, and (c) the difference between the values shown under (a) and (b). This difference, represents the amount payable either by or to Pakistan which is adjusted generally by cash remittance.

NOTE.—The difference is in favour of or against Pakistan according as (a) is greater or less than (b).

200. When the amount is payable by Pakistan the Superintendent, Foreign Post, Karachi, should be advised of the amount and asked to make arrangement for payment through the Postmaster, Karachi, who should charge it in his schedule of unclassified payments and give an intimation of having done so to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore. When the amount is payable to Pakistan, a bank draft is received which should be sent to the Postmaster, Karachi, for encashment and credit in his accounts. In the case of remittance from Pakistan the charge should be debited to the head "Deposits—International Reply Coupons issued", and when the remittance is in favour of Pakistan the credit should be taken to the head "Deposits—International Reply Coupons exchanged."

When, however, the difference does not exceed 25 francs (100 cents = 1 franc), the debtor Administration is exempted from payment. The balance in such cases being a loss or gain to Pakistan, should be adjusted by debiting the head "Miscellaneous other charges" or crediting the head "Fees and Other Receipts—Other Items" by *per contra* credit to the head "International Reply Coupons exchanged" or debit to the head "International Reply Coupons issued."

201. As regards the number of coupons common to both (a) and (b) referred to in Article 199, their value at four annas per coupon should be adjusted by a transfer entry debiting the head "International Reply

Coupons issued" and crediting "International Reply Coupons exchanged". A similar adjustment should also be made in respect of coupons which are both sold and exchanged in Pakistan.

202. Spoilt Reply Coupons received, should be destroyed in the presence of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, and noted in the stock register as such. The postmaster should either be authorised to write off the value of the coupons by a charge in the schedule of unclassified payments or should be supplied with fresh coupons of equal value to replace the stock. When the amount is written off, the Audit Office concerned should be instructed to debit the amount by deduction from the credit under "International Reply Coupons issued." When a fresh supply is made in lieu of the spoilt coupons no adjustment is necessary.

NOTE—All such cases should be reported to the Head of the Circle concerned.

### IMPERIAL REPLY COUPONS

203. Imperial Reply Coupons are obtained on requisition from the London Post Office. The procedure to be observed in connection with the custody, stock, supply, sale, verification of stock, etc., of these coupons is the same as that for International Reply Coupons. (See Article 161 of the Posts and Telegraphs Initial Account Code, Volume I).

204. When a supply is made to a Post Office, the value of the Imperial Reply Coupons, at the rate of two annas and six pies each, is credited in the Cash Account (vide Article 161 of the Posts and Telegraphs Initial Account Code, Volume I). The Audit Office should adjust the credit under the head "Deposits—Imperial Reply Coupons."

When the Coupons are sold to the public by the Postmaster, no credit appears in his accounts. The number of coupons sold every month is indicated in the Memorandum of Reply Coupons at foot of the monthly cash account and necessary adjustment is made in the Audit Offices by debit to the head "Deposits—Imperial Reply Coupons" and credit to the head "Abstract B-II—Fees and other receipts—other items." The balance under the debt head represents the value of the coupons held in stock in the Post Offices and is verified at the end of each year by the Audit Offices by reference to the number of coupons in stock in the Post Offices as indicated in the cash balance report. The coupons exchanged by the Post Offices are charged to the head "Abstract B-II—Fees and other receipts—other items" when the charge appears in the schedule of unclassified payments of the Post Offices.

205. No settlement of claims with foreign countries in respect of Imperial Reply Coupons is to be made unless the balance between Pakistan and any other participating Administration exceeds £20 in any one year.





## CHAPTER 4.—PAKISTAN SAVINGS CERTIFICATES

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### General Principles

206. To facilitate the investment of small amounts, the Government of Pakistan have instituted a series of Pakistan Post Office Savings Certificates having face values of Rs. 5, 10, 50, 100, 500, 1,000 and 5,000 which can be purchased at all Post Offices doing Savings Bank Business for amounts fixed by the Government of Pakistan from time to time. The certificates are encashable after one year from the date of issue in case of certificates of Rs. 5 denomination and after eighteen months from the date of issue in the case of certificates of denominations higher than Rs. 5. The redemption value increases through accumulation of interest with the expiry of every month till completion of the first two years and thereafter with the expiry of every complete year. The redemption value reaches the face value at the end of 12 years from the date of purchase.

Pakistan Post Office Savings Certificates are also obtainable in lieu of Pakistan Savings Stamps of equivalent value affixed in cards.



Separate weekly journals of such issues of Pakistan Savings Certificates are received in the Audit Office along with the returns indicated in Article 215. The total amount of the issues for a month are adjusted by the Audit Office in the accounts for that month by crediting the head "Pakistan Post Office Savings Certificates—Issues" and debiting (minus credit) "P—Deposits and Advances—Deposits not bearing interests—P. & T. Deposits—Pakistan Savings Stamps".

207. The rules governing the issue and discharge of Pakistan Savings Certificates are contained in the "Pakistan Post Office 12-year Savings Certificates Rules" issued by the Government of Pakistan. Rules prescribing the procedure to be followed in Post Offices in dealing with Pakistan Savings Certificates, as also the rules and instructions issued by the Auditor General, for the accounts to be maintained by Post Offices and to be rendered by them to the Audit Offices will be found in Chapter 9 of the Posts and Telegraphs Manual, Volume VI.

208. Weekly journals of Pakistan Savings Certificates issued and discharged, are received in the Audit Office from the Post Office, the journal of discharges being supported by the certificates themselves. The amounts of these journals representing the receipts from the sale of cash certificates and the payments made on their redemption are also included in the monthly cash accounts submitted to the Audit Office. The procedure followed in the audit of these accounts and of the discharged certificates is described in this chapter.

209. The main check in the Audit Office is conducted through a Stock and Issue Register of Pakistan Savings Certificates which is maintained in Form A. G. P. T.-323. One Register for each Head Post Office and for each denomination of all series or one Register for all denominations of one or more series for each Head Post Office as may be convenient, should be used. In it is entered from the Post Office Issue Journal against the number of the Pakistan Savings Certificate, the week (month; year) of issue of each certificate. Similarly when a Pakistan Savings Certificate is discharged and received in the Audit Office, the interest included in the amount paid to the holder is checked with reference to the dates of issue and discharge as noted on the certificate and the week (month; year) of discharge is noted in the stock and issue register against the number of the Pakistan Savings Certificate in the Column provided for the purpose. The total amounts of issues and discharges are verified each month with the figures in the Detail Book, vide Article 247.

209-A. The outstanding credit under the head "Pakistan Post Office 12-year Savings Certificates" which is kept open in the books for 20 financial years for each series will thereafter lapse to Government and be transferred to Government, through the Exchange Account with the Accountant General, Pakistan Revenues. This arrangement does not preclude the subsequent payments should claims arise.

#### Sectional arrangements, distribution of Work, etc.

210. The Pakistan Savings Certificate section of each Audit Office is divided into the following groups:—

- (1) Audit groups.
- (2) Accounting group.
- (3) Miscellaneous group.

(1) Each of the Audit groups is entrusted with the audit of journals of Pakistan Savings Certificates issued and discharged, Posting in Stock and Issue Registers, Proving, Issuing objections, etc., and other miscellaneous work mainly connected with audit.

(a) The auditor will be generally responsible for the work of the item workers in his group. He will distribute in consultation with the Accountant, the journals of Pakistan Savings Certificates issued and discharged and other returns evenly among the item workers in the group and see that the work turned out daily by each item-worker does not fall below the prescribed rate per man. He will check every item in the objection statement or half marginal reference prepared by the item-worker with the original documents, initial them and submit the objection statement or half marginal reference to the Accountant who will pass the half marginal reference and submit the objection statement to the Gazetted Officer. He will receive the inward letters and replies to the objection statements and half-marginal references and deal with all correspondence relating to his group. He will see that the stock and Issue Registers are properly maintained and that the journals and invoices are properly filled by the item-workers. He will also check the postings and audit of at least 10 transactions every day, the entries in the registers, lists and vouchers being initialled by him. Initials should always be dated. The result of his review should be noted in a diary (A. G. P. T.—444) which should be submitted daily to the Accountant and weekly to the Gazetted Officer.

#### Reviewers

(b) As soon as the audit of the weekly journals is completed, at least  $8\frac{1}{3}$  per cent. of the offices (10 per cent. in cases, where the number of item workers is 10 or less), should be subjected to a cent. per cent. review extending to all stages of work, including proving classification, etc. The result of the review done by the Reviewers, should be noted in the diary in Form No. A. G. P. T.—444 which should be submitted daily to the Accountant and weekly to the Gazetted Officer-in-charge.

The Reviewer should also assist the Auditor generally.

(2) The Accounting group is entrusted with the following duties and will be in charge of an Auditor:—

- (a) Posting and preparation of the Circle Balance Sheets.
- (b) Preparation of all statistics and interest liability statement.
- (c) Preparation of all periodical statements in respect of Pakistan Savings Certificates.
- (d) Maintenance of transfer register.
- (e) All adjustments relating to transfer transactions and reconciliation with Detail Book figures.

(3) The Miscellaneous group consists of auditor or auditors who are independent of each other. Each auditor is entrusted with one or more items of work mentioned below:—

Issue of declarations, maintenance of objection book, etc.

When a Pakistan Savings Certificate is requisitioned for (*vide* Article 77 of the Posts and Telegraphs Initial Account Code, Volume I) a check slip in form A. G. P. T.—319-A showing the particulars of the Pakistan Savings Certificate as well as the number and date of the letter with which it is sent, will be prepared, signed by the Auditor in charge and placed in the bundle. The particulars of the certificate will also be



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entered in a register (Form No. A. G. P. T.-319) and the date of despatch and receipt of the certificate noted therein. The register should be reviewed monthly by the Accountant.

211. The Accountant will see that the Auditors perform their duties properly. He should review every month the accounts of at least two offices with a view to see that the reviewers and the auditors have done their work properly and also test-check 10 per cent. of the classification slips. In Audit offices where the reviewers check  $8\frac{1}{3}$  per cent. of the offices one Office should be selected from among those reviewed by the reviewers and the other from among the non-reviewed ones. He should also examine the different kinds of work done in the section and note in his diary (Form No. A. G. P. T.-444) the result of the examination and the mistakes found, and submit it to the Gazetted Officer weekly.

#### Due dates

212. The following due dates should be observed for the completion of the several items of work (including issue of objection statements and audit memoranda):—

	Weeks
(a) Audit and posting of Pakistan Savings Certificate Journals.	1st week—25th of the month. 2nd week—30th of the month. 3rd week—5th of the following month. 4th week—11th of the following month.
(b) Proof of posting	20th of the following month.
(c) Preparation of classification slips	17th of the following month.
(d) Completion of posting of Registers of Issues and Discharges (Forms Nos. A. G. P. T.-337 and 338).	25th of the following month.
(e) Agreement of the proof sheets with the figures in Forms A. G. P. T.-337 and 338.	5th of the 2nd month following.
(f) Preparation of the Circle Balance sheet (Form No. A. G. P. T.-339) and agreement of Broad Sheet of Proof Sheet balances (A. G. P. T.-339-E).	15th of the 2nd month following.
(g) Annual verification of balances	31st October.

#### Progress Report

213. The statement (Form No. A. G. P. T.-320) on the state of work of each member of the section should be prepared by the auditors concerned, reviewed by the Accountant daily and submitted every Monday to the Gazetted Officer in charge with such comments as the Accountant may think necessary.

214. Nil.

### Accounts submitted by Post offices

215. As laid down in Chapter 9 of the Posts and Telegraphs Manual, Volume VI, each Head Post Office sends the following documents duly entered in a Pakistan Savings Certificate Voucher list (Form C. C. 31-A) to the Audit Office, on the dates mentioned therein:—

- (a) Weekly Journals of Pakistan Savings Certificates issued (sold) and delivered to investors—Forms C. C. 18 and 18 (S).
- (b) Weekly Journals of Pakistan Savings Certificates discharged (Paid)—Forms C. C. 19 and 19 (S).
- (c) Weekly summaries of Pakistan Savings Certificates—issued and discharged (Forms C. C. 30 and 31).

NOTE 1.—Journals similar to (a) and (b), are also sent by each Sub-Post Office through its Head Office.

NOTE 2.—A separate Journal is required for each denomination of Pakistan Savings Certificates issued and discharged.

NOTE 3.—Immediately on receipt, the bundles should be carefully examined by a senior auditor at the discretion of the Accountant, to see whether all the returns and Vouchers mentioned in the Voucher list (Form C. C. 31-A) have been received correctly. If there is any discrepancy, it should be brought to the notice of the Postmaster concerned and settled as early as possible. If the above examination is not possible immediately on receipt of the bundles, they should be kept under lock and key in the custody of responsible person preferably the Accountant of the Pakistan Savings Certificates Section till the examination is taken up at the time of audit or on an earlier date.

216. Nil.

### Verification of credits and debits on account of Pakistan Savings Certificates issued and discharged with the figures in the Cash Account

217. As soon as the monthly Cash Accounts are received from the Post Offices, the Postal Accounts Section will compile a statement in Form A. G. P.-T.-322 showing the amounts credited and debited therein on account of sales and discharges (Principal and Interest) of Pakistan Savings Certificates, respectively, and send it by the 15th of every month to the Pakistan Savings Certificate section where the figures will be compared with the amounts shown in the last week's summaries of issues and discharges and steps should be taken to settle or adjust discrepancies, if any (see Article 247 and 265).

### Examination of Summaries

218. The weekly summaries of Pakistan Savings Certificates issued and discharged (forms C. C. 30 and 31) received with the weekly accounts should be carefully checked by the item-workers with the weekly journals of Pakistan Savings Certificates issued and discharged. Summaries for the last week of the month should, after check, be made over to the Auditor for posting in the Abstract of Pakistan Savings Certificates issued and discharged (Form No. A. G. P. T.-337) in respect of issues and in the Register of Discharges (Form No. A. G. P. T.-338) in respect of discharges, vide Articles 241-A and 241-B.

### Audit of Journals of Pakistan Savings Certificates issued

219. In auditing the Issue Journals, it should be seen that:—

- (i) each item in the Journal has an entry number against it, and that these entry numbers run in a consecutive series for each denomination each month, so that the quotation of the entry number and month will at once enable any issue to be traced;



- (ii) the serial letters are always clearly shown before the serial number;
- (iii) the issue price has been realised at the prescribed rates ;
- (iv) the totals are correct;
- (v) the irregularities regarding purchase in excess of the prescribed limit, when noticed are pointed out; and
- (vi) the irregularities in connection with the use of the proper form, when detected, are pointed out.

Any omission or discrepancy should be noted and entered either in an Objection Statement or in a Half-margin Memorandum (see Article 257).

#### Audit of Journals of Pakistan Savings Certificates discharged

220. The weekly Journals of discharges [Forms C. C. 19 and 19 (S)] should be examined to see :—

- (i) that all the particulars required by the form are given;
- (ii) that the entry numbers run in a consecutive series for each month;
- (iii) that each entry is supported by a paid (discharged) Pakistan Savings Certificate; if any voucher is wanting it should be called for, a check slip in form No. A. G. P. T.-319-A being prepared and kept in the proper place;
- (iv) that the amount shown in the column for "interest" is correct with reference to the dates of issue and discharge of the certificate; and
- (v) that the totals of the journals are correct.

NOTE.—If a discharged certificate is not received with the list, it should be called for through an objection statement.

221. In auditing a discharged Pakistan Savings Certificate it should be seen :—

- (a) that the payment has been made to the person whose name is shown in the certificate;
- (b) that the certificate is receipted by the payee for the amount including interest, if any, received by him and that his signature on the reverse of the certificate is dated;

NOTE.—In the case of Pakistan Savings Certificates issued in joint names, it should be seen that the provisions of the Pakistan Savings Certificate Rules have been fulfilled.

- (c) that, in cases in which the amounts acknowledged by the holders and signatures are in vernacular, the amounts and the signatures have been transliterated into English;

NOTE.—It should be seen that all the entries on the reverse of the Pakistan Savings Certificate which are not written in English or Bengali so far as Post offices within the jurisdiction of Dacca Audit Office are concerned, have been carefully transliterated into English.

- (d) that the Pakistan Savings Certificate is impressed with the round and oblong money order stamps. If, however, an omission is detected, the Postmaster should be asked to write the word "Discharged" in red ink cross it, over his signature with date;

- (e) that when a Pakistan Savings Certificate is discharged at an office other than that at which it is registered, the requirements of the Pakistan Post Office Savings Certificate rules have been complied with;

NOTE.—In the case of Declarations issued by the Audit Office, it should be seen that they have been paid only after verification by the office of registration (see exception below note 3 of paragraph 4 in rule 557 of Posts and Telegraphs Manual, Volume VI).

- (f) that in the case of a deceased investor, proper sanction for payment has been received
- (g) that in the case of a minor holder proper sanction to the payment has been received;

NOTE.—Copies of sanctions issued by officers higher than Postmasters, to payments of Pakistan Savings Certificates held by minor or deceased holders, will, on receipt, be filed after scrutiny in a guard file. The expenditure on account of the discharge of such certificates will be audited against the copies of the sanctions in which the particulars of the payment will be noted by the auditor and attested by the reviewer.

- (h) that when a minor's holding has been paid at an office other than the office of registration, the Pakistan Savings Certificate has been preverified by the latter office. If an omission is detected in this respect the Pakistan Savings Certificate should be got verified by the office of registration.
- (i) that when payment is received by the minor himself the word "ex-minor" is written below his signature on the reverse of the Pakistan Savings Certificate under the initials of the Postmaster;
- (j) that payments of Pakistan Savings Certificates purchased in the name of a teacher out of the amount at his credit in the Teacher's Provident Fund Account, has been made only to the person authorised by the Local Government or administrator controlling the fund;
- (k) that when the value a discharged Pakistan Savings Certificate is paid to a person authorised by the holder a letter of authority is furnished along with the discharged Pakistan Savings Certificate and that the signature of the messenger also is obtained on the reverse of the Pakistan Savings Certificate.

Any discrepancies or omissions in any of these respects should be noticed either through an objection statement or through a half-marginal memorandum. A check slip in Form A. G. P. T.-319-A should be prepared and kept in the proper place when a discharged Pakistan Savings Certificate is sent to a disbursing officer for removal of any irregularity noticed therein.

NOTE.—As the discharge of Pakistan Savings Certificates at an office other than the office of issue has to be posted, in the Stock and Issue register of the office of issue, the discharged certificate should be filed with the discharged list of the office of issue for the week of discharge.

#### Stock and Issue Register of Pakistan Savings Certificates

222. As prescribed in Article 209 the Audit Office should maintain a set of registers in form A. G. P. T.-323 either for each denomination of all series for each Head Post Office or for all denominations of one or more series for each Head Post Office to record the supply, sale and



redemption of the certificates. One register in each set should be set apart for each denomination of Pakistan Savings Certificates of all series or for all denominations of one or more series and the pages in each register should be numbered and provided with an index in form No. A.G.P.T.-324.

223. Blank Pakistan Savings Certificates are supplied to Post Offices by the Postal Stock Depots and a duplicate copy of the invoice (Form No. C. C.-13) for each supply is sent to the Audit office. On receipt of the duplicate copy the serial number of each Pakistan Savings Certificate entered in the invoice should be separately entered in the proper column of the Stock and Issue Register for the particular denomination. One line should be reserved for each number and care should be taken that the numbers are entered serially for each denomination. When the invoice has been completely posted in this manner, the word 'Posted' should be entered on it over the dated signature of the poster and the invoice pasted into a guard file, a separate file being maintained for each Head Post Office. The postings of invoices in the Issue Registers should be attested by the Accountant. Similarly when original invoices of Pakistan Savings Certificates returned to Postal Stock Depots are received from the Post offices with the necessary Certificate as required by Rule 532 (6), of *Posts and Telegraphs Manual—Volume VI*, the numbers in the stock and issue registers should be neatly scored out in red ink by the poster and attested by the Accountant. In respect of the original invoices received for the supply of Pakistan Savings Certificates by one Head Office to another, the same procedure should be followed in deleting the entries from the register of the supplying Post Office. In addition, entries of the Pakistan Savings Certificates should be made in the Stock and Issue Register of the receiving Post Office by the poster and attested by the Accountant.

224. After the Journals of Pakistan Savings Certificates issued have been completely checked as prescribed in Article 219, the number of the week, the month (abbreviation) and the year in which each Pakistan Savings Certificate was sold will be stamped or written in ink in columns 2 and 6 of the Stock and Issue Register against the entry of the number of the Pakistan Savings Certificate.

225. After the discharged Pakistan Savings Certificates have been checked as described in Article 221, they should be serially arranged. The date of discharge (week, month and year) should then be posted in the register, as in the case of 'Issues' in columns 3 and 7.

At the time of posting of Discharges in the Stock and Issue Register, the date of issue as shown in the discharged Pakistan Savings Certificate should be compared with the week of issue as entered in the register. The office of payment should be noted in the Register in the case of Pakistan Savings Certificates discharged at an office other than that of issue.

NOTE.—In the case of discharged declarations it should further be seen that the procedure in Article 254-A is followed.

226. On completion of posting of an issue or discharge journal in the Stock and Issue Register, the poster will write the words "Posted by

(name of the poster)" on the last sheet of the journal signing the entry and dating his signature. Any discrepancy between the serial numbers of Pakistan Savings Certificates taken up for posting and those entered in the Stock and Issue Register will be reported in a half-margin memorandum.

NOTE.—As the Stock and Issue Registers are very important records, it is essential that entries of particulars should be carefully made. Any corrections to the entries in the Registers should be attested by the Accountant.

#### Proof of Posting

227. After the issues and discharges for a month have been posted in the Stock and Issue Registers, the total number of issues and discharges as posted on each page should be counted and the number entered in the Proof Sheet (Form No. A. G. P. T.-321) in appropriate columns. After the numbers of issues and discharges of all the pages have been entered in the Proof Sheets, they should be totalled and the totals agreed with the figures of issues and discharges shown in the registers in Forms A. G. P. T.-337 and 338 respectively for the month. To facilitate the agreement the details should be worked out in Form A. G. P. T.-321-A. The Proof Sheet should then be handed over to the Reviewer for review in respect of those offices that are reviewed by him. The rest should be placed before the Accountant who should test-check 10 per cent. of the entries at random from the Stock and Issue Registers. Irregularities discovered in the review should be noted in the Diary (see Articles 210 and 211).

228.

229.

230.

231.

to

236.

} Cancelled.

Deleted.

#### Transfers of Pakistan Savings Certificates and Declaration in lieu of lost Pakistan Savings Certificates between different persons.

237. When a Pakistan Savings Certificate is transferred from one person to another, the Head Postmaster issues in the name of the transferee a fresh certificate bearing the same date of maturity as that of the original certificate which, with the endorsement of the original holder on its reverse, is sent to the Audit Office (vide Rule 562 of the Posts and Telegraphs Manual, Volume VI). Suitable entries should in such cases, be made against the numbers of both the Pakistan Savings Certificates in the Stock and Issue Register.

In the case of a declaration issued by the Audit office in lieu of a lost Pakistan Savings Certificate (see Articles 253 to 255) the original declaration received from the Postmaster should be cancelled after verification with the entries in the register of Declarations and the Stock and Issue Register and a fresh declaration (in Form A. G. P. T.-330-A) showing the same date of issue as that shown on the original declaration should be issued in the name of the transferee, suitable note being made against the entries in the register of declarations.

238. Deleted.



### Payment of Pakistan Savings Certificate in the United Kingdom

239. A Pakistan Post Office Savings Certificate issued at a Pakistan Post Office may be cashed in the United Kingdom if it has been encashed for payment at the Office of the High Commissioner for Pakistan in London by the Postmaster of the office in which the certificate is registered at the time (vide Rule 563 of the Posts and Telegraphs Manual, Volume VI).

NOTE.—Any certificate encashed in the manner described above, can be discharged in Pakistan either personally or through an agent in the ordinary way, the encashment notwithstanding (vide Rule 565 of the Posts and Telegraphs Manual, Volume VI).

240. On receipt of the extracts from the London Account together with the paid certificates through the Office of the Accountant General, Pakistan Revenues, Karachi, the Audit Office concerned will adjust these items by debiting "Pakistan Post Office 12-year Savings Certificates" and crediting the head "Account between High Commissioner for Pakistan in London and Pakistan Government—Miscellaneous," the debit to Pakistan Savings Certificates being distributed between the detailed heads "Principal" and "Interest (bonus)" as in the case of those discharged in Pakistan. Conversion from Sterling to Pakistan currency should be made at the rate prescribed in Article 120 of the Posts and Telegraphs Account Code the difference being credited or debited to "Exchange on Remittance Accounts".

The paid Pakistan Savings Certificates will be dealt with in the same way as those paid in Pakistan but the detailed audit thereof as prescribed in Article 221 is not conducted as necessary formalities laid down in this article are observed in the Office of the High Commissioner for Pakistan in London in all respects before their payment. The month of adjustment in the Audit Office will be considered as the month of payment for the preparation of the balance sheet. The Audit Offices should also intimate the fact of the payment of the Pakistan Savings Certificates with the dates to the Post Offices concerned for note in the Pakistan Savings Certificate records.

NOTE.—Pakistan Savings Certificates stamped "cashed at the Office of the High Commissioner for Pakistan need not be received by the payees on the reverse of the certificates as they are not paid by Post Office but by payment orders.

### Procedure in the Lahore Audit Office

240-A. On receipt from the Postmaster concerned, the pencil copies of the entries made in the Register of Certificate for payment by the Office of the High Commissioner for Pakistan in London (Form C. C. 28) should be verified with the particulars noted in the applications for encashment and, if found in order, they should be entered in a Register maintained for the purpose. A consolidated list in Form C. C. 28 should then be prepared and forwarded, along with the applications, to the Chief Accounts Officer to the High Commissioner for Pakistan in London by the next mail.

### Balance Sheet

241. A numerical Balance Sheet showing for each Circle, the total number of Pakistan Savings Certificates sold by Post offices in that Circle, but remaining undischarged at the end of each month, relating to each quarter of a year of issue, should be maintained in Form A. G. P.

T-339. Separate pages should be allotted for each official year. The column for issues is posted from the Abstract of Issues, and discharges (Form No. A. G. P. T.-337) mentioned in Article 241-A and the discharges are posted from the Classified abstract of discharged Pakistan Savings Certificates (Form A. G. P. T.-339-B.) referred to in Article 243.

To ensure that the postings in Balance Sheet are correctly made, a broadsheet in Form A. G. P. T.-339-E., should be maintained in addition, according to series of issue. The opening balances at the commencement of each year should be copied from the Broadsheet; for the previous year, and the monthly issues and discharges according to series of issues are to be posted therein from the Proof sheets (Form A. G. P. T.-321) and an agreement effected monthly with the figures shown in the Circle Balance Sheet. Similar agreement should be effected in the case of safe custody transactions also. As the figures shown in the Circle Balance Sheet are according to years of issues, the numbers shown against different years of issue under one series are to be added together to effect an agreement with the figures shown in the Broadsheet which, together with the Circle Balance Sheet should be submitted to the Gazetted Officer every month. Adjustments made in March Final accounts and Journal entries should also be entered in the broadsheet and the figures agreed with those in the Circle Balance Sheet.

#### Register of Abstract of Issues and discharges

241-A. To facilitate consolidation of Pakistan Savings Certificates issued and discharged in a Circle, Abstracts and Registers in Forms A. G. P. T.-337 and 338 are maintained as explained below:—

Issues are posted in the Abstract in Form A. G. P. T.-337 from the audited summaries for the last week of the month and the "discharges" are posted from the "Register of discharges" in Form A. G. P. T.-338 as explained in Article 241-B. The total of the figures thus arrived at represents the issues and discharges for the whole Circle for the month. A reconciliation should be effected between these figures and those shown in the Detail Book (see Article 247).

#### Register of Discharges

241-B. As Pakistan Savings Certificates are sometimes discharged in an office different from that of issue or registration, the journals of discharges of one office may include payments of certificates originally purchased at another office. Adjustment must therefore be made so that the entries of discharges for each Head Office may eventually relate only to Pakistan Savings Certificates sold at it. These adjustments will consist in deducting from the total, under the head "discharges" in the last week's summary the totals of amounts paid on account of certificates originally issued by other offices either in the jurisdiction of the same Audit Office or in that of Foreign Audit Offices and adding to it the amount of Pakistan Savings Certificates received in transfer from other offices. The net total arrived at, represents the number and amount of Pakistan Savings Certificates discharged on account of its own issues.

241-C. If the offices of issue and payment are all in the same Postal Circle, the amounts deducted from the total discharges of the paying office will be added to the discharges under the several issuing offices the sum of the minus entries being equal to the sum of the plus entries.



Each such adjustment should be noted in Form A. G. P. T.-338 but no transfer entry will be necessary.

**241-D.** If the offices of issue and payment are situated in different Postal Circles but under the same Audit Office, a transfer entry debiting and crediting the respective circles should be made, which will appear in the Detail Books of the respective Circles through the head "Pakistan Savings Certificate Remittances (same Audit Office)".

**241-E.** If the paying Post Office is in a different Audit Circle from that of the Post Office that issued the certificate, the debit in the accounts of the paying Office should be passed on to the Audit Officer of the issuing office, by crediting the head "Payments of Pakistan Savings Certificates" (deduct from debit) and debiting "Pakistan Savings Certificate Remittance (other Audit offices)". The Remittance clerk will check the Advices of transfer, post the Pakistan Savings Certificates in the Transfer Registers concerned and hand them over to the item-workers who should audit and deal with them in accordance with the rules relating to audit of Discharged Pakistan Savings Certificates. The month of adjustment should be posted in the Column "Discharges" in the Stock and Issue Register with the particulars of the Advice of Transfer in the Remarks Column.

**NOTE.**—A statement of the debits passed on to the other Audit Offices, as referred to above, should be prepared monthly and sent out to the Audit Office concerned by the 29th of the month following the month of account in the manner laid down in Article 256 of the Posts and Telegraphs Audit Code, Volume I.

**241-F.** Separate Registers showing particulars of discharged Pakistan Savings Certificates transferred from one office to another in the same Circle or in different Circles under the same Audit office or in different Audit Circles should be maintained in Form A. G. P. T.-328. The registers should be reviewed monthly by the Accountant and submitted to the Gazetted Officer for inspection.

**NOTE.**—In the case of Pakistan Savings Certificates issued in one office and discharged in another office within the same Postal Circle, it will not be necessary to post the Interest in Form A. G. P. & T.-328.

**241-G.** In cases where fresh Pakistan Savings Certificates are issued in lieu of Pakistan Savings Certificates issued in another Audit Circle, the Audit Office in whose jurisdiction fresh Pakistan Savings Certificates are issued should send the cancelled certificates to the Audit Office in which they were originally issued and call for the transfer of the credit. The latter office after making a scrutiny of the cancelled certificates and a note of cancellation against the relevant entries in the Stock and Issue Register, should transfer the credit and retain the cancelled certificates. The Audit Office receiving the credit, i.e., the Audit Office which has issued fresh Pakistan Savings Certificates should also make a note of the cancellation of the original Pakistan Savings Certificates against the entries relating to the fresh certificates in the Issue Register. For reconciliation purposes, the liability as to the year of issue, of the fresh Pakistan Savings Certificate should be considered as for the year of original issue and not for the year in which the credit has been transferred and accounted for; when the credits are transferred, the new certificates should be marked off distinctively in the Issue Registers and when calculating the total outstanding of the year, the total of such Pakistan Savings Certificates should be distributed to the various years of issue of the original Pakistan Savings Certificates which they have replaced.

### Partial discharge of Pakistan Savings Certificates

241-H. The procedure followed in audit in posting and proving of partially discharged Pakistan Savings Certificates is the same as the one followed in the case of Pakistan Savings Certificates discharged in full. The correctness of the Principal and interest paid for the portion of the nominal value discharged is checked. It is also seen whether Pakistan Savings Certificates of the same old issue are issued for the balance. While posting the date of discharge in the Stock and Issue Register, a note should be made in the remarks column against the Pakistan Savings Certificate partially discharged, thus:—

Partially discharged for Rs. .... Pakistan Savings Certificate Nos. .... issued in lieu of the undischarged value. For purposes of posting in Forms A. G. P. T-337 to 339-B., the partially discharged Pakistan Savings Certificate should be treated as though it was fully discharged but as the money value of the Pakistan Savings Certificates noted in the Abstract and Register in Forms Nos. A. G. P. T.-337 and A. G. P. T.-338 will not agree with the total amount of discharges as noted in the money columns of the same Abstract and Register, a suitable note explaining the difference as due to partial discharge should be made in the Register against the names of Post Offices concerned. A similar procedure is followed in preparing classification slips in Form No. A. G. P. T.-339-A. The fresh Pakistan Savings Certificates issued are all collected together in the "Issue side" of Form No. A. G. P. T.-337 for the whole Circle without showing money values in the money column, classified according to the several years of issue and posted in the Circle Balance sheet. The Pakistan Savings Certificates issued are shown as *plus* entries against the quarter under the denomination concerned. The money value of the balance of the undischarged Pakistan Savings Certificates shown in the Balance Sheet will thus agree every month with the balances shown in the Broadsheet. No account adjustment is made on this account unless the Pakistan Savings Certificate is discharged in a Circle other than the Circle of its issue in which case the credit in respect of the undischarged portion, is transferred through the head "Pakistan Savings Certificate Remittances" to the Circle in which the Pakistan Savings Certificate is partially discharged (see Article 241-G.).

**Exchange of Pakistan Savings Certificates of lower denomination for Pakistan Savings Certificates of higher denomination and vice versa.**

241-J. It should be seen in audit whether Pakistan Savings Certificates of the same series are issued as those of exchanged and whether the nominal value of the Pakistan Savings Certificates issued in exchange is exactly equal to the nominal value of the Pakistan Savings Certificates exchanged. Suitable notes of cancellation of old Pakistan Savings Certificates and issue of fresh Pakistan Savings Certificates should be kept in the Issue Registers against the respective serial numbers. Such transactions should be collected together in Form A. G. P. T.-337 for the whole Circle by means of *plus* and *minus* entries, i.e., certificates exchanged are shown as *minus* entry against the quarter under the denomination concerned and the Pakistan Savings Certificates issued are shown as *plus* entry against the quarter under the denomination concerned.

The net result of the above transactions as worked out in Form A. G. P. T.-337 for the whole Circle is then posted in the Circle Balance Sheet. No account adjustment is made in the Detail Book.



**Classification of discharged Pakistan Savings Certificates according to years of issue and the preparation of the classified abstract of Pakistan Savings Certificates discharged.**

242. After the discharged Pakistan Savings Certificates of an office relating to a month have all been posted in the Stock and Issue Registers, they should be sorted by denominations according to years of issue. The number of Pakistan Savings Certificates discharged should then be entered in a slip in Form A. G. P. T.-339-A and the total number shown in the slip under each denomination should be agreed with the number of Pakistan Savings Certificates arrived at by actual count and also with the number shown in column "net total" in the register of Pakistan Savings Certificates discharged (Form A. G. P. T.-338). The slip should be initialled by the item-worker and handed over to the Auditor who should also agree the totals with the figures shown in the Abstract of Pakistan Savings Certificates issued and discharged (Form A. G. P. T.-337). The Auditor Reviewer will test-check the classifications made by the item-workers.

NOTE.—Pakistan Savings Certificates that have matured (i.e., completed 12 years' period from the date of issue) before the current year, need not be classified according to years of issue as they cease to earn interest any further.

243. When all the slips have been received from the Auditors of groups duly checked, they should be arranged in alphabetical order of the Post Offices in each Circle by the Balance Sheet clerk, who should post these figures in the Register in Form A. G. P. T.-339-B so as to facilitate the postings in the Circle Balance Sheet.

244. }  
245. } Nil.  
246. }

**Reconciliation with Detail Book**

247. A register should be maintained for each Postal Circle in Form No. A. G. P. T.-329 for effecting an agreement between the amounts of Pakistan Savings Certificates issued and discharged as booked in the Circle Detail Books and those compiled from the journals of issues and discharges. The latter should be posted from the Register in Form A. G. P. T.-339. As regards the former, the Postal Accounts Section should send to the Pakistan Savings Certificate Section, as soon as the accounts of a month have been closed, a statement showing for each circle, the total amounts of issues and discharges and interest and the additions and deductions resulting from transfer entries. The difference, if any, between the two sets of figures should be clearly explained in the last column of the register which should be reviewed by the Accountant and submitted to Gazetted Officer every month.

248. At the end of the year, after the accounts for March Final have been closed, a certificate in the following form should be furnished to the Auditor General by each Audit Office:—

"Statement of balances under the head 'Pakistan Post Office 12-year Savings Certificates' for.....Circle for the year .....

- (1) Opening balance.
- (2) Cost of Pakistan Savings Certificates issued during the year (as per Detail Book).

- (3) Total of (1) (2).
- (4) Cost of Pakistan Savings Certificates discharged during the year (as per Detail Book).
- (5) Closing Balance.

Certified that the closing balance as shown above has been verified with the balances shown in the Circle Balance Sheets".

249. The Auditor General, after check, consolidates the figures for the whole of Pakistan and agrees them with the General Abstract.

Note.—Adjustments made in journal entries under the head "Pakistan Post Office 12-year Savings Certificates" should be communicated to the Auditor General through revised statements.

249-A. After the accounts for March Final have been closed an annual report on the issue and discharge of Pakistan Post Office 12-Year Savings Certificates together with a statement showing details as to number and value of Pakistan Savings Certificates issued and discharged in each Postal Circle separately for each denomination should be furnished to the Auditor General. In the report the general results of the Pakistan Savings Certificate operations during the year as compared with those of the preceding year should be reviewed briefly and any other information which may appear to be interesting and relevant should also be given.

249-B. The Auditor General, after check, consolidates the figures for the department and communicates them to the Director General of Posts and Telegraphs along with the statement showing the Savings Bank and Government Security transactions on the 20th August each year with comments on the general position of the various kinds of investments made through the Post Office.

#### Annual Verification of Balance

250. An annual verification is undertaken to prove that all the transactions of the Head Post Offices in a Circle during the year have been correctly taken into the Stock and Issue Registers. The verification consists in agreeing the balance at the close of the year as shown in the Balance Sheet of Pakistan Savings Certificates not discharged up to the 31st March of the year as exhibited in the Broadsheet of Proof Sheet balances (Form A. G. P. T.-339-E).

The correctness of the monthly postings in the Stock and Issue Registers is proved in the manner indicated in Article 227.

251. After the figures in the Broadsheet of Proof Sheet balances have been agreed with those in the Circle Balance Sheet (see Article 241) in respect of transactions of a year the balances as shown in the latter should be compiled in Form A. G. P. T.-339-D according to series and years of issue and denomination, and the totals of each series should be worked out in it and verified with the corresponding figures in the Broadsheet. The total amount of balances outstanding should also be worked in the "Remarks" column of the form and agreed with Detail Book figures, any difference between the figures being explained.

The annual verification should be completed by the 31st October of each year and a certificate to the effect that the balances (specifying the amounts of balances) have been verified, should be sent to the Auditor General, on that date.



251-A. Every sixth year the verification of balances should be done by actual count from the Issue Registers as far as possible, the re-copying of Issue Registers should be taken up at that time so that it may facilitate the counting of undischarged Pakistan Savings Certificates for the purpose of verification. Discrepancies, if any noticed, should be investigated with a view to rectification.

#### Interest liability statement

251-B. After the completion of the annual verification of balances the maximum liability of Government on account of outstanding Pakistan Savings Certificates should be worked out in Form A. G. P. T.-339-C for Budget and other statistical purposes, with reference to the respective year of issue.

#### List of unsold Pakistan Savings Certificates

252. List of Pakistan Savings Certificates remaining unsold in Post Offices on the 31st March of each year are received in the Audit Office in different months of the following year as fixed for the different Head Post Offices by the Head of the Circle, in consultation with the Audit Office (vide Rule 575, Posts and Telegraphs Manual, Volume VI). The entries in the list should be compared with those in the Stock and Issue Registers and any discrepancies noticed should be settled in communication with the Postmaster concerned. The lists should be completely checked, on the dates fixed by the Audit Office, the progress made in checking being watched through a register and the check subjected to a five per cent review by a Senior Auditor. The Accountant should also review five items from each list. This check is an important means of detecting fraudulent issues within one year of the transactions.

#### Loss or theft of Pakistan Savings Certificate before issue

252-A. When an intimation is received from the Postmaster of the loss, theft or destruction before issue of a Pakistan Savings Certificate from or at the Post Office, or after it has been issued and before delivery to the purchaser [vide rule 571(3) of the Posts and Telegraphs Manual, Volume VI], a suitable remark should be made against the number in the Stock and Issue Register under the accountant's initials.

#### Declaration in lieu of lost Pakistan Savings Certificates

253. The holder of a Pakistan Savings Certificate who reports that it has been lost from his custody or destroyed, will be asked by the Postmaster to furnish a statement in writing explaining the circumstances in which it was lost or destroyed. The statement will be forwarded by the Head Postmaster to the Audit Office with his report thereon in the prescribed form (vide Rule 472 of the Posts and Telegraphs Manual, Volume VI).

The statement and the report should be carefully examined and if found to be complete and in order, the serial number and the date of issue of the lost Certificate as entered in them should be verified by a reference to the list of Issues and the Stock and Issue Register.

If these agree, a "Declaration" (for each Pakistan Savings Certificate) in Form No. A. G. P. T.-330, should be filled in by reference to the Issue Journal from which the name of the holder of the Pakistan Savings Certificate should also be verified and the Stock and Issue Register

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## PAKISTAN SAVINGS CERTIFICATES

and the particulars of the declaration noted in the Register of declarations in lieu of lost or destroyed Pakistan Savings Certificates (Form A. G. P. T.-332). A note of the number and date of the declaration issued should be also made in red ink in the remarks column of the Stock and Issue Register against the serial number of the lost or destroyed Pakistan Savings Certificate. While issuing declarations in lieu of lost certificates standing in the names of deceased holders, the following sentence should be added to the declarations "—is recognized as the present holder of this declaration".

NOTE 1.—In the case of Pakistan Savings Certificates enfaced for payment in the United Kingdom a report should, however, be made to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore.

The Lahore Audit Office will enquire of the High Commissioner for Pakistan in London, if the enfaced certificates have not been paid and at the same time instruct it to stop payment thereon. The reply from that Office will be communicated to the Audit Office concerned which will then issue the declaration, if necessary.

NOTE 2.—Cases of issue of declarations in lieu of lost Cash Certificates in which the relative issue journals have been destroyed should be disposed of by reference to the applications for purchase to be obtained from the Postmasters concerned and the Issue and Stock Register maintained in the Audit Office.

NOTE 3.—Credits appearing in Post Office Schedules of unclassified receipts on account of fees realised for issue of declaration in lieu of lost Pakistan Savings Certificates (vide Rule 572 (2) of Posts and Telegraphs Manual Volume VII) should be classified to the Head "Exchange Account between Civil and Posts and Telegraphs—Account between the Accountant General, Pakistan Revenues and the Accountant General, Posts and Telegraphs Branch.—items adjustable by Civil—Miscellaneous".

254. The declarations will be compared with the applications and the Stock and Issue Register by the Accountant, who will initial the declaration and the entries in the Stock and Issue Register and Declaration Register. The names given in the declarations will also be verified by the Accountant with those shown in the Issue Journals when available.

The register, together with declarations and applications, will then be sent to the Gazetted Officer, who will compare the declarations with the entries in the register, initial the latter and sign the declarations which should then be sent to the Postmasters concerned for delivery with a forwarding letter in Form No. A. G. P. T.-334. The Postmaster will acknowledge receipt of these declarations.

254-A. When a declaration is received after discharge, the date of its discharge should be noted in the relevant declaration register in addition to the posting in the issue register concerned. After note the relative declaration case should be filed along with the discharged declaration. In cases where more declarations than one are issued in a single case and are not discharged simultaneously, the declaration cases should be filed with the declaration discharged last.

255. Deleted.

## Treatment of spoiled Pakistan Savings Certificates

256. When a Pakistan Savings Certificate which has been spoiled in the Post Office before issue is received from the Post Office with the weekly journal of Pakistan Savings Certificates issued (vide Rule 569 of the



Posts and Telegraphs Manual, Volume VI), it should be entered in the Register of spoiled Pakistan Savings Certificates in Form No. A.G.P.T.-333 and submitted through the Accountant to the Gazetted Officer with the register for initialling the entry. The remark "spoiled" will also be made against the number in the Stock and Issue Register under the Accountant's initials. If such certificates are received very frequently from any one Post Office, the Postmaster's attention should be drawn to them and a report should be made to the Head of the Circle for suitable action.

#### Treatment of unclaimed Balances of Pakistan Savings Certificates

256-A. Unlike the other forms of Government Securities the unclaimed balances of Pakistan Savings Certificates are transferred direct to Revenue at the end of three account years after the date of their maturity, that is, in the March Final Accounts of the 16th Account year from the date of issue. In respect of each financial year, the outstandings as per Circle Balance Sheet may be passed on to the Accountant General, Pakistan Revenues for adjustment in his books under Revenue, but the outstandings by actual count as per Stock and Issue Register should be agreed with the balances as shown in the Circle Balance Sheets in the financial year in which the final balance of a complete series is transferred.

Subsequent payments in respect of these Pakistan Savings Certificates should be posted in the Issue Register concerned and every month the payments thus posted should be passed on to the Accountant General, Pakistan Revenues for adjustment against lapsed revenue.

A broadsheet in respect of outstanding amounts of Pakistan Savings Certificate transferred to the Accountant General, Pakistan Revenues, showing:—

- (1) the amount transferred to the Accountant General, Pakistan Revenues in respect of each issue or series as the case may be;
- (2) subsequent payments thereof in respect of each month; and
- (3) the resulting balance of each month should be maintained and attached to the first page of the Circle Balance Sheet.

#### Results of Audit

257. (a) Trivial irregularities, e.g., entries in Issue Lists not made in serial order, etc., discovered during audit should be entered in half margin memorandum (Forms Nos. A. G. P. T.-325 and 325-A), which will be returned by Postmasters in original with their replies noted thereon. Irregularities of an important nature should be entered in an objection statement in Form A. G. P. T.-335 or in a half margin memorandum in Form A. G. P. T.-336 as the case may be. These generally fall under one of the classes mentioned below:—

- (1) Objections due to want or incompleteness of vouchers, etc. These are removable on receipt of the voucher or on suitable explanation.

- (2) Objections on the score of excess payments or short credits. These are removed on the amounts being recovered. Until such recovery is reported, the amounts are included under "Advances Recoverable".
- (3) Amounts of excess recoveries from or short payments to investors. These are liable to be demanded by the investors at any subsequent time and should therefore be included under "Deposits".

(b) Short or overpayments of interest of five annas and less need not be communicated to Postmasters. Recoveries of overpayments may be waived by the Gazetted Officer-in-charge and the order recorded on the back of the discharged Pakistan Savings Certificate. Similarly short payments may also be recorded on the back of the Pakistan Savings Certificate under the signature of the Gazetted Officer-in-charge, no action being taken for refund of the amounts to investors.

(c) Short credits or overpayments on account of Pakistan Savings Certificates exceeding Rs. 10 should be reported to the Head of the Circle. In such cases, copies of objection statements should be sent to the Head of the Circle or his special attention drawn to the items of objection.

257-A. When all attempts on the part of executive to pay the party or parties concerned amounts short paid on account of interest on Pakistan Savings Certificates prove unsuccessful, the amounts objected to should be finally adjusted by credit to "Abstract BII—Postal Receipts—Fees and other receipts—other items" by debit to "Deposits—short payment on Pakistan Savings Certificates".

### Objection Statements

258. The Objection Statement should be filled up as required by the form, two copies being prepared on carbon paper. On completion of each Objection Statement, the Auditor should submit it through the Accountant to the Gazetted Officer, who will sign the carbonised copy as laid down in Article 62 of the Posts and Telegraphs Initial Account Code, Volume I.

NOTE.—The Accountant may sign all objection statements not involving interpretation of rules.

259. The approved Objection Statements should then be copied into the Circle Objection Book, Form No. A. G. P. T.-433, which collects together for each circle the amounts held under objection, the several items for the month being numbered consecutively in the objection book.

260. Finally, a reference should be made to the Register (Form A. G. P. T.-436) posted in the Postal Accounts Section directly from the Cash Accounts to see whether any item appearing in the Pakistan Savings Certificates Objection Statement under issue has already been recovered or refunded. If such a recovery or refund is traceable, the corresponding entry in the Objection Statement should be cancelled, a note of the date of recovery or refund being made against it and initialled by the Accountant. The Objection Statement should then be forwarded to the Postmaster concerned.

NOTE.—All the items in the Register of Recoveries and Refunds should be scrutinized and adjusted before submission of the same to the Gazetted Officer for review.



### Return of Objection Statements

261. Postmasters are required to turn an Objection Statement with their explanations, not later than a fortnight from the date on which it is received by them. A watch over the return of Objection Statements should be maintained through the Circle Objection book and reminders should be issued whenever the return of an Objection Statement is delayed 4 days beyond the time allowed due regard being paid to the time spent in transit.

262. If the explanation offered in regard to an objection is such as to warrant the removal of the objection, its amount should be noted in the column headed "Finally passed". Recoveries of overpayments and refunds of short payments reported in the explanations should at once be traced in the Register of Recoveries and Refunds prepared by the Postal Accounts Section (See Article 260) and, if traceable, the amount should be posted in the column headed "Adjusted by Recovery or Refund". A brief note of the manner of adjustment, e.g. "On Postmaster's explanation, etc." should be made against adjustments of amounts included under "Items Awaiting Clearance".

263. Each entry of adjustment made in the Objection Book should also be posted in the corresponding columns of the Adjustment Register (Form A. G. P. T.-434), and each entry, both in the Objection Book and the Adjustment Register, will be checked and attested by the Accountant.

### Closing the Objection Books

264. After all the objections relating to a month's account have been posted, the Objection Book should be closed by pasting a printed "closing slip" (Form No. A. G. P. T.-435) at the foot of the last page containing an entry for the month. Each money column in the Objection Book and in the Adjustment Register should be totalled and the totals entered in the proper cages of the closing slip.

NOTE.—The paid Pakistan Savings Certificates, etc., received with the objection statements, should be handed over to the item-workers concerned for proper filing, who should endorse a certificate on the objection statement to the effect that the documents have been properly filed. The auditor should keep the objection statements serially arranged in his custody till they are finally settled and sent to old Records at the end of the year.

265. The total difference or errors found will then be adjusted by transfer entries debiting and crediting the heads shown below:—

Nature of error, etc.	Account Heads
1. Short credits in individual Pakistan Savings Certificates or in the Total of Journal.	Debit "Advances Recoverable—Overpayments on Pakistan Savings Certificates" and credit "Pakistan Post Office 12-Year Savings Certificates".
2. Excess credits on individual Pakistan Savings Certificate: or on the Total of Journal.	Debit "Pakistan Post Office 12-Year Savings Certificates (deduct from credit)" and credit "Deposits—Short payments on Pakistan Savings Certificates".

Nature of error, etc.	Account Heads
3. Overpayments on individual Pakistan Savings Certificates or on the Total of Journal.	Debit "Advances Recoverable"—"Overpayments on Pakistan Savings Certificates" and credit—
	(a) "Pakistan Post Office 12-Year Savings Certificates" Principal Deduct from debit.
	(b) "22—Interest on debts and other obligations" Deduct from Debit.
	"Bonus on Pakistan Savings Certificates" (P. & T).
4. Short payments on individual Pakistan Savings Certificates or on the Total of Journal.	Debit (a) "Pakistan Post Office 12-Year Savings Certificates"—Principal,
	(b) "22—Interest on debt and other Obligations"— "Bonus on Pakistan Savings Certificates" (P. & T.) and credit "Deposits"—Short payments on Pakistan Savings Certificates".

266. The amounts of credits and debits on account of "Advances Recoverable" and "Deposits" shown in the Objection Book should be reconciled with the amounts appearing in the Detail Book, brief but clear explanations of the difference being given in the Broadsheets maintained in the Section by Circles. The balances under these two heads are also worked out, month by month, in the Broadsheets of Advances Recoverable and Deposits, which are submitted to the Gazetted Officer for review on the 30th of every month.

#### Treatment of undelivered Pakistan Savings Certificates

266-A. When Pakistan Savings Certificates are returned by the Postmaster as undeliverable, the Audit Office will keep them in the safe custody of the Gazetted Officer after noting the particulars thereof in a register maintained in manuscript for the purpose as per specimen given below. A note "in the safe" should also be made against the item in the Stock and Issue Register. The register should be submitted to the Gazetted Officer every time such a document is to be kept in the safe.



## Register of undelivered Pakistan Savings Certificates

Name of Office	No. and date of the letter with which Pakistan Savings Certificates received	Serial No. of P. S. Cs.	D. nomination	Dated Initials		No. and date of letter with which returned for delivery to investor	Dated Initials		Remarks
				Acctt.	G.O.		Acctt.	G.O.	
1	2	3	4	5	6	7	8	9	10

## Record arrangements

267. As soon as the postings of a month are completed and the correctness of posting proved, the Pakistan Savings Certificates Lists and the discharged Pakistan Savings Certificates pertaining thereto together with those discharged at offices other than that of issue will be tied in separate bundles and arranged alphabetically and serially. The bundles should be labelled with the name of the Head Post Office and the month of account. They should be made over once in six months to the Record clerk who will be responsible for their safe custody.

## Custody of Registers, Books, etc.

268. The following important registers and books, etc., are maintained in the Pakistan Savings Certificate Section:—

Register of lost Pakistan Savings Certificates.

Register of spoiled certificates.

Register of undelivered Pakistan Savings Certificates.

Register of Pakistan Savings Certificates sent out.

Objection Books.

Register of transfer entries.

Register of reconciliation of Pakistan Savings Certificate figures with Detail Books

Register of transferred Pakistan Savings Certificates.

Issue Registers.

Guard files of invoices of Pakistan Savings Certificates.

Waive Register.

Broadsheet of balances under "Advances Recoverable" and "Deposits".

Proof Sheet Register.

Register for watching the disposal of half-yearly statements.

Register of abstract of issues and discharges.

Register of discharges.

Circle Balance sheet.

Classification slips.

Classified abstract of Pakistan Savings Certificates discharged.

Statement of Interest liability.

Compilation for the annual verification of balances.

Broadsheet of Proof Sheet balances.

268-A. Deleted.

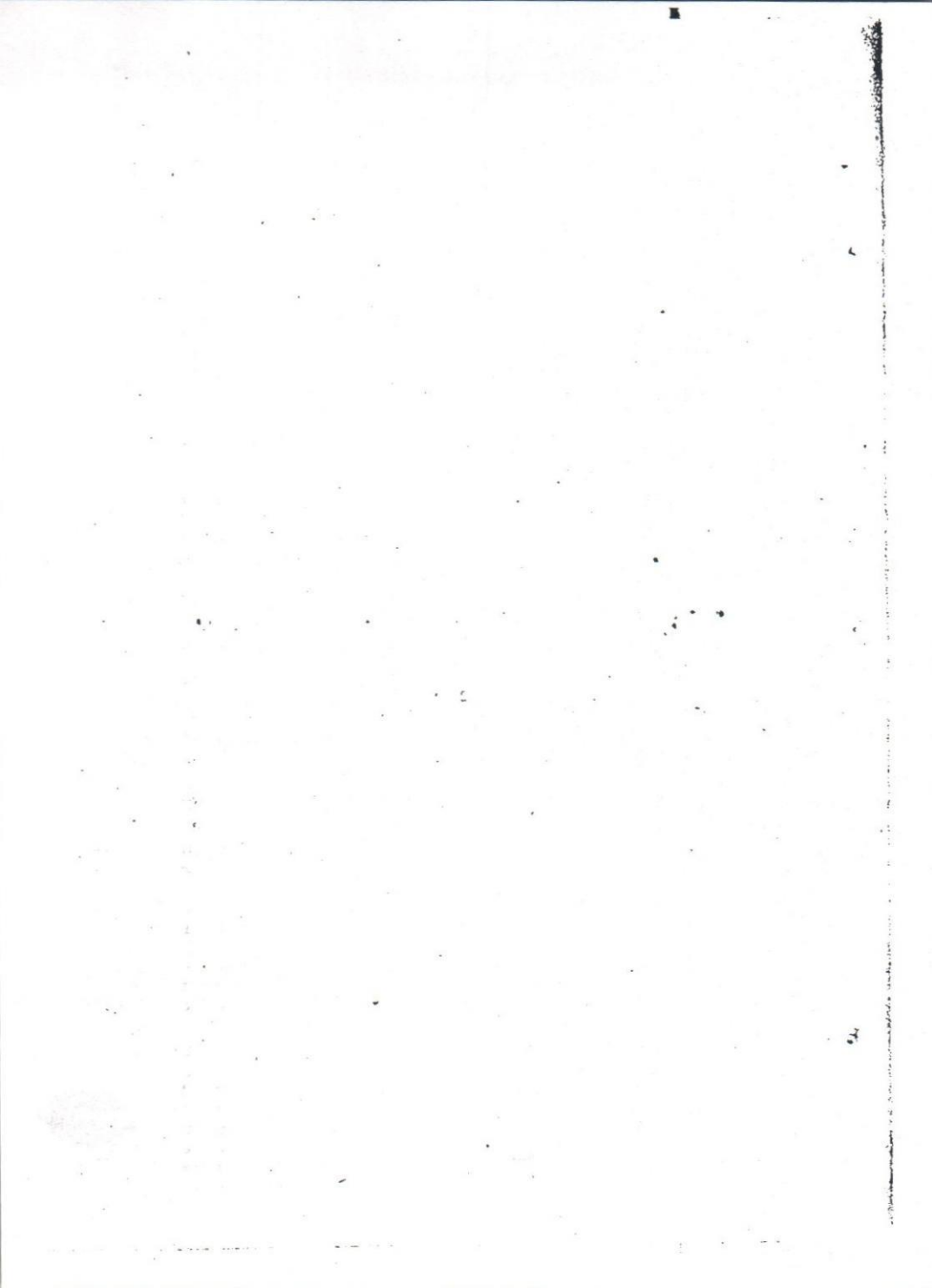
#### Statistical Returns

268-B. The actual number of transactions separately under Issues and 'Discharges' to the end of September and November each year should be sent so as to reach the Office of the Auditor General by the 25th of October and 25th of December respectively.

The Office of the Auditor General should compile the figures from the above statement and send them to the Director General of Posts and Telegraphs by the end of October and December each year. It should also furnish the Director General of Posts and Telegraphs with a statement showing the total amounts booked under 'Issues' and 'Discharges' by the 30th of each month following the month of account.

268-C. A monthly statement showing the discharge value of Pakistan Savings Certificates in thousands of rupees for each series of Issue should be sent so as to reach the Office of the Auditor General by the 15th of the second month following the month of account.





## CHAPTER 5.—SAVINGS BANK

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### General Organisation

269. The management of the Postal Savings Bank has been entrusted to the Pakistan Post Office, which acts as an agent of Government receiving deposits and paying withdrawals, etc., on its behalf. The rules under which accounts are opened, deposits received and withdrawals paid are issued by the Governor-General and will be found in the Post and Telegraph Guide Section VI—Rules for the guidance of depositors in Post Office Savings Banks. Subsidiary rules of procedure to be followed by Post Offices and the higher executive officers of the Post Office are issued by the Director General and will be found in Chapter 8 of the Posts and Telegraphs Manual, Volume VI.

270. The Auditor General has been required by the Governor-General under Rule 12 of the Auditor General's Rules (reproduced as Appendix 1 to the Audit Code) to arrange for the audit of Postal Savings Bank transactions. The rules issued by the Auditor General, under Rule 22 of the said Rules, governing Savings Bank accounts submitted to Audit Offices and the initial accounts from which they are compiled or on which they are based have been, for the sake of convenience, incorporated in the Posts and Telegraphs Manual, Volume VI.



271. Under the rules for depositors, Savings Bank transactions are permitted at all Head Post Offices and, with certain exceptions, at all Post Offices subordinate to them. The accounts of the latter are, however, incorporated in those of the former and the Head Post Office is responsible for submitting consolidated accounts not only of its own transactions, but also of those of offices subordinate to it. The results of audit conducted in the Audit Office are communicated to the Head Post Office, and the latter is responsible for seeing that prompt action is taken to remedy the defects discovered and to meet the objections raised, on its own transactions as well as on those of the offices subordinate to it.

272. The principal account of Savings Bank transactions received from a Post Office is the 'journal' in which every case of deposit or withdrawal is shown in chronological order. All the withdrawal entries in the journals are supported by warrants of payment and the majority of deposit entries are supported by vouchers in the form of duplicates of deposit acknowledgments, index cards, etc. The Audit Office is required to see that the transactions recorded in the journals are covered by rules and orders issued by competent authority, that vouchers or other documents have been submitted for every entry appearing in the journals and that the vouchers have been prepared according to rule and constitute genuine evidence of the transactions having occurred as described in the accounts. The complete accounts of the Postal Savings Bank are also compiled in the Audit Office, and in order that this responsibility may be discharged efficiently, it has to maintain a separate ledger account for each Savings Bank account opened in any Post Office. These accounts are maintained according to the card ledger system under which a separate card has to be kept for each account, and every monetary transaction, whether of deposit or withdrawal, etc., is required to be recorded in the proper ledger card as soon as intimation is received of its occurrence. The entries in the card are made by Remington Book-keeping machines which are fitted with devices for totalling the amount of all transactions posted in the ledgers. Each machine is fitted with 4 vertical totalisers affected respectively by the posting of the amounts of (i) opening balance before each transaction, (ii) deposits, (iii) withdrawals, and (iv) balance after each transaction. It has a fifth totaliser, the function of which is to show the result of the postings made in each particular ledger card. In operating the machine, it is so arranged that the amounts of opening balance and deposit should be added while those of withdrawals and balance after each transaction should be subtracted in the cross totaliser with the result that if the posting in the ledger has been done correctly the cross totaliser will, on the completion of the posting, show a nil balance. As the number of Savings Bank accounts is very large, the ledger cards are divided into series, each series consisting of about 400 accounts. After all the transactions affecting the accounts in any series have been posted, the total amounts stored in the two vertical totalisers for deposits and withdrawals are transferred to a master card, one of which is maintained for each Head Post Office or each part of a Head Post Office which renders accounts in parts. When all the transactions of a Head Post Office, including its subordinate offices, have been posted completely in the ledger cards and abstracted in the master cards, the totals of the amounts appearing in the latter give the grand total of all the Savings

Bank transactions of that office and are agreed with the corresponding amounts appearing in the Savings Bank Journal.

273. The ledger cards used in all Postal Audit Offices are uniform in size and ruling and consequently whenever a Savings Bank account is transferred from one Post Office to another, its ledger card is also transferred from one group to another or from one Audit Office to another, as the case may require. The ledger cards are so designed as to contain all necessary information relating to the character of the account, e.g. whether it is a minor's account or a security deposit account or a public account, and consequently a complete audit of all transactions, not only in respect of the accuracy of the accounts but in respect of the rules governing deposits and withdrawals is conducted by a scrutiny of the vouchers in conjunction with the ledger cards.

274. Savings Bank transactions in cash are also included by the Post Office in its monthly cash account submitted to the Audit Office and are incorporated through the Classified Abstract and Detail Book into the general accounts of Government. A reconciliation between the amounts appearing in the monthly cash accounts and in the final accounts of the Department on the one hand and the amounts appearing in the Savings Bank journal and the depositors' ledger cards on the other is effected at two stages. A preliminary comparison is made between the amount appearing in the journal and in the cash account and a final reconciliation between the total amounts of the ledger cards and the amounts appearing in the Detail Book is made through a system of Control Accounts, one of which is maintained for each Head Post Office.

275. The Savings Bank Section of each Audit Office is divided into groups which are so arranged that there are not more than 10,000 transactions per month on an average to be dealt with in each group. The staff allotted to each group consists of one machine-operator, two auditors, one journal clerk and one sorter. There is a separate group entrusted with the maintenance of various registers and the preparation of statistical and other statements due from the Savings Bank Section.

276. One Book-keeping machine should be allotted to each group and should be in charge of the operator, who will be responsible that it is always kept in order. A reserve of machines, calculated on the basis of one machine for every four groups and of the corresponding number of operators, should also be organised to cope with unexpected increases in the number of transactions and also to provide for the breakdown of machines or the absence of operators.

277. The Accountant General will prescribe the individual duties of the members of the groups and a copy of the duty list signed by the Accountant in charge of the Savings Bank Section will be prominently displayed in each group.

The distribution of the work among individual members of the group will not affect the fundamental responsibility of the auditors for the audit of Savings Bank transactions and for the proper maintenance of the ledger cards. The responsibility of the operator is limited to the posting of the transactions into the proper cards and the preparations of the master cards, deposit slips, etc., and that of the sorter to the extraction



and replacement of the ledger cards from the cabinets and sorting of vouchers. The auditor is responsible for seeing by an examination of the postings with the vouchers, not only that the postings have been correctly made and proved with the accounts received from the Post Office but also that the transactions have been made according to rule and that they are supported by proper vouchers. Defects discovered during his audit are rectified only at his initiative. The journal clerk attached to the group is expected to relieve the auditors of routine work of an unimportant character, e.g., checking the arithmetical accuracy of the journals, etc.

278. Each accounting group is under the charge of Supervisor, who will arrange to distribute the work amongst the members of the group according to such instructions as may be issued by the Accountant General in conformity with Article 277. As the two auditors in each group work independently of each other, the necessary correlation between their work and the duties entrusted to the other members of the group, operator and sorter, must be effected by the Supervisor, who should see that the distribution of work between the auditors is fair. The Supervisor is responsible that the work of the group in his charge is being done strictly according to rule within the periods and by the dates prescribed in Article 280. He must pay close attention to the prompt disposal of correspondence and to the pursuance and clearance of objections. He will be in personal charge of the Objection Books of his group and will deal with all correspondence relating to objections. He is also responsible for the conduct of the periodical reconciliation of the total of the balances of individual accounts of his group with the total balance as ascertained from the accounts.

279. The final reconciliation of the amounts of the ledger cards with those appearing in the Detail Books and Circle Abstracts must be entrusted to an independent group, which should be made responsible for maintaining and proving with the general books a Savings Bank Control Account for each Post Office. This group should also be entrusted with the adjustment of transfers of Savings Bank accounts, whether Inland or Foreign, and other adjustments by transfer entries.

#### Progress of work

280. Savings Bank accounts should be prepared, in common with other Government accounts, month by month, and the posting of transactions should also be done monthly. The Accountant General may, however, introduce a system of fortnightly postings during some months of the year if this system is found convenient. In any case, the dates referred to or indicated in this Article should be scrupulously observed for the completion of the various items of work and a register should be maintained in Form A. G. P. T.-340, for each group by the Supervisor, in which he will enter the dates on which each item of work is taken up and finished. This register will be submitted through the Accountant to the Gazetted Officer every Monday.

The Accountant in charge of the Section should also maintain a chart in Form No. A. G. P. T.-341 showing the state of work of the whole Section. It should be submitted to the Gazetted Officer weekly.

A statement of work done by each machinist should be maintained in Form No. A. G. P. T.-341-A which should be submitted to the Accountant General, along with the recommendations for special pay under paragraph 137 of the Manual of Standing Orders.

### Due dates for audit of Savings Bank transactions

In respect of the work relating to the accounts for the months from April to July of a year, the due dates are mentioned in Article 348. The work relating to the rest of the year should be completed on the dates mentioned below. It should be distinctly understood that all stages of work relating to March Accounts should be completed on the 24th April, so that there may not be any delay in starting the annual work :—

Details of work	Due date for completion
Completion of audit, etc., of August Accounts ... ..	30th September.
Verification of balances at the close of August ... ..	7th October.
Completion of audit, etc., of September Accounts ... ..	31st October.
Verification of balances at the close of September ... ..	7th November.
Completion of audit, etc., of October Accounts ... ..	30th November.
Verification of balances at the close of October ... ..	7th December.
Completion of audit, etc., of November accounts ... ..	31st December.
No verification of balances for November ... ..	...
Completion of audit, etc., of December Accounts ... ..	28th January.
Verification of balances at the close of December ... ..	6th February.
Completion of audit, etc., of January Accounts ... ..	26th February.
Verification of balances at the close of January ... ..	4th March.
Completion of audit, etc., of February Accounts ... ..	26th March.
Verification of balances at the close of February ... ..	3rd April.
Completion of audit, etc., of March Accounts ... ..	24th April.
No verification of balances for March ... ..	...

The due date for the completion of the examination of the Journal for the fourth week of a head post office and making over the check slips to the Postal Accounts Section will be one day earlier than the date fixed for the posting of the classified abstract of that office. The Superintendent S. B. Section should watch this by means of a broadsheet showing the due date for each office.

Objection statements should be issued on the day following the date on which audit, etc., of a month's accounts are completed. The due date for closing of Objection Books should be the 7th day from the date of completion of audit, etc., of a month's accounts.

#### Returns Due

281. The daily, weekly or other periodical returns of Savings Bank transactions due from Post Offices are :—

- (1) Journal of cash transactions,
- (2) Voucher list with vouchers,
- (3) Lists of accounts transferred to or from other offices, and
- (4) List of dead accounts reopened.



Immediately on receipt, the bundles should be examined by the supervisor to see whether all the returns and the vouchers mentioned in the vouchers list have been received correctly. Applications for transfer of account to the Foreign Post Office Savings Bank and other papers should be disposed of without delay and any document which should have been received but has not been received should be called for from the Post Office.

NOTE.—Any applications for the purchase or sale of Government Securities inadvertently sent should at once be sent to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, for disposal.

#### Examination of Journal and List of Transfers

282. The journal and the lists of transfers should be examined and dealt with in the following manner:—

- (1) The weekly and the progressive totals of deposits, withdrawals, and of the amounts transferred or received in transfer should be checked.
- (2) The number of transactions shown in the second column of the journal should be verified by an actual count of the entries in the deposit and withdrawal columns.
- (3) Each entry of withdrawals should be checked against its warrant of payment signed by the Postmaster and receipted by the payee for the amount noted in the journal. The balances after transactions as noted in the journal should then be noted on the warrants. If any warrant is wanting, a slip showing the number of account, name of the depositor, date of transaction, amount withdrawn and balance after withdrawal should be made out for posting the ledger cards.
- (4) It should also be seen that for each deposit made in Sub and Branch Post Offices, duplicate copies of acknowledgments are received and that particulars entered therein in regard to the number of the account, amount deposited and the balance after the deposit are correct. If any acknowledgment is not received, a slip should be prepared instead.

NOTE.—Acknowledgments will not be received in support of first deposits. Slips should therefore be prepared for them.

- (5) Slips (Form No. A. G. P. T.-342) should then be prepared for every entry of deposit in the Head Office journal and for every entry in the lists of transfers (both credit and debit) and the Government Security intimations received from the Accountant General, East Bengal, Posts and Telegraphs, Branch, Dacca, showing the number of the account and the date and amount of the transaction. In the case of cash deposits the balance after transaction, as shown in the journal and in the case of transfers, the office from which or to which the account is transferred, should also be copied. In the case of Government Security transactions, the name of the depositor should also be noted, with the distinguishing letters, "I. G. S.", "P. G. S." or "S. G. S.", as the case may be [vide Article 293 (ii)].

NOTE 1.—Slips should not be prepared by the machinist for deposits made at Branch Offices in direct account with the Head Office.

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**NOTE 2.**—In preparing slip for transactions in Government Securities, the date of transaction should be the actual date of purchase or sale of the security, as shown in the intimation of purchase or sale. In the case of payment of interest, it should be the date on which the interest accrued, as shown in the Interest Payment Orders received from the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca.

**NOTE 3.**—If it be found that a Government Security transaction relates to an account which has been transferred to another head office in the same Audit Circle, the necessary papers should be transferred to the group dealing with the new office. The slips will be prepared in the new group and the name of the new office and the new account number will be entered on the intimation. If, however, the account has been transferred to a head office in another Audit Circle, an extract of the intimation should be sent to the Accountant General, East Bengal, Posts and Telegraphs Branch, Dacca, with a suitable remark to that effect.

283. After the journals for all the four weeks have been dealt with as described in Article 282, an abstract of totals of the four weeks' journals and lists of transfers (credit and debit) should be made on the last page of the journal for the last week showing the following particulars:—

	Particulars	No. of transactions
<b>Deposits—</b>		
Cash	...	...
Transfers	...	...
Foreign Transfer	...	...
Sale of Government Securities	...	...
Interest on Government Securities	...	...
Dead accounts reopened	...	...
<b>Withdrawals—</b>		
Cash	...	...
Transfer	...	...
Foreign Transfer	...	...
Purchase of Government Securities	...	...
<b>Number of accounts—</b>		
Opened by cash	...	...
Opened by transfer	...	...
Closed by cash	...	...
Closed by transfer	...	...
Interest Additions and corrections	...	...

#### Verification with Cash Account entries

284. The amounts of deposits and withdrawals in cash for each head post office should be copied into a check slip in form A. G. P. T.-343 which should be sent to the Postal Accounts Section for agreement with the cash account before the posting of the classified abstract of that office is taken up. The results of comparison will be entered on the slip by the auditor of the Postal Account Section over his initials and the slip



returned to the Savings Bank Section without delay. This slip should be pasted on the last sheet of the journal of the 4th week, below the abstract referred to in Article 233.

285. In the event of there being any deference between the totals of the Savings Bank journals and the corresponding entries in the Head Office cash account, the difference will be debited to "Advances Recoverable" or credited to "Suspense account" (credits suspended), as the case may require, and the auditor of the Postal Accounts Section will be responsible for securing their adjustment.

#### Ledger Cards

286. A depositor's ledger account is maintained in Form No. A. G. P. T.-344 for each Savings Bank account opened at a Post Office provided it has not been treated as a 'dormant' or 'dead' account, definitions of which terms will be found in Article 361. A ledger account has therefore to be opened every time the opening of a new account is reported by a Post Office or a deposit or withdrawal takes place in an account which has been previously classed as 'dead' (vide Article 366). New accounts are opened by filling up the particulars, such as name of office, number of account, name of depositor, occupation or profession, or class of account, from the information contained in the index cards relating to new accounts and in the lists of 'dead' accounts reopened, received from the Post Office. The entries necessary for opening a new ledger account should all be made by the auditor in charge of the Post Office personally, but the amount of the transaction necessitating the opening of the account should not be posted by him, being left over for posting by the Book-keeping machine along with the posting of other ledger cards.

When a deposit or withdrawal takes place in respect of an account which has been previously classed as "dormant", fresh cards need not be opened (vide Article 363). The transactions should be continued on the old cards which should be brought up-to-date by the posting of interest.

287. Whenever a revised Index Card is received from the Postmaster, necessary corrections in the ledger card should be made, if the revised Index Card is found to be in order. The correction in the card should bear the dated initials of the auditor making the correction and the words "vide Revised Index Card with—(month and year)" should be written in red ink.

288. All ledger cards, excepting those of 'dormant' accounts (which should be kept separately as prescribed in Article 362), should be kept in serial order arranged in series of 400 accounts in cabinets provided with locks, the keys of which must remain in the personal custody of the Supervisor of the group.

#### Posting in Ledger-Cards

289. The ledger cards required for posting, etc., will be taken out by the sorter and will be transferred to the machinist and auditors in tin receptacles. The cards should not be scattered in any way, during the processes of posting or auditing. As it may not always be possible to replace the cards in the cabinet the same day, the tin receptacles with the cards should be stored for the night under lock and key in separate cupboards. At the close of the day, the Supervisor should personally see that the cabinets and cupboards in his charge are properly locked

up for the night, in the presence of the auditors and sorters. The keys of all cabinets and cupboards and of the Accounting machine of the group (all in one ring) should, before office is left, be thrown into a locked cupboard through a slit. The key of this cupboard should be in the personal custody of the Senior Accountant of the Section. On no account should Supervisors keep the keys of their cabinets in their custody.

NOTE.—The numbers of the accounts with which each series of 400 ledger cards starts and ends and the number of the drawer in which each series is kept should be neatly entered on a sheet of paper and pasted to a sheet of card board which should be suspended at a convenient spot in the cabinet to facilitate the extraction and replacement of cards.

290. As a result of the preliminary examination described in Article 282, every transaction of withdrawal or deposit, whether by cash or transfer, will be represented by warrants of payments, duplicate copies of Savings Bank acknowledgments or by slips prepared in the Audit Office, etc. All the slips relating to the transactions during the month should be arranged in serial order according to account numbers, vouchers, etc., relating to one account, being also arranged in order of the date of transaction. After sorting, the sorter will extract the cards from the cabinets and will arrange them along with the new cards opened for fresh accounts or for 'dead' accounts reopened, in serial order of the numbers of accounts. Tin plates will be inserted after the last card of any particular series so as to keep the series separate.

291. Any vouchers relating to accounts the cards for which are not forthcoming will be made over by the sorter to the auditor for necessary action. Some of them may relate to accounts which have been treated as 'dormant' or 'dead', while others may relate to cases of transfer, the ledger cards for which have not been received from other groups or other Audit Offices. The auditor will extract the old cards, if any, or open new Ledger Cards for the accounts which have been treated as 'dormant' or 'dead'. In the case of accounts transferred either within the same Audit Circle or from a foreign Audit Circle, the auditor will, on receipt of the list of transfers (credits), prepare a pink dummy card (Form No. A. G. P. T.-345), in respect of every such account, the amount received by transfer as shown in the list being entered in the column 'Deposit' in the usual manner. Subsequent transactions in the account should also be posted in this card. When the original card is received from the transferring Audit Office, the balance of the account should be agreed and the card should be written up to date under the dated initials of the auditor. The entries in the pink dummy card may be cancelled and the card utilized again to save wastage of forms.

NOTE.—Instances of wrong numbers quoted in the vouchers or journals or lists should be taken up with the Postmaster promptly.

292. The packets of vouchers and the cards, both arranged in serial order of the account numbers, will then be made over to the operator for posting the ledger cards.

The operator will arrange the totalisers to function as follows:—

The dummy totalisers for the column "balance before each transaction" and the live totaliser for the "deposit" column should be so set that the amounts in the cross totaliser will be added, while the live totaliser for "withdrawals" and



the dummy totaliser for "balance after each transaction" should be so set that the amounts will be subtracted in the cross totaliser. Before proceeding to post any transactions the operator should see that his totalisers have been properly set and that all five of them are entirely clear of any amounts of a previous posting or tabulation, i.e., that they show a series of ciphers. The posting of each transaction involves the following operations:—

- (i) date of transaction is typed in the first column,
- (ii) amount of the balance after the immediately preceding transaction entered in the card should be posted in the column 'balance before each transaction',
- (iii) amount of the transaction itself will be posted in the column for deposits or withdrawals, as the case may be, and
- (iv) amount of the balance after each transaction as shown in the cross totaliser will be entered in the proper column.

If the balance after the transaction differs from that shown in the slip or voucher, a mark should be put against it to draw the attention of the auditor to the discrepancy.

293. The transaction reported in each voucher should be posted in the manner described in Article 292 until all the extracted cards belonging to one series have been posted. When this happens, the fact will be indicated by the operator coming across a tin plate in the heap of cards. The grand total of the amounts of all deposits and withdrawals posted in the cards belonging to that series, as shown in the totalisers for the deposit and withdrawal columns, will then be posted on the rough Master Card (Form No. A. G. P. T.-344) and the totalisers cleared of their amounts. After verification of the postings in the ledger cards, vide Article 294, fair Master Cards (Form No. A. G. P. T.-344) may be prepared to arrive at the monthly grand totals of deposits, withdrawals, etc., of the Head Post Office concerned. The following instructions should be carefully followed in carrying out the postings:—

- (i) In case of transfer of an account to another Savings Bank, the amount transferred will not be posted in the card proper to the account. The amount and other particulars of an account transferred to another office will be typed in a dummy card (Form No. A. G. P. T.-345-A.) while the proper ledger card will be dealt with in the manner prescribed in Articles 305, 306 and 307.
- (ii) The entries relating to the purchase and sale of Government Securities and of interest payments thereon made in the cards should be distinguished by typing against them the letters "P-G. S.", "S. G. S." or "I. G. S." respectively.
- (iii) The amounts of interest on closed accounts remaining unpaid should be posted as a deposit with the word "Interest" noted against each. The operator should also list the amounts of such transactions on a separate sheet of paper and post their total in the master card so as to obtain the net deposit for each series.

### Verification of Posting

294. Each entry in the ledger card could be compared with the particulars entered in the corresponding voucher or slip, special attention being paid to the comparison of the balance after each transaction as shown in the card with that copied in the voucher or slip from the journal, *vide* Article 282. Any mistakes that may be found should be carefully investigated and corrected. All corrections should be made by carefully scoring out the wrong entries and interpolating the correct ones between the lines. In every case in which a correction is made in a ledger card, the consequential correction in the master card for the series must be made at the same time, the number of the ledger card being noted in the "Remarks" column of the master card. All corrections in the ledger or master cards should bear the dated initials of the auditor.

295. Each voucher representing deposit, withdrawal or other transaction, should then be scrutinised to see that the voucher has been properly drawn up, the warrants of payment have been duly signed by the Postmaster and receipted by the payee, and that the transaction has been effected according to the rules prescribed in the Rules for Depositors and in the Posts and Telegraphs Manual, Volume VI. Irregularities detected during audit will be recorded and settled according to the procedure prescribed in Article 335 *et seq.* After checking the transactions posted in each card, the interest-bearing balance up to the end of the preceding month or months should be brought out in the appropriate column of the card. Finally, the auditor should post in the master cards the total number of accounts opened or closed in each series during the month and compare the total amounts of deposits and withdrawals for all the series, as shown in the master cards, with the totals of the corresponding amounts of:—

- (i) Savings Bank journals;
- (ii) Transfer lists;
- (iii) List of dead accounts reopened; and
- (iv) Intimations of transactions relating to Government Securities.

The result of the comparison and the fact of the agreement should be entered on the master card over the full signature of the auditor. The master card should be passed by the Accountant who should see that no amount is kept unposted unnecessarily. It should then be transferred for agreement with Head Office Control Accounts, *vide* Article 323.

NOTE 1.—If, owing to non-receipt of information from the Postmaster, or any other cause, corrections are made in the journals after the monthly master card has been agreed, the corrections should not be introduced in the body of the master card, but entered below the total with the numbers of the accounts to which they relate and again agreed with the Head Office Control Accounts.

NOTE 2.—All cards of closed accounts should be kept separately, arranged in serial order, in the Section till the interest statements for the year are despatched. They may be transferred to the record room after the end of the year.

NOTE 3.—After the completion of the audit and the verification of posting of each voucher and the agreement of the master cards in the manner indicated above, the applications for withdrawals and warrants of payments should be separated from the other vouchers and formed into separate bundles. The warrants of payments for the final closure of accounts should not, however, be  
L 5 A G



kept in this bundle, but kept properly arranged in separate bundles for preservation for 30 years. In the case of accounts closed without the production of pass books the warrants of payments for the final closure together with the relevant authority for payment, if any, should be kept in the bundle of the warrants of payments for the final closure of accounts.

NOTE 4—Savings Bank Warrants of Payment, as well as all other vouchers, should be initialled by the Auditor checking them.

#### Audit of withdrawals

296. A properly prepared and sanctioned warrant of payment has to be submitted to audit in support of each withdrawal. Its obverse side containing the application of the depositor should be examined to see:—

- (1) that it has been drawn up and signed by the depositor or his agent;
- (2) that the balance before the withdrawal and the number of account have been correctly entered;
- (3) that, if the name of an agent or a messenger is entered on the application, his signature also appears on the application;
- (4) that the certificates prescribed in the Rules for the guidance of Depositors are furnished where necessary;
- (5) that the amount withdrawn does not include a sum which is less than one rupee or includes a fraction of an anna [this restriction does not, however, apply to payments in final closure of accounts or to cases mentioned in Rules 44 (k) and 45A (e) of Rules for the guidance of Depositors].

297. The other side of the form constituting the warrant should be examined to see—

- (1) that all the entries have been made by the Postmaster or an authorised member of the Post Office staff;
- (2) that the pay-order has been correctly filled up, date-stamped and signed by the Postmaster or some other officer authorised by the Head of the Circle to carry on Savings Bank work for him;
- (3) that the amount entered in the pay-order corresponds exactly with the amount on the application and with that charged in the Savings Bank Journal and that it does not exceed the balance at credit of the account; and
- (4) that there is the signature of the depositor or his agent or messenger in acknowledgment of the payment.

#### Closing of Accounts

298. In addition to the usual warrant, the final closing of an account should be supported by the depositors' pass book which should be carefully examined to see:—

- (a) that the last entry has been initialled by the Postmaster;
- (b) that the closing entries required by rule have been made; and
- (c) that the procedure laid down in Rules 450 and 451 of the Posts and Telegraphs Manual, Volume VI, has been strictly followed.

299. A depositor's account cannot be regarded as closed as long as he has Government Securities in the custody of the Auditor General. If such an account should inadvertently be closed, the pass-book should be returned to the Postmaster with instructions to reopen the account under its original number, for credit of interest on the depositor's Government Securities periodically as advised by the Accountant-General, East Bengal Posts and Telegraphs Branch, Dacca.

#### Interest on Closed Accounts

300. While auditing the transactions, the auditor should calculate independently the interest for the current year on closed accounts and compare the result with the amount passed by the Postmaster and entered in the warrant and Journal. If the difference does not exceed two annas, the Postmaster's calculation should be accepted as correct. If it exceeds that amount, the correct amount should be entered in the journal and warrant, and the Postmaster asked to arrange for recovery or refund. In the case of accounts closed before the receipt of annual interest statements, if the Postmaster shows the interest for the whole of the previous year in the column 'interest' for the current year, the mistake should be rectified in the journal, and the total of the abstract in the fourth week's journal should be corrected accordingly.

301. When an account which was treated as 'Dead' is re-opened by the Postmaster and shown in his list of dead accounts re-opened, a ledger card should be opened anew in the depositor's name under the old number (or the old card, if any, should be taken out). The original balance should be posted in the card in the column for opening balance against an entry "Dead account re-opened (date)", but the arrear interest should be entered separately in the card to facilitate the adjustment referred to in the Note to Article 324. The amount, i.e., the original balance, will then be treated as a cash deposit and will be included in the total of deposits in the master card against the series to which the account belongs.

302. Entries in the ledger cards of interest additions and deductions communicated to Postmasters during the year under Article 358, and the arrear interest on the dead accounts under Article 368, should be made in red ink below the opening balance in column 2 so that the total amount of interest may find place in the agreement made under Article 323. The interest-bearing balances entered in column 6 should be altered to the extent of such corrections by *plus* or *minus* entries in red ink, and the balances in column 5 should be suitably altered.

#### Transfers of Accounts and their Clearance

##### Inland Transfers

303. The rules governing transfers of Savings Bank accounts from one Pakistan Post Office to another will be found in Rule 31 of the Depositors' Rule and Rules 460 to 477 of the Posts and Telegraphs Manual, Volume VI. These transfers merely involve a transfer of existing credits from the books of one office to those of another and consequently do not affect the cash account or the Balance Sheet of the Post Offices concerned or the amount at credit of the account head "Post Office Savings Bank deposits" in the Government account.



Each debit transfer, i.e., transfer made by one Post Office to another, must be responded to in the list of credit transfers of the receiving Post Office, by the end of the month following that of transfer and the pairing of each debit with the corresponding credit is an essential part of the audit of transfer transactions. In order that the work may be done promptly and correctly, it should be entrusted to a special auditor or group of auditors called Transfer clerks, who should also be responsible for collecting and despatching the ledger cards of accounts transferred to the other Audit Circle, and also for the receipt and disposal of ledger cards similarly received in transfer from the other Audit Circle.

304. Transfers of accounts are prohibited between the 16th and 31st March each year, but if for some reason a transfer does take place in that period, the auditor should, before transferring the ledger card, ascertain from the auditor of the receiving Post Office (whether in the same or in another Audit Office) whether the opening entry has appeared in the list of the receiving Post Office for that month. If no such entry is traceable in the same month, the transfer should be struck off list for March and included in the list for the first week of April, the Postmaster being informed of the correction, and the case reported to the Head of the Circle concerned.

NOTE.—In the case of accounts transferred in the beginning of a financial year before the Post Office has received the annual statement of interest for the past year from the Audit Office the balance shown by the transferring office will generally be exclusive of interest. In such cases the interest should be added to the balance, and the receiving Post Office advised of the alteration in Form No. A.G.P.T.-348. The list of 'debit transfers' should also be corrected neatly in ink.

305. As mentioned in Article 231, every Post Office submits along with the Savings Bank Journals separate Journals of all (i) Debit transfers, i.e., transfers made by it to other Post Offices, and (ii) Credit transfers, i.e., transfers to its books from other Pakistan Post Offices. The amounts of transfer should not be posted in the Deposit or withdrawal columns of the ledger cards, as the latter are themselves transferred from the account group of the old office to that of the new.

On receipt of the debit transfer journals, green dummy cards are prepared in respect of each transfer and sorted serially according to account numbers. Ledger cards are then picked out from the cabinet with reference to these dummy cards and the balances verified. A red ink line is drawn across the first five columns of the ledger card just below the last entry of the card ledger, and a vertical line is also drawn on the top of the ledger card just beside the name of the transferring office on the left hand side of which 'the date of transfer' and on the right hand side 'the name of the receiving office' are noted. The ledger cards of the accounts, the balances of which agree, are passed on at once to the auditor of the receiving office. The ledger cards of the accounts, the balances of which differ from those shown in the debit journals, are made over to the auditor of the receiving office after the completion of posting for the month. Discrepancies, if any, are notified to the Postmasters in the ordinary course in Form No. A. G. P. T.-347. On receipt of the ledger cards from the auditor of the transferring office, the auditor of the receiving office notes the account number of the receiving office in the green dummy card as well as in the ledger card and the date of opening the account in the new office in the ledger card. He then returns the green dummy card after initialling in the column provided for the purpose.

In the case of transfers under the jurisdiction of the Foreign Audit Office, the procedure for the transfer of the ledger cards is the same except that the cards are made over to the transfer clerk who initials in the appropriate column of the green dummy card and that the new account number is not noted.

306. When the credit journals are received, a pink dummy card is prepared by the auditor of the receiving office in respect of each account received on transfer for which the ledger card has not been received by him. The transactions entered in the pink dummy cards are transferred to the respective ledger cards as soon as they are received and the dummy cards cancelled. The ledger cards received are kept along with other cards of the receiving office and the balance transferred is included in the monthly master card.

### Posting of transfer transactions

#### *Debit Transfers*

306-A. (a) The debit transfer journals received from the Post Offices are prepared in the order of occurrence of the transactions while the Audit Office records are maintained in serial order divided into series of 400 accounts. The debit transfers as shown in the Post Office Journals, cannot therefore be incorporated into the master cards in respect of each series without splitting them up and grouping them into transactions relating to each series. The green dummy cards prepared under Article 305 are made over to the machinist along with the account cards and the vouchers, after agreeing the balance in the manner indicated in that Article. While posting the cash transactions in respect of each series, the machinist should post the debit transfer figures as per the green dummy cards in a separate list in serial order for each series with a view to incorporate the figures in the vertical totaliser under the withdrawal column. Then the amounts of deposits and withdrawals for each series which thus include the debit transfer figures relating to that series are cleared in the master card. The separate list should be totalled on the machine and the total agreed with that of the Post Office Debit Transfer Journal by the auditor.

#### *Credit Transfers*

(b) As in the case of debit transfers, a list of credit transfers should be prepared by the machinist on the machine according to each series, where more than one series is concerned for the purpose of inclusion in the master card and a final total struck.

It should be seen that the credits shown in the Post Office Credit Transfer Journals tally with those in the Audit Office ledger cards. In cases of discrepancy the figures in the Post Office Journal will be corrected by a reference to the corresponding debits of the transferring office in the case of transfers under the same Audit Circle and to the lists in form A. G. P. T.-349 in the case of transfers from the Post Offices under the jurisdiction of the other Audit Office. Any corrections found necessary on receipt of cards from the other Audit Office will be made in the respective volumes of the master cards of the succeeding month.



### Transfers to the other Audit Circle

307. On the completion of the monthly postings and agreement, the weekly lists of transfers received from Post Offices should be made over to the Transfer clerks. The lists of debit transfers should be completed by entering against each item the name of the Audit Circle in which the receiving office is situated and then arranged according to Postal Circles and names, in alphabetical order, of the transferring offices. A list should then be made out, in Form No. A. G. P. T.-349, of all accounts transferred to offices in the jurisdiction of each other Postal Audit Office and sent to the Audit Office concerned within 4 days from the date of completion of audit and agreement. The Transfer clerks of the receiving Audit Office should check the ledger cards received from other Audit Circles with the covering list. The cards should then be distributed to the auditors concerned, who should acknowledge receipt in the remarks column of the list, which will be recorded in the transfer group.

### Consolidation of Debit Transfers

308. The preliminary step in pairing debits and credits is the isolation of accounts transferred to the other Audit Circle. The total amount and number of accounts transferred from each office are entered in Form No. A. G. P. T.-350, transfers between offices within the Home Audit Circle being shown separately from those involving the other Audit Circle, and the grand total of the latter agreed with the grand total of the amounts appearing in the lists of outward transfers sent to the other Audit Office (*vide* Article 307).

To the grand total of transfers within the Home Audit Circle should be added, in column 3 of the Form, the totals of the amounts appearing in the lists of transfers received from the other Audit Office, to arrive at the sum that should be taken to credit by the Post Offices in the Home Audit Circle.

Column 7 of the current month's debit transfer lists and column 8 of the previous month's debit transfer lists should then be totalled and the consolidated total should be worked out on the consolidated statement of transfers debited. The consolidated statement, the debit transfer lists, and the lists of foreign inward transfers relating to each month should then be bound together.

### Consolidation of Credit Transfers

309. (a) The lists of credit transfers for the month should be similarly arranged in alphabetical order and the total number and amount of accounts received in transfer in each Post Office during the month should be compiled and totalled in Form No. A. G. P. T.-351.

(b) This grand total should agree with the totals of columns 7 and 8 of the debit transfer lists for the current and previous months respectively.

### Clearance of Transfers

310. The lists of debit and credit transfers should be compared and each credit posted against the corresponding debit in the lists of transfers debited or in the lists of transfers received from the Foreign Audit Office in the column "same month" or "next month", as the case may be, and the date of debit noted against each item in the credit list.

311. The sum of the amounts in column 5 of the Consolidated Statement of debits for the current month and column 6 of the Consolidated Statement for the previous month must agree with the total of the credit transfer lists for the month. As the transfers of accounts from one Postal Circle to another, in the same Audit Office, are not separated, the figures of all the Postal Circles in any Audit Office, should be added together to arrive at the agreement mentioned herein. As the consolidation of the transfer items is made by Circle, the agreement which covers all the Circles should be recorded in a separate register in Form A. G. P. T.-351-A.

Ordinarily there should be no item not responded to at the end of the next month. If any such case occurs, the Postmaster concerned should be asked to explain the matter by wire, if necessary. In no case should an item be allowed to remain outstanding for more than two months after the month of transfer.

N.B.—The Registers of transfers and of consolidation should be reviewed by the Accountant-in-Charge and placed before the Gazetted Officer on the 8th of the third month following the month of account.

#### Transfers with Foreign Countries

312. Transfers are permitted under certain restrictions between the Pakistan Post Office Savings Bank and the Postal Savings Bank of the Foreign Countries as may be notified from time to time and the rules governing them will be found in Rules 478 and 479 of the Posts and Telegraphs Manual, Volume VI. Transfers to and from Foreign Postal Savings Banks affect the amounts at charge of the head "Postal Savings Bank deposits" and necessary adjustments have to be made through transfer entries in the Account Office. Foreign transfers do not affect the Balance Sheet of the Post Office concerned nor do their amounts enter into the cash accounts.

The actual transfer between Pakistan and the Foreign Country is effected by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, and all correspondence with the Foreign Postal authorities is carried on by that Officer.

All work, both in the Dacca Audit Office as well as in the Lahore Audit Office, relating to transfers of Savings Bank accounts to or from Foreign Countries should be treated as 'Urgent' and any unusual delay in the disposal of application in the Post Offices should be brought to the notice of the Postmaster concerned, and reported, if necessary, to the Head of the Circle.

#### Foreign outward Transfers

#### PROCEDURE IN AUDIT OFFICES

313. Applications for the transfer of accounts from the Pakistan Post Office Savings Bank to the Post Office Savings Bank of a Foreign Country are generally received in the Audit Office with the Savings Bank Journal but sometimes they may be received separately.

The applications should be compared with the entries in the Journal and in the ledger card and scrutinised to see that they are in order and that the account is one which can, under the rules, be transferred to a Foreign Country. After rectifying the irregularities and verifying the balance of the account exclusive of interest for the current year, the auditor should calculate independently the interest due upto the end of



the month preceding that in which the transfer of the account is completed in the Audit Office and convert the total amount to be transferred into sterling at the rate of exchange in force for the issue of foreign sterling money orders in Pakistan on the date of completion of transfer of the account in the Audit Office.

The card ledger account should then be closed with the remark "transferred to the Post Office Savings Bank of—" in ink. All applications should be entered in a register in Form No. A. G. P. T.-352 and forwarded to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, once a week with a schedule in Form No. A. G. P. T.-353. The register should be submitted to the Gazetted Officer every time applications for transfer are disposed of.

NOTE—If a depositor has unsold investment certificates or Government Promissory Notes in the custody of the Auditor General these must be sold or taken delivery of before the transfer can be made. But if the depositor leaves Pakistan without submitting an application to that effect, the transfer should be made, without delay, of the balance as shown in the Audit Office ledger card and the amount realised from the sale of the securities should be transferred separately.

313-A. In cases where the applications for the transfer of Savings Bank Accounts to Foreign Post Offices are received from depositors direct in the Audit Office they should be sent to the Postmasters concerned with a forwarding letter in Form A. G. P. T.-379 for necessary action and the depositors intimated (in form A. G. P. T.-380) if necessary.

#### PROCEDURE IN THE LAHORE AUDIT OFFICE

314. On receipt in the Lahore Audit Office, the applications should be examined again to see that they are properly filled in, that the balances in Pakistan currency and sterling have been correctly noted and that the depositor is entitled to have his account transferred under the rules.

If in order, the applications should be entered serially, as received, in the Register of Savings Bank Accounts Transferred, in Form No. A. G. P. T.-354, for the Country concerned. If any application is found defective, a reference should be made to the Audit Office concerned, and the application should be registered only after the defect has been remedied.

NOTE—If the depositor has any Government Securities in the Auditor General's custody, an application for their sale or delivery will be received in the Government Security Section for disposal and in the event of the securities being sold, the sale-proceeds should also be transferred to the Foreign Country concerned, in the same way as the ordinary balance.

315. On every mail-day, a schedule of Savings Bank accounts transferred to the Postal Savings Bank of each country should be prepared in duplicate in Form No. A. G. P. T.-355 or 355-A, as the case may be, and both the copies despatched to the postal authorities concerned together with the applications. The duplicate of the schedule will be received back with a certificate that the amounts transferred have been credited to the several depositors in their Savings Bank accounts and should be recorded after agreement with the register.

316. The entries in the several columns in the register should be totalled at the close of every month, and the total amount transferred to each Foreign Country from each Postal Circle should be adjusted by

a transfer entry debiting "Post Office Savings Bank Deposits". The per contra credits for transfers should be taken to the head "Accounts between High Commissioner for Pakistan in U. K., London and Pakistan Government".

### Foreign Inward Transfers

#### PROCEDURE IN THE LAHORE AUDIT OFFICE

317. Weekly schedules, in duplicate, of Savings Bank accounts transferred from the Postal Savings Banks of other countries to the Pakistan Post Office Savings Bank are received in the office of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, accompanied by the depositors' applications. On receipt, the particulars of the applications received from each country should be entered in a register in Form No. A. G. P. T.-356, the entries being arranged according to Postal Circles. The applications should be forwarded with a covering letter in Form No. A. G. P. T.-378, to the Postmaster of the office in which the account is to be opened with instructions to open an account in the name of the depositor, or credit the balance to his account, if he is already a depositor, and the depositor should be advised to appear at the Post Office to complete the transfer in Form No. A. G. P. T.-378 (a).

The duplicate copy of the schedule received from Foreign Savings Bank authorities should be returned by the next mail for that country, after completion of the necessary certificates and an extract from the schedule, in Form No. A. G. P. T.-357, showing full particulars of all accounts transferred to the Post Offices in each Postal Circle in Pakistan should be sent weekly to the Audit Office concerned.

The Inward register should be totalled at the close of every month, and the total for each Postal Circle adjusted by a transfer entry in the Circle concerned, an intimation of the adjustment being sent to the Audit Office as in the case of outward transfers.

#### PROCEDURE IN AUDIT OFFICES

318. The entry relating to an Inward Foreign transfer appearing in the Savings Bank Journal should be examined with reference to the particulars entered in the extract and then taken to the Savings Bank ledger card. The date of opening of the entry in the ledger card should be the date on which the schedule is received in the office of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, which will be quoted in the extracts forwarded by that office.

If a new account is opened, Index cards will be received with the journal and a new ledger card should be opened according to the usual procedure.

319. Post Offices are required to return the application for transfer after noting on it the number of the account opened, and the date on which the depositor attended the Post Office to complete the transfer, and the return of the application should be carefully watched. On receipt, the completion of transfer should be noted against the entry in the extract and the applications filed. Transfers, which have not been completed by the depositors within three months of the date of receipt of the extract, should be reported to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore.



### Settlement with Foreign Countries

320. The amounts of transfers are adjusted through the head "Accounts between High Commissioner for Pakistan in U. K., London, and Pakistan Government". The amount of outward inward schedules should be shown on the debit credit side of the British Postal Order Account as "Imprests repaid", and "Imprests received" and the difference shown as "Remittance on account of Savings Bank transfers".

EXCEPTION:—In the case of Savings Bank transfers to and from Tanganyika Territory, the Lahore Audit Office intimates on the 11th of the month following that to which the transactions relate, to the Superintendent, Foreign Post, Karachi, the net amount in sterling due on account of Savings Bank transfers for incorporation in his Money Order account exchanged with the General Post Office, Nairobi, requesting him to intimate compliance. The Lahore Audit Office at the same time makes necessary adjustment on the basis of the rupee equivalent of the sterling amount.

### Control Accounts

321. Agreement between the total amount of deposits, withdrawals and balances at the credit of all Savings Bank accounts in each Post Office and the corresponding amounts appearing in the Circle Abstracts, is secured through a Control Account for the year, maintained separately for each Head Post Office. The Control Account is opened by entering the number of Savings Bank accounts open and the total amount at their credit at the end of the preceding year, in Form No. A. G. P. T-358, in which the progressive figures should be worked out and proved month by month as described in Articles 322 to 332.

### Monthly Entries

322. The number of accounts opened, closed and transferred, and the number and amount of all transactions, including transfers, occurring in each month, should be posted each month from the documents mentioned below:—

- (a) The number and amount of cash transactions as well as the number of accounts opened or closed by cash should be posted from the abstract prepared on the last page of the last week's journal of Savings Bank transactions of each office (vide Article 283).
- (b) The number of accounts as well as the balance transferred to, or received, in transfer from, other Post Office Savings Banks in Pakistan should be taken from the lists of transfers debited or credited after they have been checked and consolidated in the manner laid down in Articles 307 to 311.
- (c) The number and balance of accounts transferred to, or received in transfer from Foreign Post Office Savings Banks should be taken from the registers and schedules relating to foreign outward and inward transfers.
- (d) The number and balance of dead accounts reopened should be compiled from the lists of dead accounts reopened (vide Article 368).

- (e) The amounts involved in the sale and purchase of Government Securities as well as the amounts of interest payment orders should be obtained from the individual intimations and payment orders received from the Government Security Section of the Dacca Audit Office. The individual amounts should be compiled into monthly totals, which should be included in the Control Account.
- (f) The amount of interest on closed accounts, the net amount of interest additions and corrections and the total or arrear interest on dead accounts re-opened, should be included in the Control Account as a deposit once in every two months in respect of those offices only whose two-monthly verification has been effected.

323. The monthly postings in the Control Accounts should then be totalled and the number of accounts open and the total amount at their credit worked out. The monthly totals so worked out should then be compared with the corresponding figures in the master card for the Post Office and discrepancies intimated to the auditor concerned for reconciliation. On the figures being reconciled, the master card should be signed by the clerk in charge of the Control Accounts.

NOTE 1.—The interest on closed accounts entered in the master card should be noted in the Control Account as a deposit with the words "Interest on closed accounts" before it.

NOTE 2.—A Memo. of verification of balances for each office in Form No. A.G.P.T.-346 will be sent to the clerk in charge of the Control Accounts once in two months along with the master cards for the month. He should see that the closing balance shown in the verification memo. agrees with that shown in the Head Office Control Account and initial it in token of agreement.

324. After all the master cards for a month of all the offices in a circle have been agreed, the total interest on closed accounts of the whole circle should be worked out on the reverse of a transfer entry form and the total amount adjusted by credit to "Savings Bank Deposits" and debit to "Interest on other obligations—Interest on Savings Bank deposits", the deposits as per detail books being made to agree with the entries in the Head Office Control Account.

NOTE.—Similarly the arrear interest on dead accounts re-opened and the interest additions and corrections during the month should be adjusted by transfer entries every month before the Control Account is closed for the month.

#### Proving with Detail Book

325. The figures appearing in the Control Account of each Post Office included in the same Circle should then be consolidated in Form No. A. G. P. T.-358 to obtain the totals for the entire Circle which should be reconciled with the corresponding figures in the Detail Book of the Circle and the consolidated statement of transfers referred to in Articles 308 and 309.

It should be noted that the amounts appearing in the Circle Detail Books consist of (1) the total cash deposits and withdrawals shown in the monthly cash accounts, (2) the net result of the transfer entries made in the Audit Office on account of dead accounts reopened as well as for other causes and (3) the total of all transfer entries made in the Office, on account of transfers to and from Foreign Savings Banks and on account of Government Securities (value and interest).



### Proving with General Abstract

326. A register in Form A. G. P. T.-359 should be maintained in each Audit Office for the reconciliation of Savings Bank figures with the Detail Books.

As soon as the accounts of a month are closed, the Postal Accounts Section should send to the Savings Bank Section a statement in Form No. A. G. P. T.-359-A showing for each circle, deposits and withdrawals in cash, and the additions and deductions resulting from transfer entries including adjustments made by the office of the Auditor General. The register should be posted from this statement and from the monthly consolidated statement referred to in Article 325, any differences between the two sets of figures being explained in the last column. If the difference be due to any error or omission of adjustment, a transfer entry should at once be prepared and forwarded to the Postal Accounts Section, the number of the entry being noted in the explanation.

327. The Government Security Section of the Dacca Postal Audit Office should forward to each Audit Office monthly statements (Form No. A. G. P. T.-238) showing the total amounts adjusted on account of purchase and sale of Government Securities and of interest thereon. If the totals arrived at from the detailed intimations do not agree with the figures intimated, and the difference cannot be located, the Dacca Audit Office should be requested to explain it. The Lahore Audit Office should forward to the Audit Offices a statement in Form No. A. G. P. T.-377 showing the total adjustments made by it on account of inward and outward foreign transfers not later than the 25th of the next month. These figures should be agreed with the figures arrived at from the extracts of schedules of inward transfers and the register of outward transfers. The register should be reviewed by the Accountant in charge of the Savings Bank Section and placed before the Gazetted Officer on the 10th of each month.

328. On completion of the reconciliation, an extract from the register should be sent to the Auditor General on the 10th of the third month following the month of account, which should show, in red ink in the first column, the amounts included in the Savings Bank books on account of—

- (a) Purchase of Government Promissory Notes,
- (b) Sale of Government Promissory Notes,
- (c) Interest on Government Promissory Notes,
- (d) Transfers to and from Foreign Post Office Savings Banks.

A second memorandum containing the latest figures for the month of March each year should be submitted to the Auditor General so as to reach him not later than 15th August, in addition to the usual monthly intimation on the 10th June.

NOTE.—Interest on, and sale proceeds of, Investment certificates should be dealt with as interest on, and sale-proceeds of, Promissory Notes.

329. On receipt of the extracts in the Auditor General's Office, the figures shown in the columns "as per Savings Bank books" should be compiled in columns 3 and 6 of a register in Form No. A. G. P. T.-360. The figures as per Detail Book should be posted in columns 2 and 5 from the General Abstract and the difference worked out in columns 4 and

8 and explained on the reverse of the form. This register should be reviewed by the Accountant in charge of the Book Section and placed before the Gazetted Officer for review.

330. A verification of the closing balance of each account should be made once in every two months to check whether the transactions have been posted in ledger cards correctly. The Post Offices included in each audit group should be divided into two sets, so that the verification in respect of each set may be made every alternate month and all the Offices in the group may be verified every two months.

NOTE.—The first two-monthly verification of April and May accounts may be suspended at the discretion of the Accountant General concerned if the rush of annual work does not admit of its being carried out.

331. The verification should be undertaken after the ledger cards have been replaced in the cabinet on completion of audit of the accounts for the fourth week. All the cards of the offices due for verification should be extracted and made over to the operator for listing on the Accounting machine after inserting tin-plates at the end of each series. The operator should list and total the closing balances separately for each series of accounts, the number of accounts being typed at intervals of, say, forty or fifty accounts.

NOTE.—The amounts transferred every month from Dormant ledgers to live cards as shown in the Broadsheet in Form No. A.G.P.T.-372, should be taken into account at the time of verification.

332. The total for each series as certified by the operator should be compared and should ordinarily agree with that shown in the Memorandum of verification for the month. In case of disagreement, the auditor should locate the mistake by referring, if necessary, to the cards, posting slip, and previous compilation, etc. After reconciliation, he should sign the verification memorandum, in token of agreement and pass it on, along with the master card, to the Head Office Control Account Keeper.

#### Statistical Returns

333. The following statements should be prepared and sent to the Office of the Auditor General on the dates mentioned in each item:—

- (1) Memorandum of monthly reconciliation with Detail Book figures to be sent not later than the 10th of the third month following in Form A. G. P. T.-359.
- (2) Statements showing the actual number of transactions separately under deposits, withdrawals and transfers to the end of September and November each year so as to reach the Office of the Auditor General by the 25th of October and the 25th of December, respectively.
- (3) Annual statement of Savings Bank transfers (Inland), to be sent not later than the 12th July.
- (4) Annual consolidated statement of Savings Bank transactions to be sent not later than the 25th July, in Form A. G. P. T.-361.

334. The Office of the Auditor General should compile the figures from the statements referred to in item (2) of Article 333 and send them to the Director General of Posts and Telegraphs by the end of October and December each year.

The Office of the Auditor General should also furnish the Director General of Posts and Telegraphs with a statement showing the total amounts booked under 'Deposits' and 'Withdrawals' by the 30th of each month following the month of account.



An annual statement showing Savings Bank transactions of the year just closed as compared with those of the previous year should also be compiled by the Office of the Auditor General from the figures supplied by the Audit Offices and forwarded to the Director General on the 20th August of each year.

#### Results of Audit

335. Objections arising out of the audit of Savings Bank Journals and of each transaction at the time of checking the postings, should ordinarily be communicated to Postmasters through objection statements in Form No. A. G. P. T.-362. The nature of the objections and the order of the Audit Officer should be written neatly, clearly and concisely. The objection statements should be issued once a month after the audit and posting of each month's transactions have been completed. Items involving short payment or overpayment in individual accounts exceeding two annas, or short or excess credit of whatever amount in the journal as well as those relating to want of vouchers, or falling under "awaiting clearance" or "for recovery" should be entered in the Objection Book in Form A. G. P. T.-433. In special cases, objectionable items may be communicated by half margin memoranda and letters. A special form (No. A. G. P. T.-363) has been provided for reporting omissions from transfer lists.

NOTE.—In deciding whether an objection should be expressed in money value, the principles enunciated in Paras. 521 and 522 of the Audit Manual should be followed.

336. The Objection Book should be closed monthly by the Supervisor and placed before the Accountant for review and submission to the Gazetted Officer not later than the 7th day from the date of completion of audit, etc., of a month's accounts. One Objection Book should be maintained for each group of offices in charge of a Supervisor.

NOTE.—In respect of the unposted items in the Ledger Cards a broadsheet in a form similar to the one for "Abstract of Objections" used for items entered in the Objection Books, should be maintained for each group of offices in charge of a Supervisor. The total of the unposted items (as per lists attached to the relative master cards) should be posted in this form, the amounts cleared from month to month being posted in it and the balance outstanding worked out. This broadsheet should be reviewed every month along with the objection books by the Accountant as well as by the Gazetted Officer in order to watch the progress of the settlement of the outstanding items.

337. Short payments or overpayments, whether of interest or principal not exceeding two annas, made by Postmasters on the closure of Savings Bank accounts need not be included in the Objection Books and objection statements, but should be shown as *minus* or *plus* entries in the ledger cards.

The entries in the ledger card in the case of short payment or overpayment of interest should be as follows:—

	Interest			Rs. a. p.		
Correct amount	...	...	...	0	3	0
Short paid	...	...	...	0	0	6
				(in red ink).		
Actual amount	...	...	...	0	2	6
Correct amount	...	...	...	0	2	0
Overpaid	...	...	...	0	0	6
Actual payment	...	...	...	0	2	6

338. The interest actually paid by the Postmaster (as shown in Article 337 against the entry "actual payment") should be entered in the master card. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

339. Short payment or overpayment of principal (not exceeding two annas) should be dealt with as follows:—

The correct amount that ought to have been paid should be shown in the ledger card as a withdrawal and the account closed. The master card also should show the correct amount payable.

Each item of such short payments or overpayments should be entered in a register of objections waived (Form No. S. Y.-265), and maintained by the clerk in charge of the Control Accounts (one register for each Postal Circle). The register should be initialised by the Accountant of the Section as each entry is made, and by the Gazetted Officer monthly on the 25th.

340. After the postings of each month's transactions are completed and all such petty objectionable items entered in the register, the latter should be totalled and the net resulting amount of short payments or overpayments should be adjusted by a transfer entry crediting or debiting "Fees and Other Receipts—Other Items" or "Abstract J. V.—Miscellaneous Postal Expenses—Losses, etc. written off—Irrecoverable overpayments", as the case may be. On the Savings Bank side, it should be shown as addition to "Savings Bank withdrawals" in case of short payment or deduction therefrom in case of overpayment.

340-A. Items of objection on account of short payments or overpayments of sums exceeding annas two but not exceeding Re. 1 in respect of Principal and Interest may be waived when the correspondence thereon tends to become protracted and the items do not disclose any wilful neglect of duty on the part of any Postal Official and do not form one of a series pointing to a systematic fraud. Items exceeding Re. 1 but not exceeding Rs. 5 may also be waived by the Deputy Accountant General if, after correspondence with the executive officers concerned, it is found that the recovery is practically impossible and that there is not sufficient reason to press for serious disciplinary action. The items waived should be entered in a register in Form S. Y.-265 and the amount should be totalled and adjusted monthly by transfer entry. The entries in the register should be attested by the Senior Accountant and reviewed monthly by the Gazetted Officer.

341. Particulars of amounts waived under Article 339 should be entered on the last page of the fourth week's Savings Bank journal, below the abstract referred to in Article 283, before it is made over to the clerk in charge of Head Office Control Account. The net result for each Head Office Savings Bank should be worked out from the register by the clerk in charge of the Head Office Control Account and noted on the reverse of the adjusting transfer entry, and after this is passed, it should be taken in the Head Office Control Account with a plus or minus entry, under withdrawals.

342. When an item of unpaid or short-paid interest on a closed account appears in the Cash Account, the credit should be taken to the head "Fees and Other Receipts—Other Items" and if a depositor should



at any time claim payment of an amount so credited, the debit should be taken to the head "Deduct—Refunds", the corresponding credit in the schedule of Unclassified Receipts being first traced.

#### Review of Audit

343. (a) The test-review to be done daily by each of the Savings Bank Supervisors and Accountants should be as follows:—

##### SUPERVISORS

- |   |     |     |                 |
|---|-----|-----|-----------------|
| (1) Check of Payments with warrants and ledger cards              | ... | ... | 15 items a day. |
| (2) Check of Interest-bearing Balances                            | ... | ... | 15 items a day. |
| (3) Check of Admissibility, etc., of new accounts                 | ... | ... | 5 items a day.  |
| (4) Check of Entries in the ledger cards with revised Index cards | ... | ... | 2 items a day.  |

##### ACCOUNTANTS

- |  |     |     |                |
|--|-----|-----|----------------|
| (1) Check of Payments with warrants and ledger cards | ... | ... | 5 items a day. |
| (2) Check of interest-bearing Balances               | ... | ... | 5 items a day. |
| (3) Check of Admissibility, etc., of new accounts    | ... | ... | 2 items a day. |

*Exception.*—The test review work may be suspended from the 24th April to the 15th June.

*N.B.*—With the permission of the Head of the office, the aggregate of the week's review may be conducted once in a week if this arrangement is considered convenient.

(b) Each Supervisor should examine daily one drawer of the cabinet to see that the cards are in serial order. He should also examine the desk of one auditor each week and should show in his diary:—

- (i) the name of the clerk whose desk was examined,
- (ii) the date on which the desk was examined,
- (iii) the oldest dates of pass books, index cards, applications for withdrawal and warrants of payments, applications and advices of transfer, letters, and any other documents found with the clerks and whether these are or not behind the due dates.

The desks of the auditors and the almirahs in the Section will also be examined by the Accountants.

(c) Each Supervisor and each of the Accountants will maintain a diary in Form No. A. G. P. T.-444, in which the results of their review should be recorded. All the diaries should be submitted to the Gazetted Officer in charge every Monday.

*NOTE 1.*—The review should not be confined to the ledger cards of a particular volume or office for a whole week; it should be so arranged that the cards of different volumes and offices come under review from time to time.

*NOTE 2.*—The items to be reviewed by Accountants should be selected from out of those checked by Supervisors.

#### Calculation of interest on Savings Bank Accounts

344. Interest on the balances at credit of Savings Bank accounts is allowed at the rate prescribed by the Government of Pakistan from time to time (vide Article 349) and is calculated in the Audit Office once a

year after the transactions for the month of March have been posted into the ledger cards and the postings have been proved. As stated in Article 295, the amount on which interest has to be paid each month is calculated and entered in the ledger account at the time the ledger postings are audited. For the annual calculation, the interest-bearing balances for the months of the year are totalled and the total amount of interest due for the whole year is calculated by applying to the sum of the interest-bearing amounts the monthly rate of interest fixed by Government. The amount of interest on each account open in a Head Post Office is then compiled into a statement in Form A. G. P. T. 364 and despatched to the Postmaster after the correctness of the compilation has been proved.

345. In order that the annual calculations may be finished within a reasonable period and the interest statements despatched to Post Offices by the due date, the work should be distributed amongst the entire staff of the Savings Bank Section. It may even be necessary to entrust a portion of the work to such members of other sections of the office as may be willing to undertake the work in addition to their normal duties. The Accountant in charge should formulate his proposals for the distribution of the total number of accounts between the Savings Bank Section and the staff of other sections in the first week of February of each year and obtain the orders of the Accountant General.

Persons entrusted with the annual work are eligible for overtime allowances at such rates and such conditions as may be authorised by the Government of Pakistan.

NOTE.—Sorters and Journal clerks attached to Savings Bank groups should not be included in the general distribution amongst the men of the Savings Bank Section but may be allotted, at the discretion of the Accountant General, as many accounts as they are prepared to undertake in addition to their normal duties.

346. Members of the Savings Bank Section are expected to deal with the following numbers of accounts during the period allowed for the annual closing and calculation of interest:—

Auditors	8,000	each (cards and dormant ledgers.)
Head office ledger keepers	6,000	
Transfer Register clerks	6,000	
Supervisors	2,000	
Record Clerks	3,000	

The numbers given above represent the minima expected of the various clerks and there is no objection to any clerk undertaking a larger number if he volunteers to do so.

Volunteers from other sections should be allotted as many accounts as they are prepared to undertake in addition to their normal duties.

346-A. The Savings Bank Annual Interest statements should not be sent out unless the original interest calculations of 20 per cent. of the total number of accounts both 'live' and 'dormant' of all the Post Offices have been checked. A lower percentage may however be fixed by the Accountant General if insistence on 20 per cent. is likely to involve delay in the issue of interest statements, but it should never be less than 10 per cent. The checkers should always be men of the Savings Bank Section only, preferably the Supervisors and Auditors of groups. The auditors of the Central Account Group may also be utilised for the purpose if considered necessary.



A record of the accounts checked should be kept by each checker in a list concurrently with the check itself. The lists should be submitted weekly to the Gazetted Officer in charge till the interest statements are ready for despatch, when a certificate to the effect that the required percentage of accounts has been checked should be recorded on the office copies of the Interest Statements. The lists and the Interest Statements with the certificate, should be submitted to the Gazetted Officer along with the forwarding letter referred to in Article 357. The lists should finally be kept attached to the office copies of the Interest Statements.

NOTE.—The Senior Accountant of the S. R. Section should check interest entries of 3,000 accounts in addition to his other duties and the Accountant, or each of the Accountants when there is more than one Accountant, should check 5,000 accounts. The accounts checked by the Senior Accountant and the Accountant, should include an adequate number of those checked by Supervisors and Auditors and this check should be completed before the interest Statements are sent out. They are not entitled to overtime allowances for checking interest calculations.

347. The distribution of annual work to the various assistants in and out of the Section should, after approval by the Accountant General, be entered in a separate manuscript register showing the name of the individual, the name of the Head Post Office, the numbers of the series allotted to him and the number of cards taken and returned by him with dates thereof. In case of loss of any card, it should be possible for the Accountant General to fix responsibility on the proper person and to take such disciplinary action as he may consider necessary. It should be seen that all the cards are returned to the group when the interest statement is ready for despatch.

348. The interest statements should be despatched to the Post Offices by the 7th June each year at the latest. The dates shown in the sub-joined table fixing the periods for the completion of different stages of the annual work as well as the current work should be adhered to. Actual progress of the work shown against these dates should be watched through a special register which should be submitted to the Head of the Office every Monday. The due dates shown in the table should be incorporated in the "State of Work Report" for the months to which they relate.

Item No.	Details of Work	Due date for Completion
<b>ANNUAL WORK</b>		
1	Interest calculation, closing, listing and totalling interest statements of Dormant Ledger Accounts	20th April.
2	Interest calculation and closing of live accounts	14th May.
3	Checking of interest calculations	21st May.
4	Listing and totalling of interest statements of live accounts	22nd May.
5	Final agreement of balances on 31st March	31st May.
6	Despatch of interest statements	7th June.
<b>CURRENT WORK</b>		
7	Completion of audit, etc., of April accounts	25th June.
8	Completion of audit, etc., of May accounts	14th July.
9	Completion of audit, etc., of June accounts	30th July.
10	Verification of balances at the end of June	9th August.
11	Completion of audit, etc., of July accounts	26th August.
12	Verification of balances at the end of July	7th September.

349. Interest at the rate notified by the Government from time to time is allowed for each calendar month on the lowest balance (complete rupees) at the credit of an account between the close of the fourth day and the end of the month, subject to the annual and maximum limits that may be prescribed from time to time in the Rules for Savings Bank Depositors.

NOTE 1.—In the case of deposits contemplated in Notes 3 and 2 under Rules 10 and 11 respectively of the Rules for the guidance of Depositors, interest is allowed on the excess over the prescribed maximum and annual limits.

NOTE 2.—The rates of interest in force from time to time are as follows:—

Period	Rate
From 1905 to 31st October 1933	3 per cent. per annum.
From the 1st November 1933 to 30th June 1936	2½
From the 1st July 1936 to 30th November 1938	2
From 1st December 1938	2½

350. The following are exceptions to the general rule that interest is allowed on the balance of the account opened by a depositor in his name or on behalf of a minor, up to a limit of Rs. 5,000, up to 16th April 1949, and up to a limit of Rs. 15,000 for accounts standing open in a Head Office or Rs. 5,000 for accounts standing open in a Sub-Office with effect from 17th April 1949.

- (i) The maximum limit of deposits in a minor's account, has been raised from Rs. 1,000 to Rs. 5,000 with effect from 1st April 1933, and from Rs. 5,000 to Rs. 15,000, in the case of accounts standing open in a Head Office, with effect from 17th April 1949. This limit can only be reached by annual deposits as laid down in Rule 10 of the rules for the guidance of depositors in the Post Office Savings Bank. In calculating interest on the balance at credit, the following instruction should be observed:—

The legitimate excess balance on 31st March 1933 under Note 1 to Rule 11 of the Savings Bank rules should carry interest and any excess balance on 1st April 1933 due to any infringement of any of the Savings Bank rules should not carry interest. The same instructions apply to the calculation of interest bearing balances affected by the raising of limit with effect from 17th April 1949.

- (ii) In the case of Public Accounts the maximum interest bearing balance is Rs. 10,000, up to 16th April 1949. This balance has been raised to Rs. 15,000 for Public accounts standing open in a Head Office with effect from 17th April 1949.
- (iii) In the case of Regimental Police and other conjoint accounts individual Teacher's Provident Fund Account and other Miscellaneous accounts opened under Rule 45-B (c), and



45-B (e) and 45-B (g) of the Savings Bank rules, there is no maximum limit. Interest will be allowed on the total balance at credit.

**NOTE 1.**—Where accounts are closed by order of the Accountant General or of the Head of the Circle, no interest will be allowed beyond the end of the month preceding the date of issue of the Postmaster's notice to close the account.

**NOTE 2.**—In the case of accounts of deceased depositors no interest will be allowed from the first of the month in which the notice of the closure of the account is issued by the Head of the Circle.

**NOTE 3.**—Interest on Security Deposit accounts is allowed only up to the end of the month preceding the date of notice from the pledgee that the deposit is no longer required as security, that is, the date from which the account loses its character as a security account. But in the case of a security account closed on the death of a depositor, interest is allowed up to the end of the month preceding the date of the notice issued by the Head of the Circle [vide Rule 424 (5) of the Posts and Telegraphs Manual, Volume VII]. Also in the case of accounts opened by Government Officers on behalf of subordinates, etc., the date of the application for withdrawal will be considered as the date of cancellation of the security, and interest will be allowed up to the end of the preceding month.

**NOTE 4.**—Interest on individual Teacher's Provident Fund Accounts ceases to accrue from the first day of the month in which the order for final withdrawal of the balance at credit is issued by the Controlling Authority.

351. Deleted.

352. When the supplemental journal for March has been received and posted and the master card for March has been agreed, the closing entries for the year will be made in the ledger cards in the manner indicated below:—

Date	Opening balance	Deposits	Withdrawals	Closing balance	Interest bearing balance	Name, etc.
1926-27	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
April 1st	...	200 0 0	...	200 0 0	400 0 0	
June 3rd	200 0 0	...	100 0 0	100 0 0	100 0 0	
July 1st	100 0 0	...	50 0 0	50 0 0	450 0 0	
					950 0 0	
			Add	2 6 0		
			O.B. 27-28	52 6 0		

"1" means Interest.

"O.B." means opening balance.

**NOTE.**—The transactions made at branch offices during the closing days of March and included in the Savings Bank journal of the Head Office for April should, for the purposes of interest calculation, be posted in the ledger in April and the following note recorded in the remarks column of the annual statement of interest:—"Balance inclusive of transaction made at branch office on date Rs. ...."

### Preparation of Interest Statements

353. After the ledger cards have been closed in the manner prescribed in Article 352, the operator should compile in duplicate the Interest Statement in Form A. G. P. T.-364 directly from the cards. To facilitate agreement, a separate statement should be prepared and totalled for each series of ledger cards.

354. The correctness of the total closing balance of each series should be verified by working it out independently from the figures for the opening balance of the year and the transactions of the series as recorded in the monthly master cards. The reconciliation will be made in Form A. G. P. T.-365.

After the number of accounts and the total closing balance of each series have been verified, the figures for all the series in a Head Office should be consolidated in Form A. G. P. T.-346 and agreed with the corresponding figures in the Head Office Control Account.

355. The interest statement and the list of Dead Accounts (Article 364) should be made over to the clerk in charge of the Head Office Control Account who should check the closing balance for the previous year, total deposits and withdrawals during the year, number of accounts opened and closed during the year, interest on closed accounts, total of interest additions and corrections and interest on dead accounts reopened, with the figures in the Head Office Control Account and the registers maintained in his group; if these agree he should post the following particulars in the Head Office Control Account, in order to arrive at the total amount of interest for the year to be added to the balance on 31st March:—

- (i) Interest on active accounts (as per column 3 of statement, Form No. A. G. P. T.-364).
- (ii) Interest on accounts transferred to Dead account ledger.
- (iii) Total amount transferred to Dead account ledger.
- (iv) Number of accounts transferred to Dead account ledger.

NOTE.—After the Control Accounts of all the offices in a Circle have been posted, the total amounts of items (i) and (ii) will be adjusted by transfer entry to the credit of "Savings Bank Deposits" by debit to "Interest on other Obligations—Interest on Savings Bank Deposits"; and the total amount of item (iii) will be adjusted to credit of "Deposits—Dead Accounts—Savings Bank" by debit to "Savings Bank Deposits".

356. The clerk in charge of the Head Office Control Account should then certify that the various items in the final agreement have been checked and agreed by him. After this is done, the statements (Forms Nos. A. G. P. T.-364 and 367) should be made over to the Accountant in charge, who should see whether the agreement has been correctly worked out, and then send them to the Gazetted Officer for signature.

NOTE.—The Accountant should see that a certificate to the effect that either there are no items of minus balance or if there are any due action has been taken to adjust them, has been recorded by the auditor in the annual verification and agreement sheet.

357. After the agreement has been checked and the statement passed by the Gazetted Officer, the statement in Form A. G. P. T.-364 should be bound in volumes of convenient size, and despatched with a forwarding



letter in Form A. G. P. T-368 to the Postmasters concerned, together with the list of dead accounts in Form A. G. P. T-367 (vide Article 364). The statement should be despatched not later than 7th June of each year (vide Article 348).

NOTE.—A Manuscript Register for watching the receipt of certificates from Post Offices, prescribed in Rule 490 (3) of the Posts and Telegraphs Manual, Volume VI, should be maintained with the following particulars:—

- (1) the names of Post Offices registering the certificates,
- (2) due date of receipt,
- (3) particulars of reminders,
- (4) actual date of receipt, and
- (5) how disposed of.

The Register should be submitted to the Gazetted Officer for review on the 1st September and fortnightly thereafter till all the certificates are received and disposed of.

358. When interest on an account has been incorrectly passed in the annual statement of interest and balances, and the error is detected before the despatch of the transfer entries for March final to the Postal Accounts Section, the Auditor will correct his books in red ink and direct the Postmasters concerned to correct the annual statement of interest and balances. No correction is permissible after the transfer entries have been sent; but whenever it is necessary to communicate arrears of interest or to correct amounts entered in the annual interest statement, a letter in Form No. A. G. P. T-369 should be sent to the Postmaster concerned.

NOTE 1.—These letters should be numbered in consecutive annual series for each group and entered in the register prescribed in Article 359 with the distinguishing letters I. A. (meaning interest additions) and the initial letter of the Circle entered below. The register will be submitted to the Accountant with each letter, and the entry in the register will be initialled by him when he passes the letter.

NOTE 2.—When a difference (short or excess credit), which does not exceed one anna, is discovered in the amount of interest advised in the annual statement, it should be ignored altogether and no subsequent correction should be made unless a complaint is received from the depositor.

NOTE 3.—Corrections on account of interest, either excess or short, should not be carried back beyond six preceding account years.

359. A register of the amounts advised to Postmasters as additions to or deductions from the depositors' ledger cards and pass books under Article 358 will be kept for each group in Form No. A. G. P. T-370. The register will be totalled each month when the Head Office Control Account is being posted, and the amount of additions communicated during the previous month less the amount of interest passed in excess together with the interest on closed accounts and arrear interest on dead accounts re-opened will be adjusted by means of a transfer entry crediting "Savings Bank deposits" and debiting "Interest on other Obligations—Interest on Savings Bank deposits".

360. If the correction is made to set right interest passed in excess in the previous interest statement the letter of advice to the Postmaster issued under Article 358 will be altered, and the Postmaster will be instructed to deduct the amount from the ledger and pass book. If, however, the fact of interest having been passed in excess is detected in the Audit Office when an account is closed, but it is found that only

the correct amount of interest has been paid by the Postmaster, he should be asked to make a note in the annual statement of interest in which the mistake occurred. Such amounts will be entered in the Interest Adjustment Register as minus entries in red ink, so that the net amount only of the total amount communicated will be adjusted as laid down in Article 359.

#### Dead Accounts and Dormant Accounts

361. In certain circumstances, Savings Bank accounts in which there have been no transactions for a period of six complete years cease to remain open and are classed as Dead Accounts which cannot be operated upon unless their reopening is formally sanctioned by the Head Postmaster. The Audit Office is required to notify to the Postmaster which accounts borne on his ledger are to be treated as Dead Accounts and the preparation of the lists of Dead Accounts should be undertaken after the annual interest calculations have been completed.

To facilitate the preparation of these lists and also to relieve the ledger cabinets, Savings Bank accounts in which there have been no transactions other than an entry of the annual interest, for a period of one year, are treated as Dormant Accounts.

362. Once in every three years after completing the interest calculations, the ledger cards for each office should be examined and the cards of all accounts in which no transactions have taken place from the beginning of the immediately preceding financial year should be separated from the rest. The cards for live accounts should be replaced in the cabinets, the series being rearranged, if necessary, and the cards relating to Dormant accounts should be entered, in a Dormant ledger in Form No. A. G. P. T.-371. The fact of the account being treated as Dormant from that date should also be noted on the ledger card. The cards and the Dormant ledger should be put up to the Supervisor who will test check 10 per cent of the accounts copied in the Dormant ledger with the relevant cards and put his initials and date against the entries in the ledger in token of having exercised this check. Cards of accounts transferred to a fresh Dormant ledger should be kept in the Section in separate cabinets in charge of the Head Office Control Account group.

#### Reopening of Dormant and Dead Accounts

363. Whenever a transaction pertaining to an account which has been treated as 'Dormant' is reported through the Savings Bank Journal, the old card relating to the account should be extracted and compared with the entries appearing in the Dormant ledger and a suitable note made in the latter to show the date on which the account is reopened.

364. Accounts which are in the Dormant ledger for five complete years and with regard to which the absence of entries as prescribed in from Article 363 indicates that they have not been reopened, will be treated as Dead Accounts with the exception of the following:—

- (a) Accounts the balances at credit of which have reached the maximum limit of deposits;
- (b) Security Deposit accounts, the balances of which have reached the full amounts pledged.



The calculation of interest on Dormant accounts may be started as soon as the transactions for January have been posted and proved, so that the interest statement of the accounts included in the Dormant ledger may be ready by the 7th April by which time the accounts for March will be ready for posting. After all the accounts have been transferred for posting from the Dormant to the Card ledgers, the accounts mentioned in clauses (a) and (b) above will be marked with the letter "A" for subsequent copying into the new Dormant ledger. An interest statement should, however, be prepared for these accounts and sent to the Post Office along with the interest statement of ledger card accounts. Particulars of the remaining accounts should be copied in duplicate in Form A. G. P. T.-367. The list should be totalled and after agreement of the balance of the list as well as the interest statement of Dormant accounts marked "A" with the outstanding balance of the Dormant ledger, the pencil copy of the Dead Account list will be sent to the Post Office along with the annual interest statement so that the accounts may be treated as dead in Post Office ledgers also. The carbon copies of Form A. G. P. T.-367, after being arranged in the alphabetical order of the Post Offices, should be bound into books and used as "Dead Account Ledgers".

A certificate to the effect that the list of Dead Accounts has been sent to the Head Postmaster should then be entered in the Dormant ledger over the signature of the Accountant and the ledger recorded after the necessary adjustments have been made in the accounts, as prescribed in Article 365.

365. A consolidated transfer entry of the amounts at credit of accounts in each Postal Circle, treated as Dead, should then be prepared and approved by the Accountant General, the amount being debited to "Savings Bank deposits" by a *per contra* credit to the minor head "Dead Accounts—Savings Bank" subordinate to "Deposits".

366. Dead accounts, are reopened under the authority of the Head Postmaster unless the Dead Account sought to be reopened has been "dead" for more than five financial years, or there are any doubtful features, in which case the order of the Audit Office is required to be obtained by the Head Postmaster before he allows the Dead Account to be reopened (vide Rule 510 of the Posts and Telegraphs Manual, Volume VII). In such cases, the letter of authority to re-open the dead account is issued by the Audit Office in form A. G. P. T.-382, and the depositor's application for reopening his Savings Bank Dead Account is retained in the Audit Office. A list showing all Dead Accounts reopened during a week will be received in the Audit Office along with the week's journal and should be carefully checked. The entries in the list should then be compared with the corresponding entries in the Dead Account ledger and any discrepancies investigated in correspondence with the Postmaster. The auditor will extract the old cards or open new ledger cards from the entries in the Dead Account ledger and the list of Dead Accounts re-opened, received from the Post Office, the two sub-columns under the column "Accounts reopened" in the Dead Account Ledger should be filed in and both the Dead Account Ledger and the card ledger should be put up for approval of the Accountant in charge who will initial the entries in the column "Accounts re-opened" in the Dead Account Ledger.

**NOTE 1.**—The amount for which the account has been opened, including the amount of the old balance, should be treated as a deposit on the date of reopening the account and should be included in the master card.

**NOTE 2.**—Old cards of accounts treated as dead should be reused as far as possible. These cards may, where and to the extent possible, be stored in the section or nearby where accommodation is available, in wire netted bags, so that they may be easily available for reuse. If no accommodation is available, new cards may be opened when Dead Accounts are revived.

367. An abstract of accounts transferred to and re-transferred from the Dead Account ledger will be prepared annually by the Head Office Control Account keeper in Form No. A. G. P. T.-373.

368. The weekly lists of Dead Accounts re-opened received from the Postmasters should be bound into a register and transfer entry for the adjustment of the balance of Dead Accounts will be made monthly by debit to the minor head "Dead Accounts—Savings Bank" under "Deposits" and credit to "Savings Bank Deposits". This register should be checked by the Accountant, Savings Bank Section, when passing the transfer entry. The amount of interest should be adjusted in the manner laid down in Article 359.

369. When a Head Office is converted into a sub-office, the Dead Accounts in the ledger will be transferred to the new Head Office to which it becomes subordinate. For this purpose, fresh entries need not be made as the transfer can be effected by writing the name of the new Head Office in the ledger in place of that of the old Head Office, with a note "Converted into sub-office from (date)". Fresh entries should, however, be made when a sub-office is transferred from the jurisdiction of one Head Office to that of another, or when a sub-office is converted into a Head Office. In such cases, the original entries in the ledger should be cancelled and fresh entries made under the new Head Office, with suitable remarks against both the cancelled and the fresh entries. The accounts when re-opened are assigned new numbers, which, for facility of reference, should be noted in the ledger.

**NOTE.**—In the case of transfer of a sub-office from one Head Office to another under the jurisdiction of the Foreign Audit Office, a list of the Dead Accounts of the sub-office should be sent to the Foreign Audit Office for inclusion in the Dead Account ledger of the Circle to which the receiving Head Office belongs, and the adjustment of the balance of Dead Accounts so transferred should be made by a deduction from the balance of Dead Accounts of the transferring Head Office in addition to that of the receiving Head Office and not by transfer entry.

#### Custody of Undelivered pass-books

370. The following procedure should be observed in the Audit Offices in respect of undelivered pass-books received for safe custody:—

- (a) The forwarding letters with which the pass-books are received should be indexed under separate series and made over to the clerk who is entrusted with the custody of these pass-books. He will be held responsible for having the balances in these pass books verified with those in the Ledger Card by the Auditor of the Post Office concerned under the latter's dated initials. He should then enter them in the register of undelivered pass-books (Form No. A. G. P. T.-374) in the serial order of the index numbers and prepare acknowledgments, in duplicate in Form No. A. G. P. T.-375 and place the



register, acknowledgments and the pass-books before the Senior Accountant for his review and attestation. The acknowledgments which should bear the same number as the index number assigned to the inward letter should, after being signed by the Accountant in charge, be sent to the Post Offices concerned.

- (b) If the balance in any pass-book does not agree with the Audit Office balance, the pass-book should be returned with the acknowledgment, a suitable note being made in the register. When such a pass-book is received back it will be treated as a fresh receipt and assigned a new number.
- (c) These pass-books will be kept arranged in the serial order of the index number in an almirah in the joint custody of the Accountant in charge and the pass-book clerk.
- (d) When any pass-book is returned to the Post Office, a note of the number and date of the letter (Form No. A. G. P. T.-376) with which it is being returned should be made in the register. A slip showing the number and date of the Postmaster's letter calling for the pass-book and the number and date of the forwarding letter should be prepared and the register, the slip, the forwarding letter and the pass-book should be placed before the Accountant in charge for his review and attestation. The slip initialled by him should be placed in the proper bundle.

NOTE.—Closed Pass Books of Savings Bank Teacher's Provident Fund, Accounts when called for from the Postmasters by the Civil Accountants General, are sent to them direct with a letter in Form A.G.P.T. 378-A.

#### Custody of closed and used-up pass-books

371. All pass-books (whether original or duplicate) of accounts which have been closed should be separated from the used up pass-books received during the month and kept properly arranged in separate bundles according to Head Offices and account numbers. All the bundles of closed and used up pass-books received during the month should be examined by the Supervisor of the group in order to see that all the closed pass-books have been correctly separated from the used up ones, for preservation for six years and that no warrants of payments for the final closure which are to be preserved separately for 30 years are posted on them. The Supervisor will then enter the account Nos. of these pass-books in a skeleton register (to be maintained in manuscript for the purpose) in which separate pages should be set apart for each Head Office. The month of closing should be noted in red ink above the entries for each month. In order to distinguish the entries for duplicate pass-books from those for original ones, the word "D" should be written against the account relating to duplicate pass-books.

The register should be submitted monthly to the Accountant in charge who should see that the pass-books of all accounts closed during the month have been entered therein and attest each entry.

The closed up pass-books should invariably be kept under lock and key in the custody of the Accountant in charge, after the accounts of the year are closed, these pass-books should be sent to the record rooms for safe custody.

372. The used up pass-books will be reviewed month by month by the Supervisors to see that the closing pages have been marked as "cancelled" under the signature of the Postmaster. In case of omissions if any, detected during the course of review, the closing page should be impressed with the "cancelled" stamp by the reviewing supervisor.

These pass-books should be kept in separate bundles for each Head Post Office and sent to the Record Room after the accounts of the year are closed.

373. Deleted.

*Custody of registers, etc.*

374. The following is the list of registers, etc. to be maintained in the Savings Bank Section.

*(a) Registers, etc., in the Compilation Group*

- (1) Head Office Control Account.
- (2) Dead account ledger.
- (3) Abstracts of accounts transferred to and re-transferred from the dead account ledger.
- (4) Registers of accounts transferred and of accounts opened on transfer.
- (5) Files of intimations of purchase, sale and interest on Government Securities.
- (6) Registers of Savings Bank accounts transferred to Foreign Post Office Savings Banks.
- (7) File of extracts from schedules of Foreign Inward Transfers received from the Lahore Postal Audit Office.
- (8) Statements of deposits and withdrawals in cash rendered by the Postal Accounts Section for reconciliation with Savings Bank books.
- (9) Register showing reconciliation of Savings Bank figures with the figures in the Detail books.
- (10) Interest adjustment registers.
- (11) Transfer entry number-book.
- (12) Annual abstracts of deposits and withdrawals.

*(b) Registers, etc., in charge of Auditors and Supervisors.*

- (1) Files of objection statements.
- (2) Objection books.
- (3) Depositors' ledger cards and dormant ledgers.
- (4) Savings Bank journals of deposits and withdrawals, with their enclosures, warrants, deposit slips, index-cards, transfer slips, advices of transfer, etc.
- (5) Primary compilation or check slips of Savings Bank cash transactions (to be pasted in the last sheet of the journal of the 4th week).
- (6) Monthly master cards.



(c) *Registers, etc., with Record Clerk*

- (1) Register of inward letters.
- (2) Register of outward letters.
- (3) Half-margin memo. register.
- (4) Reports on pending inward letters.
- (5) Recorded bundle of Half-margin memos.
- (6) Files of spare copies of Postmaster General's circulars.

(d) *Registers with Accountant-in-charge*

- (1) Register of objectionable items waived.
- (2) Register of penalties imposed for mistakes in interest calculation.
- (3) Register of undeliverable pass-books.

## Disposal of Savings Bank documents

375. The following instructions should be attended to in the disposals of Savings Bank documents:—

(a) Vouchers accompanying returned objection statements and irregularity memos., should be removed from these documents unless they are required for further references. If no further action is to be taken on the vouchers, they should be filed by the sub-auditor in their proper places as soon as the objections pertaining to them have been removed.

(b) As soon as the monthly master cards are agreed with the Head Office Control Accounts, the Savings Bank journals with the deposit slips, posting slips, warrants of payments, applications and advices of transfer, index-cards, etc., pertaining thereto will be made over to the record clerk, who will be responsible for safe custody of the records made over to him and for seeing:—

- (i) that they are kept properly arranged in racks; and
- (ii) that precautions are taken against the journals and other records being torn or otherwise mutilated.

NOTE 1.—Savings Bank journals will be kept folded in the middle. The deposit slips, warrants of payments, advices of transfer, intimations of transfers, etc., arranged in serial order for posting, should be securely tied up into neat bundles with slips in Form No. A.G.P.T.-381 at the top and bottom showing the name of the office and the weeks and months' journals to which they pertain. The journal clerk of the offices concerned are responsible for seeing that these records are properly secured before being made over to the record clerks.

NOTE 2.—When journals for a complete year have been filed and after the annual agreement is effected, the files will be treated as old records and sent to the record room for custody.

(c) Documents forwarded by Postmasters with subsequent journals or returned with their replies to references made by the Audit Office will be filed by the Auditors themselves in their proper places.

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## SECTION I.—Inland Money Orders

## General Outlines

376. The issue and payment of money orders constitute one of the main activities of the Pakistan Post Office. The rules governing the issue and payment of money orders prescribed by the Government of Pakistan or the Director General and the rates of commission on money orders are contained in the Post and Telegraph Guide.

377. Money Order transactions are permitted at all Head and Sub-Post Offices and also at certain specified Branch Post Offices subordinate to them. The accounts of the latter are, however, incorporated in those of the former and the Head Post Office is responsible for submitting consolidated accounts of its own transactions and the transactions of its subordinate offices. The results of audit conducted in the Audit Office are communicated to the Head Post Office which is responsible for seeing that prompt action is taken in settling the objections raised or remedying the defects pointed out by the Audit Office.

The procedure prescribed by the Auditor General for the maintenance of accounts in connection with money order transactions in the Post Offices and for the submission of account returns pertaining thereto to the Audit office are given in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

378. The audit of money order transactions is conducted in the two Audit Offices at Dacca, and Lahore, each having, under its jurisdiction, one or more Postal Circles. The distribution of Postal Circles is given

in Article 55 of the Posts and Telegraphs Initial Account Code, Volume I. In distinguishing one Audit Office from another, the Audit Office for the local Postal Circles is referred to in this Chapter as the Home Audit Office and the other Audit Office, as the Foreign Audit Office. Similarly, the Postal Circles under the jurisdiction of the Home Audit Office are referred to as Home Circles and those under the jurisdiction of the Foreign Offices as Foreign Circles.

NOTE.—A list of Code words used in telegraphic communications between the two Postal Audit Offices is given in Appendix F.

379. Audit consists in seeing that for every paid money order, there is credit in some Post Office for an equivalent amount and that commission is correctly realised. Each Audit Office is responsible for the audit and adjustment of all the money orders issued each month in the Post Offices under its jurisdiction. The month of issue is considered as the unit of account.

380. Each Audit Office receives lists of money orders issued (referred to hereafter as issue lists) from the Head Post Offices situated within its jurisdiction, the money orders being numbered in consecutive series. It also receives lists of money orders paid (referred to hereafter as paid lists) together with the paid orders, from all Head Post Offices, whether within its jurisdiction or not, sorted according to each month of issue.

NOTE.—All paid orders are impressed with distinctive stamps indicating the account on which and the Audit Office of issue.

381. The issue lists which are received untotalled, and the values of the Paid Money Orders in respect of Paid lists are independently totalled by means of Comptometers and the machine totals are reconciled with those shown by the Postmasters in the Abstracts of daily totals. The amount of commission realised is noted against each money order in the Issue list and a test-check as to its correctness is exercised in respect of one date for each period of account (i.e., two dates for each month). The Paid money orders are sorted according to Head and Sub-offices of issue and in serial order for each office and month of issue. They are then checked with the entries of credits in the Issue lists concerned and ticked off in token of check. Any discrepancies found are adjusted by clearing the Inland money order head (month of issue concerned) to a debt head "Advances Recoverable—Money Order overpayments" or "Deposits—Money Order short payments" and the Head Postmasters are addressed to settle the objections.

382. Money orders are current only for two months, the month of issue and the next month, after which they become void (vide Rule 300 of the Posts and Telegraphs Manual, Volume VI). Only money orders paid within currency are entered in the Paid lists referred to in Article 380. Void money orders that cannot be paid are sent to the Home Audit Office by the Post offices of issue, duly entered in a list (known as Void list) separately for each month of issue. These money orders are then checked with the Issue list and filed. Void money orders paid are received duly entered in schedules and the amounts of these orders are debited to the Inland Money Order head. The vouchers are debit-checked with the Issue list or in the register of unpaid money orders.

383. The items that remain unchecked in the Issue list are then picked out and these amounts together with the amounts of unpaid void money orders, as ascertained from the Void list, represent the outstanding liabilities of Government.



384. In the books of the Department, the total amount of the Home Circle Issue lists for a particular month is taken to the credit of the head "Inland Money Orders—month of issue". The total payments of money orders by the Home Circle Post Offices are likewise taken in the first instance to the debit of the same head for the months of issue concerned. But the amounts of money orders paid in respect of Foreign Circle issues are transferred through the "Money Order remittance" head to the Foreign Audit Offices concerned by reduction of the debits under the Inland Money Order head, so that the balance may represent the debits on account of Home Circles issues only. Similarly, payments transferred from the Foreign Audit Office in respect of Home Circle issues are debited to the Inland Money Order head by credit to the "Money Order remittance" head. The result of these adjustments as well as the adjustments referred to in Articles 381 and 382 will be to bring together the credits under the head "Inland Money Orders" on account of issues of the Home Circle Post Offices for a month and the debits in different months corresponding to these issues. The difference between the credits and debits for a particular month of issue represents the liabilities of Government as ascertained from the books of the Department, the total credit being always more than the total debit.

385. If the total of the unchecked items picked out from the issue list for the year of issue together with the amount of unpaid void money orders (*vide* Article 383) exceeds the outstanding credit in the books as worked out under Article 384, the excess (technically termed as unexplained difference) does not represent a real loss to Government, and it does not therefore require any account adjustment. Strictly speaking the one must exactly equal the other. But, as a result of undetected mistakes in the several stages of audit and adjustment and owing to paid money orders being mislaid, in some cases before debit-check, it generally happens that the lists show more outstanding than the books.

386. The head "Inland money orders" relating to a particular financial year is kept open in the books for three financial years (*vide* Article 451) and the balance, i.e., the excess of actual receipts over payments, under this head will lapse to Government at the close of third financial year and be transferred to the revenue head "Forfeited money orders". This does not, however, prevent subsequent payments of the money orders, should claims in respect of them be established.

#### Returns due

387. The following accounts of Inland money orders are rendered by each Head Post Office to the Audit Office:—

- (1) Daily or Bi-monthly lists of money orders issued, together with the Not-Payable Telegraphic Money Order requisitions—to the Home Audit Office.

NOTE.—In the case of Bi-monthly lists, the 1st period lists embrace the transactions from 1st to 15th and the 2nd period lists from 16th to the end of the month. In the case of sub-offices the transactions of the period which can be incorporated in the accounts of the Head Office from 1st to 15th and from 16th to end of the month constitute the 1st period and 2nd period lists.

- (2) Daily or Bi-monthly lists of money orders paid together with the paid money orders—to the respective Audit Offices (Home and Foreign).

NOTE 1.—The note under clause (1) above applies to the Bi-monthly lists of money orders paid.

NOTE 2.—Ordinarily two Paid lists are received in each Audit Office from each Post Office, viz., one relating to the issues of the month of payment and the other relating to the issues of the previous month. But, as the Head Office cash accounts are, except in March, not kept open to receive credits and debits for the sub-office transactions of the last few days of the months, payments may sometimes precede credit. In these and similar other cases, a third Paid list is received relating to the issues of the month following the month of payment.

- (3) Bi-monthly abstracts of daily totals of money orders issued—to the Home Audit Office.
- (4) Bi-monthly abstracts of daily totals of money orders paid—to the respective Audit Offices (Home and Foreign).

NOTE 1.—The abstracts show the totals for each period. In the abstract for the 2nd period, the total for the 1st period is brought forward and the monthly total struck.

NOTE 2.—The abstract of daily totals of money orders paid is prepared separately for each month of issue.

- (5) A monthly summary of money orders issued—to the Home Audit Office.
- (6) A monthly summary of money orders paid—to the Home Audit Office.

NOTE.—Pertaining to each month of issue there is a monthly summary of money orders paid. The Paid lists mentioned in clause (2) are rendered to the several Audit Offices but their summaries are all sent to the Home Audit Office. The summaries relating to Home Circle issues are described as 'Home' summaries, and those relating to Foreign Circle issues, as 'Foreign summaries'. The figures of the Foreign summaries also appear in the Home summaries side by side with the Home summary figures and a consolidation is made, the grand total of which should agree with the entry in the cash account. When this agreement has been made, copies of the summaries (four copies are received from the Postmaster) are forwarded by the Home Audit Office to the respective Audit Offices for detailed audit with the Paid lists and record.

- (7) Monthly lists of void money orders supported by unpaid money orders that became void.

NOTE.—The lists are prepared by the Head Office of issue and submitted to the Home Audit Office. The office, at which the money orders are payable, returns the money orders that cannot be paid within currency to the office of issue for transmission to the Audit Office.

- (8) Four separate schedules of void money orders paid, supported by the paid void orders, one for each Audit Circle of issue.

NOTE.—Two separate schedules relating to the 1st and 2nd period lists of payments are submitted by the Head Postmaster in covers addressed to the Money Order Section of the Home Audit Office.

#### Dates for submission of accounts and completion of audit

388. The dates for the submission of the returns mentioned in Article 387 are given in Chapter 7 of the Posts and Telegraphs Manual, Volume VI.



The due dates for completion of the audit of lists, abstracts and summaries of money orders issued and paid, void lists and schedules of void money orders paid are as follows:—

(1) List of money orders issued together with abstract of daily totals.	First period ...	5th of the next month.
(2) List of money orders paid together with the abstract of daily totals.	Second period ...	19th of the next month.
(3) Monthly summary of money orders issued.	...	18th of the second month following.
(4) Monthly summary of money orders paid.		
(5) List of Void Money Orders	...	20th of the fourth month following.
(6) Schedule of Void Money Orders paid	First period ...	3rd of the next month.
	Second period ...	18th of the next month.

#### Audit of Issue Lists and Issue Abstracts

389. The Issue list shows the serial number, amount and date of issue of each money order, the office of payment, and the commission realised on the transactions. The amount and commission in respect of telegraphic money orders are detailed in separate columns of the list.

In the Audit Office these issue lists are received untotalled although their totals are shown in the abstract of daily totals and consolidation sheets.

390. On receipt in the section, the abstracts of daily totals and consolidation sheets accompanying the Issue Lists should be detached and kept in the custody of the Auditor, Issue List Section, so that the machine operators may not have access to them. The untotalled Issue Lists should then be distributed to the machine operators, who should take up the lists and cast totals, in each sheet date by date, of the amounts of money orders entered in the columns 'Telegraphic Money Orders' and 'Non-telegraphic Money Orders' with the help of the machine called 'Comptometer'. When the transactions of a day run over more than one sheet, the totals of the sheets may be consolidated, making a grand total for the date concerned.

391. The Issue Lists, after they are totalled by the machine operators, should be made over to the Abstract checkers along with the relevant abstracts of daily totals and consolidation sheets (see Article 390).

An Abstract checker should compare the totals of the Issue Lists with those in the abstracts, and in case of a discrepancy, flag the sheet prominently in which the discrepancy lies and include the discrepancies detected by him in his daily progress report book. He should also check the totals of the abstracts for each period noting the difference as a plus or minus entry below the totals. The closing numbers of the previous list and the list in hand of each office (Head and Sub-Offices) will be entered by the Abstract Checker at the top of the respective abstracts in order to see that the total number of money orders issued in a particular period for each office (by deducting the closing number of the previous lists from that of the list in hand) agrees with that shown by the Postmaster in the abstract. The abstract checker should tick-off

the entries of the number of money orders in the Abstract in case of agreement, the discrepancies being noted in the abstracts prominently by plus and minus entries as the case may be. When a discrepancy is noticed the Abstract Checker should check and verify by actual count the number of money orders issued. He should also see with reference to the closing number of the previous list that the commencing number of each list is correct and examine the sequence of the series of numbers of money orders issued in the Issue List and see that no break in the series of numbers has occurred. In case of such a break, the Postmaster should be asked to explain the cause thereof.

The Abstract checker should note the number, value and commission of Telegraphic Money Orders, in red ink, in the Abstract for both the periods with reference to the Issue Lists and carry forward the totals of these Telegraphic Money Order figures for the first period to the Abstract for the second period. He should also see that for each Telegraphic Money Order issued, Telegraphic requisition in ordinary Money Order form has been received along with the Issue List.

The Abstract checker should check commission on the Money Orders in the Issue Lists for those dates in a month, selected at random by the Gazetted Officer in charge (vide Article 395). He should see that the commission has been correctly entered relatively to the amount of each money order in the Issue Lists for these dates, that the totals of the 'commission' column are correct and that the omission of an entry of commission is duly explained by the letters P. S. or T. S. (Postal or Telegraph Service) or C. O. D. (trade charge money orders) or F. R. (family remittances). An additional check should be exercised to see that the total commission credited in the cash accounts always exceeds 1.25 per cent., and approximates to 1.5 per cent., of the total amount of money orders issued. The check should be exercised on the basis of circle figures, i.e., value of money orders including Postal Service, Telegraph Service, etc., money orders and the actual commission realised and credited.

While checking abstracts for the second period, the Abstract checker should also compare the figures of the first period with those brought forward from the first period into the abstract for the second period and bring to the notice of the Postmaster concerned all irregularities detected in the course of examination.

NOTE 1.—A register in manuscript with suitable columns showing the distribution of work among the abstract checkers should be maintained by the auditor and submitted to the Gazetted Officer in charge through the Accountant on the 9th and 25th of every month.

NOTE 2.—A test check of one or two offices selected at random should be done by the Accountant at the end of completion of audit of Issue List, in order to see that the Abstract Checker has carefully examined the sequence of the number of money orders issued. The result of the test check should be recorded in his Diary referred to in Article 518.

391-A. In order to see that the check regarding receipt of Telegraphic Money Order requisition in the Audit Office in support of the relevant entry in the Issue List prescribed in sub-paragraph 3 of Article 391 is properly exercised by the Abstract Checker, the Auditor of the Issue List group should on receipt of the Issue Lists and Telegraphic Money Order requisitions extract 2 per cent. of the Telegraphic Money Order requisitions from each bundle subject to a minimum of



one and list them in a separate register maintained in manuscript with suitable columns. The register together with the extracted Telegraphic Money Order requisitions should be kept in the custody of the Senior Accountant till the audit for the period is over. The Senior Accountant should then verify the requisitions with reference to entries of wanting requisitions made by the Abstract Checkers in their daily progress report book. They should then be made over to the Abstract Checkers for keeping them in the proper bundle after checking the corresponding entries in the relative Issue Lists. The register of abstracted requisitions should be submitted to the Gazetted Officer for review on the 25th of each month. The Telegraphic Money Order requisitions received with the Issue Lists will be filed in separate bundles.

NOTE.—To ensure that the abstraction of T.M.O. requisitions works upto 2 per cent. approximately, the total number of T.M.Os. issued during the corresponding period of the preceding month should be taken as the basis and entered in the manuscript register referred to in this Article.

392. Deleted.

393. (a) The Supervisor of the Machine group will receive the Issue Lists from the Abstract checkers and settle the discrepancies in respect of the sheets which have been flagged by them. The discrepancies, when checked by him, will consist of two classes:—

- (i) The operators' mistakes, and
- (ii) real difference, viz., short or excess credit afforded by Post-masters.

(b) He will make a note of all operators' mistakes in the Error Book, to be maintained by him, against the name of each operator. A separate sheet may be used for each month and the number of mistakes committed by each operator may be totalled each month and numbers of such mistakes brought forward month to month till the official year is closed. The operators may be given a chance of rectifying, out of office hours, the errors committed by them and the mistakes so rectified need not be entered in the error book. The rectification of the errors should be watched by the Supervisor, Machine group. The Error Book should be consolidated and submitted to the Accountant General, through the senior Accountant and the Gazetted Officer-in-charge on the 7th of every month (see also Article 408-E).

(c) He will note the real differences in the Abstract and the Issue Lists prominently by plus or minus entries for issue of necessary objection by the Summary Examiner.

(d) After the completion of the day's work, he should enter, in his diary, the number and nature of the discrepancies settled by him and also the cases of real differences found by him on checking and the facts of his making necessary entries in the Error Book or the abstract as the case may be. The Diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.

394. Deleted.

395. For the purpose of selecting the dates for the check of commission, a broadsheet should be maintained with two sub-columns for each month, one for each period of account. There need be only two horizontal lines, one for offices which render bi-monthly lists and the other for those which render daily lists. After the due date of despatch of

the lists of a particular period to the Audit Office and before the lists are taken up for audit, the Gazetted Officer in charge should enter at random the dates for which commission should be checked in detail. The check will be confined to the transactions of the dates prescribed, for the Head and Sub-Offices, in whatever period of accounts they are included. The checkers who check the money order commission for the dates selected by the Gazetted Officer should write the words "Money Order Commission checked" under their initials with dates on each of the lists so checked. The Supervisor should test-check at random that the lists selected by the Gazetted Officer have been so marked and initialled. The result of the check of Money Order Commission should be recorded in the broad sheet (against the entries of selected dates) and submitted to the Gazetted Officer for review, when the broadsheet is submitted for selection of dates for the following period. If the result of the check indicates serious irregularity in any office or an abnormal number of mistakes, the Gazetted Officer incharge should pass orders as to whether the list or lists should be completely checked.

395-A. For the purpose of seeing that service money orders are issued only for *bona-fide* departmental purposes, a test check should be carried out monthly. The Senior Accountant should select monthly 6 Head Post Offices and enter their names in a broadsheet to be opened in Manuscript as per specimen given below. From the issue lists of the offices so selected, he should pick out at random money orders not exceeding ten in number issued on Posts and Telegraphs service and note the particulars of the money orders in the relevant columns of the broadsheet. The Auditor of the Debit Check Section should satisfy himself by reference to the purpose of remittance as noted on the money orders themselves that they have been issued for *bona-fide* departmental purpose. If the purpose of the remittance is not noted on a money order it should be ascertained by a reference to the Postmaster concerned. Replies when received should be examined to see that the issue of a service money order was justified. The result of the test check should be noted against the entries in the broadsheet. The broadsheet should be submitted monthly to the Gazetted Officer through the Senior Accountant.

*Broadsheet showing the names of Head Post Offices and particulars of money orders issued on Posts and Telegraphs service selected for test check*

Serial No.	Office of Issue	Particulars of service money orders to be examined		Result of Auditor's examination	No. and date of reference to Postmaster	Remarks
		No. and date	Amount			



396. In examining the Issue lists of Field Post Offices or other offices to which, by special orders, the system of issue of money orders free of commission has been extended, the items against which the distinctive letters "F. R." are noted in the "commission" column of the Issue list, should be picked out and compared with the entries in the statement received from the Postmaster in respect of such free remittances. The commission realisable on the value of money orders entered in the statement should be carefully checked and totalled. The total amount of commission together with the number of money orders should then be entered according to each period of account in a register in Form No. A. G. P. T.-401, the figures for each office being separately noted. At the close of the month, the register should be totalled and a bill made out. The amount of the bill be debited to the Defence or other Department concerned by *per contra* credit to the head "Money Order Commission". The bill together with the certificate of the Commanding Officer will be sent to the Controller, Military Accounts concerned with the exchange account in which the debit is raised against him. The register in form A. G. P. T.-401 should be submitted to the Gazetted Officer for review on the last day of the month following the month of account.

397. Deleted.

397-A. Whenever any discrepancy is noticed, a communication in Form A. G. P. T.-400 should at once be made to the Postmaster concerned pointing out the discrepancy. An objection statement should be issued only when it is found on receipt of a reply to the communication that the mistake affects the credit in the cash accounts.

#### Audit of Issue Summaries

398. After the Completion of Audit of the abstracts for both the periods by the Abstract Checkers, they are made over to the Summary Clerks. Before the Summaries are taken up for audit, the total value and commission as shown therein should be agreed with the credit in the Cash Account under the heads "Money Orders issued" and "Commission on money orders issued" respectively and the auditor of the Postal Audit Section should mark the entries "agreed" and initial them.

398-A. (a) The audit of the summaries should be conducted in two stages, viz. (1) the totalling by machine of the monthly totals of the abstracts for the II period, and (2) reconciliation.

(b) The machine totalling of the Summaries is not required. The machine operator will go on with totalling the monthly totals including the *plus* and *minus* entries as shown in the II period abstracts for the Head Office and all the Sub-Offices under it and enter on slips of paper of a convenient size the consolidated totals for each Head Office, of the number, value and commission separately for ordinary and telegraphic money orders. Thus, in dealing with the abstracts the operator will have to total 6 items for each office, for example, if a Head Office has 20 Sub-Offices under it, he will have to total 126 items, including those of the Head Office.

Note.—For the purposes of outturn, the number of items done should be actually counted.

(c) The consolidated totals thus worked out are then compared by the Summary clerks with the corresponding totals in the Summary. The discrepancies, that may then be brought to light, are due either to the

operators' mistakes or to wrong totals in the Summary or to short or excess credits in value or commission. The discrepancies should be reconciled by the Summary clerks by comparing the entries in the abstracts with the corresponding entries in the Summaries. As no figures relating to telegraphic money orders appear separately in the Summaries, the Consolidated totals relating to them as prepared by the operator are not subject to further reconciliation.

NOTE 1.—In working out the actual outturn, the number of offices in the Summaries should be multiplied by 3 irrespective of the fact whether there is any transaction in an office or not.

NOTE 2.—Progress reports showing the number of summaries, the number checked daily and the number outstanding should be maintained by the Summary Clerks.

399. Any discrepancy found in the totals of the lists and brought out in the summary or discovered between the total of the summary and the credit in the cash account should be brought to the notice of the Head Postmaster in the form of an objection statement for adjustment.

NOTE 1.—If there is a difference in the credits for value with a corresponding difference in the credits for commission, no objection statement need be issued to the Postmaster, as the difference can be adjusted in the Audit Office between value and commission. Such items will be entered in separate register maintained for the purpose and a single transfer entry made in a month for each Postal Circle for the net difference.

NOTE 2.—See note under Article 478.

#### Statistics of Money Orders issued

400. The figures of the summaries, after they are checked, will be posted for statistical purposes in the Register of Inland and Telegraphic money order transactions for the month and Circle concerned (Form A. G. P. T.-402). The figures relating to telegraphic money orders will be shown separately. *vide* Article 503.

#### Audit of Paid Lists

401. The paid list contains details of the date of payment, number, office of issue and amount of each money order, telegraphic and non-telegraphic money orders being shown separately under the respective money columns. The money orders accompany the list arranged in the order of the entries in the list. The money column of the list is totalled daily and the total is transcribed in the Abstract of daily totals which accompanies the list for each period. The Abstract shows a total for the period and the total of the first period is carried over to the Abstract for the second period of the month to arrive at the monthly total. The monthly totals shown in the Abstracts for the second period of the month in respect of transactions of the Head Office and its several sub-offices are then transcribed into the Summary.

402. (a) The examination of the paid lists is conducted in three stages viz. (1) the arranging of the paid money orders, (2) the totalling, by machine, of the value of paid money orders, and (3) the reconciliation. The work in the first and third stages is done by non-machine workers while the work in the second stage is conducted by machinists on a Comptometer. The men employed to work in the three stages are respectively called (1) the arrangers, (2) the machine operators, and (3) the reconcilers, counters and miscellaneous checkers.



(b) The work of reconciliation is done in three stages—(i) reconciliation of discrepancies, (ii) counting, and (iii) other incidental items of work—by three sets of men called reconcilers, counters and miscellaneous checkers respectively.

#### Arranging the Paid Money Orders

403. On receipt of the Money Order Paid returns from the Post Offices through the Record Department, the distributing auditor in the Paid List Section will make over the Paid Lists together with the bundles of Paid Money Orders and the Abstracts of daily totals, to the arrangers in the usual way through a Distribution Register (A. G. P. T.-406).

NOTE.—Paid Lists containing not more than 10 items should be made over, together with the relative abstracts and Paid Money Orders, to the reconcilers for examination by mental process without being handled by the arrangers and machine operators.

404. The duties of the Arrangers are—

- (a) To see that the Paid Lists, the Paid Money Orders and the Abstracts received are intended for the Home Audit Office concerned;
- (b) To compare the Paid Lists and Abstracts with the printed slip, received with the paid returns, showing the names of sub-post offices, arranged alphabetically under each Head Office, and to arrange accordingly if found misarranged;
- (c) To separate the Paid Lists, the Abstracts and the Paid money order bundles of the different months of issue (current, previous and next month);
- (d) To arrange the paid money orders in order of their dates of payment for each Office (Head and Sub), the Money Orders relating to Sub-Office payments being also arranged alphabetically; and
- (e) Finally to arrange the paid money orders in convenient batches of 50 to 100, separating slips being used to prevent different batches being mixed up. This work is done in accordance with the principles laid down in Article 405.

NOTE.—In the case of Post Offices rendering daily returns, the work of the first and third stages is done without the abstract of daily total, which is generally received later.

405. (a) In the case of big Head Offices, the paid money orders, which are entered in 2 or 3 sheets of the paid lists, should form one batch and a separating slip should be placed just after the money order relating to the last entry of the 2nd or 3rd sheet concerned as the case may be.

(b) In the case of the money orders paid by pay order in the Head and Sub-Offices and also in the cases of Revenue and Government Money Orders, the paid money order vouchers should be arranged in batches of 50 or so either by combining the vouchers of smaller pay order or R. M. O., or G. M. O., lists or by splitting up those of big pay order or R. M. O., or G. M. O., lists in convenient batches as in clause (a) above, care being taken that the last voucher in the batch corresponds with the last entry of the sheet of the pay order or R. M. O., or G. M. O., lists concerned.

409-B. In the second stage of the work the machine operator, in respect of each Head Office and all its sub-offices, strikes a total of the monthly totals (including the corrections) as shown in the abstracts for the II period, separately showing the consolidated total of the number and value of ordinary money orders paid as well as of telegraphic money orders paid. This abstract, prepared by the operator for each office, will thus consist of 4 items,—viz., the number of ordinary money orders and their value and the number of Telegraphic Money orders and their value, so that if a Head Office has 20 Sub-Offices under it, the operator will have to total 84 items including those of the Head Office. The number of items for outturn should, however, be obtained by actual count as it may sometimes happen that no telegraphic money orders are paid at a particular office during a certain period.

409-C. The consolidated totals of the number and value of money orders as prepared by the operator in the second stage (vide Article 469-B) are compared by the Summary clerks with the totals in the Home Audit office columns of all the Summaries including the Foreign Summaries received from the other Audit Offices. The discrepancies, that may then be brought to light, are due either to the operator's mistakes or to short or excess charges. These discrepancies should be reconciled by comparing the entries in the abstract with the corresponding entries in the Summaries. As no figures relating to the Telegraphic money orders appear separately in the Summaries, Consolidated totals relating to them as prepared by the operator are not subject to further verification or reconciliation.

NOTE 1.—For the purpose of outturn, the number of offices in Summaries should be multiplied by 2 irrespective of the fact whether there are any transactions or not; but in the case of summaries audited in respect of money orders paid preceding credit, only those offices which have any transactions should be multiplied by 2.

NOTE 2.—The Summary clerks should maintain progress reports showing the number of summaries and extracts from summaries received and the number checked daily by them and the number outstanding. In addition, the number of items dealt with as per Note 1 should also be noted.

410. The Summary clerk should also see that the total shown in the Foreign summary agrees with the corresponding total in the Home summary. Any discrepancy noticed in the course of this verification should be noted as a plus or minus entry below the total shown in the Foreign summary and a note of agreement made and signed by him against the total. He need not check the grand total by cross-totalling the columns 2 to 5 but he will see that the grand total of each summary is agreed with the charge in the Cash Account under the head "Money orders paid" for the month of issue concerned.

411. A certificate of agreement will be obtained from the auditor in the Postal Accounts Section who will mark the grand total 'agreed' placing his initials below the entry. In cases of disagreement, if the aggregate charge in the cash account agrees with the aggregate amount as exhibited in the summary, the figures of each month of issue as entered in the summary, should be posted by the auditor in the Classified Abstract irrespective of the amounts shown in the cash account, the remarks "agreed with the cash account" being made in the summary under his initials with date. When, however, there is a discrepancy between the aggregate amount as entered in the cash account and that shown in the summary, the amount of discrepancy should be taken in the Classified



Abstract against the head "Issues of current month" so that the total amount included in the Classified Abstract on account of money orders paid during a month may always agree with the total amount charged in the cash account of the month. In cases of such discrepancies, the following note should, however, be made by the auditor in the money order summary against the total amount relating to the current months' issues: "taken as Rs. . . . in the Classified Abstract".

**Note.**—Any difference between the grand total of the consolidated Home summary and the charge in the cash account should be taken to relate to the Home Circle figures, the Foreign Circle totals being regarded as having agreed with the cash account.

412. The totals of the Foreign summaries should be entered in a Register (Form A. G. P. T.-409) and the summaries forwarded within a week of their receipt to the Foreign Audit Office concerned for audit and record. An advice of transfer debit will also be sent to the Foreign Audit Office for the total of the Foreign summaries pertaining to that office, debiting the amount to 'money order remittance' and crediting the Inland money order head (by deduction from debit) for the month of issue concerned.

The Foreign summaries received from the other Audit Office should be checked in the same way as the Home summaries. The amount transferred on this account by the Foreign Audit Office by means of an advice of transfer debit will be entered in a register (Form No. A. G. P. T.-409) and adjusted by credit to 'money order remittance' and debit to the Inland money order head for the month of issue. Any discrepancy found on examination of the Foreign summaries will be pointed out to the Postmaster of the Foreign Circle concerned by means of an objection statement.

413. An objection statement will be issued to the Postmaster concerned for any discrepancy noticed in the audit of summaries and an enquiry will at the same time be made of the other Audit Office in printed half-margin memo. (Form No. A. G. P. T.-408) as to whether there is a corresponding, or any difference in the accounts rendered to that office. When the amount of the discrepancy exceeds Rs. 25, a telegraphic reference (in Code words) will be made to the other Audit Office. If the reply which is also telegraphed (in Code words) does not reveal any corresponding difference, an objection statement will be issued to the Postmaster.

**Note 1.**—Differences in the amounts charged for different months of issue which do not affect the aggregate amount charged in the cash account for all the months of issue, are not pointed out to the Postmaster, but are adjusted in the Audit Office. The Summary clerk enters the particulars of the corrections rendered necessary between different months of issue in a register which will be totalled monthly. A transfer entry will then be made for the rectification of classification shown in the cash account, as the Postmaster's totals of the summaries corresponding to the several parts of the paid list are verified with the cash account entries.

**Note 2.**—See Note under Article 478.

#### Statistics of Money Orders Paid

414. For statistical purposes, the figures of Paid summaries (Home and Foreign) relating to the total number and value of paid money orders issued in the Home Circles are entered separately for office and each Postal Circle of payment, in a register to be maintained in Form A. G. P. T.-402, the transactions relating to telegraphic money orders being recorded in a separate column, vide Article 503.

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**NOTE.**—The fact combining and splitting up pay order, R.M.O. and G.M.O. lists by the arrangers should be noted by them in the Paid List concerned, for information of the Reconcilers, this note being indicated simply by a horizontal line in red ink drawn after the last item of each batch.

(c) In the case of Sub-Offices, the vouchers should be arranged according to dates of payment, when the number of money orders paid in a day is about 50.

(d) In the case of big Sub-Offices when the number of money orders paid in a day exceeds 100, the money orders should be arranged as in clause (a) above.

(e) In the case of Sub-Offices with small number of transactions, the vouchers relating to the entire period of account should be arranged in one batch provided the number of money orders for that period is about 50. If the number exceeds 100, the procedure in clause (a) above should be followed.

(f) In the case of money order paid returns relating to Foreign Audit Circles, the money orders for the whole office (Head and Sub Offices combined) should be arranged in one or two batches of about 50 vouchers, necessary care being taken to see that the last money order of the batch corresponds with the last entry in the Paid List sheet concerned.

(g) In the case of offices where the number of paid money orders in a day or for several days together does not exceed 100, vide, clauses (e) and (f), the arrangement of money orders in batches of 50 to 100 should be made with reference to the Abstract of Daily Totals where necessary.

406. In course of arranging, an arranger should—

- (i) forward, to the Foreign Audit Office concerned, the Foreign Circle Money Orders or bundles thereof, if traced by him as received without being charged in the Home Audit Paid list;
- (ii) issue calls, ordinary and telegraphic, in case a part of the paid list or bundle of paid money orders be wanting;

**NOTE.**—A pay order or R.M.O., or G.M.O., list should be reckoned as a part of the paid list for the purpose of this rule.

- (iii) issue letters to the Postmasters concerned, noticing irregularities in the preparation and submission of paid list, paid money orders, etc.;
- (iv) bring to the notice of the Postmasters concerned or other higher Postal officials, other irregularities which generally occur in the preparation and submission of Revenue Money Orders and lists thereof.

407. When the arranging of the paid money orders is completed, the arranger should place a slip (Form A. G. P. T.-405), duly filled in, on each money order bundle containing not more than 1,500 vouchers, the number of money orders in each bundle being ascertained with reference to the total number of money orders entered in the abstract of daily totals.

The paid lists and abstracts should, after the arrangement is completed, be made over to the Distributing Auditor for safe custody so that the machine operators may not have access to them.



A note should also be recorded in red ink under the initials of the arrangers on the back of the last page of the list showing the name of the office of payment, the month or months of issue and payment, the period or date of account and the number of money orders, thus:—

"Dacca I Period  $\frac{\text{May}}{\text{June}} = 500$ , the numerator denoting the month of issue, and the denominator the month of payment".

#### Totalling by Machine

408. (a) On receipt of bundles of arranged paid Money Orders, through the distributing auditor, the machine operators will go on with totalling the values of paid money orders. Whenever a separating slip is reached or the last batch in a bundle is finished the machine should be stopped and the totals, as recorded therein, should be noted by dates or in lump, as the case may be, against each (Head or Sub) Post Office, on slips or paper of a convenient size. In case, however, of Head and Sub-Offices, where the daily transactions run through several pages in the Paid Lists and the Paid Money Orders of a date are arranged in more than one batch, a consolidated total for each date should also be cast by the operator. Thus the machine operators will prepare an abstract of daily totals independently of the totals shown by the Postmasters either in the paid list or the Abstract of daily totals.

(b) Before or after using the machine, the machine operators are required to see to the general outlook of the Paid Money Orders as to their genuineness and to see that there has been no tampering with the dates of payments of the money orders. They are also required to see that no money order or a portion thereof has been so badly mutilated as to render the money order valueless as documentary. Such Money Orders should be entered in a register to be maintained in manuscript with suitable column and brought promptly to the notice of the Gazetted Officer-in-charge through the Senior Accountant, Money Order Section for orders. Further action taken should also be noted in the register.

(c) The following classes of irregularities, which the machine operators generally come across in their work, should be reported by them to the Postmasters concerned:—

- (i) Indistinct impression or non-impression of oblong money order stamp on payment.
- (ii) Non-detachment of acknowledgment portion of money orders.
- (iii) Non-entry of the value of the money order in the 'amount' cage.
- (iv) Illegibility or non-impression of oblong order stamp on issue of money orders, in which cases telegraphic communications are made to the paying Postmasters to ascertain the office of issue of the money order.

NOTE.—Cases in which memos of admission of payment are received instead of paid money orders and do not contain the payee's signature, should be brought to the notice of the reconciler for report, if necessary, to the Head of the Circle concerned.

(d) In the 'remarks' column of the daily report book the machine operators should note the cases of misarrangement of money orders by the arrangers.

operators' mistakes or to wrong totals in the Summary or to short or excess credits in value or commission. The discrepancies should be reconciled by the Summary clerks by comparing the entries in the abstracts with the corresponding entries in the Summaries. As no figures relating to telegraphic money orders appear separately in the Summaries, the Consolidated totals relating to them as prepared by the operator are not subject to further reconciliation.

NOTE 1.—In working out the actual outturn, the number of offices in the Summaries should be multiplied by 3 irrespective of the fact whether there is any transaction in an office or not.

NOTE 2.—Progress Reports showing the number of summaries, the number checked daily and the number outstanding should be maintained by the Summary Clerks.

399. Any discrepancy found in the totals of the lists and brought out in the summary or discovered between the total of the summary and the credit in the cash account should be brought to the notice of the Head Postmaster in the form of an objection statement for adjustment.

NOTE 1.—If there is a difference in the credits for value with a corresponding difference in the credits for commission, no objection statement need be issued to the Postmaster, as the difference can be adjusted in the Audit Office between value and commission. Such items will be entered in separate register maintained for the purpose and a single transfer entry made in a month for each Postal Circle for the net difference.

NOTE 2.—See note under Article 478.

#### Statistics of Money Orders issued

400. The figures of the summaries, after they are checked, will be posted for statistical purposes in the Register of Inland and Telegraphic money order transactions for the month and Circle concerned (Form A. G. P. T.-402). The figures relating to telegraphic money orders will be shown separately, vide Article 503.

#### Audit of Paid Lists

401. The paid list contains details of the date of payment, number, office of issue and amount of each money order, telegraphic and non-telegraphic money orders being shown separately under the respective money columns. The money orders accompany the list arranged in the order of the entries in the list. The money column of the list is totalled daily and the total is transcribed in the Abstract of daily totals which accompanies the list for each period. The Abstract shows a total for the period and the total of the first period is carried over to the Abstract for the second period of the month to arrive at the monthly total. The monthly totals shown in the Abstracts for the second period of the month in respect of transactions of the Head Office and its several sub-offices are then transcribed into the Summary.

402. (a) The examination of the paid lists is conducted in three stages viz. (1) the arranging of the paid money orders, (2) the totalling, by machine, of the value of paid money orders, and (3) the reconciliation. The work in the first and third stages is done by non-machine workers while the work in the second stage is conducted by machinists on a Comptometer. The men employed to work in the three stages are respectively called (1) the arrangers, (2) the machine operators, and (3) the reconcilers, counters and miscellaneous checkers.



(d) The short or excess totals by the Postmasters or by the machine operators are settled by checking the totals of the Paid Lists by mental process.

(e) To facilitate check the reconcilers should see the note made by the arrangers in respect of the arrangement of the Money Orders, in the Paid Lists, Consolidation sheets or Abstracts. The manner of settlement of each discrepancy should be noted on the reverse of the relevant manuscript slip prepared by the machine operators.

408-B. The reconcilers are required to—

- (i) Compare the first period abstracts when dealing with those of the second period and to check the grand total of the amount column of the second period abstracts ;
- (ii) Notice irregularities to the Postmaster on receipt of a currency expired money order along with current money orders ;
- (iii) Report to the Head of the Circle (in Form A. G. P. T-404) cases, pointed out by machine operators, in which memos. of admission of payment do not contain the payee's signature unless the Head of the Circle has already intimated orders on them to the Audit office ;
- (iv) Forward Foreign Circle money orders to the Audit Office concerned when received without being charged ;
- (v) Notice irregularity to the Postmaster for the Home Circle money orders received without being charged and issue enquiry memos. relating to the same to the Foreign Audit Offices ;
- (vi) Prepare check slips (Form A. G. P. T-403) for the wanting money orders and keep them in the proper bundle and call for them from the Postmaster by issuing objection statements and issue enquiry memos. in Form A. G. P. T-403(a) relating to the same to the Foreign Audit Offices ;
- (vii) Notice irregularities (Form A. G. P. T-400) to the Postmaster in case of discrepancies (short or excess charges) in the Paid list, adjusted by them by addition to or deduction from a subsequent date's totals, instead of by charge or credit in the cash account ;
- (viii) Notice irregularity statement to the Postmaster for other irregularities in respect of paid money orders and lists which may be detected in course of examination ;
- (ix) Note on the paid money orders concerned, the amount actually charged in the paid list for the guidance of the debit checkers in the case of short or excess charge found after comparison ; and
- (x) Note the result of his day's audit in the remarks column of his daily report book.

#### Counting

408-C. (a) After the reconciliation of discrepancies is finished the paid lists and the abstracts together with the bundles of paid money order vouchers are made over to the Counters through the distributing auditor.

## (b) The Counters are required to—

- (i) Count the number of vouchers from the entries in the paid lists and note the discrepancies, if any, against the corresponding entries in the abstract by plus and minus entries and correct the number of money orders shown on the slips (Form A. G. P. T.-405) placed at the top of the bundle by the arrangers;
- (ii) The Counter will sign below the Arranger's Docket, prescribed in Article 407, in token of his having counted the number of Money Orders in the paid lists, and will put the correct numbers of Money Orders found by counting and also the number of bundles despatched to the sorting group;
- (iii) The Counter will enter daily in a Memo. (Form A. G. P. T.-407) the number of paid orders to be transferred to the Sorting Group, a separate memo. being used for each month of issue, as well as for each month of payment. The distinction according to month of issue will be apparent from the colour of the Form used. The entries in the memo. will be made from the details on the "Slip" (A. G. P. T.-405) mentioned in clause (i). The Counter should affix his initials against the entries made by him.

## Miscellaneous checking

## 408-D. The miscellaneous checkers are required to—

- (i) Note in the second period abstracts the number and amount of Telegraphic Money Orders, as shown in the first period;
- (ii) Fill up the gaps in the paid list, if any, in respect of the names of the office of issue of money orders with reference to the paid money orders;
- (iii) Note the number and amount of the Telegraphic Money Orders in the abstract from the paid list for statistical purposes, check the grand total of the numbers and cast the grand total of the number and amount of the Telegraphic Money Orders in the second period abstracts;
- (iv) Issue reference to the Postmasters for wanting lists and other irregularities in connection thereof;
- (v) Prepare in manuscript wanting paid lists, if any, with reference to the paid money orders.

408-E. The Supervisor of the first and third stages of work in the Paid List Section will be to advise and help the arrangers and the reconcilers in their work whenever they experience any difficulty. He will train any new men posted to these two sections in their work.

Daily he should fully review the work of one reconciler to see that the checking of the Postmaster's abstract of daily totals with those prepared by the machine operators has been correctly done. He should also check carefully in detail six items of discrepancies noted by the reconcilers as 'machine operators' mistakes', entering the facts of these daily checks in the diary to be maintained by him. The Diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.



At the end of the day he will collect from the reconcilers all the operators' manuscript slips that have been completely examined and see that the discrepancies noted therein in red ink have all been settled and a note to that effect together with the manner of adjustment has been recorded on the reverse of the slips concerned. In cases of doubt he should go through the Paid List and Abstracts of daily totals and ascertain whether the particular adjustment has been correctly made. He will maintain the forecast register with reference to the rates of work of the Paid List group. The mistakes of the operators in totalling the values of paid money orders should also be noted by him daily in the Error Book of Machine Operators maintained by the Supervisor comptometer group according to clause (b) of Article 393. The entries in it should be made with reference to the remarks made by the reconcilers in settlement of the discrepancies in the Operators' slips. For this purpose he should open separate columns in the Error Book. The Memorandums of Money Orders made over to Sorting Group [see clause (iii) of Article 408-C] should be collected, totalled and also initialled by the Supervisor before their despatch to the Sorting Group every day. In case the total number of mistakes shown as due to machine operators' mistakes falls short of 6 items in a day, the actual number available for the day should be checked in detail.

#### Audit of Summaries of Money Orders paid

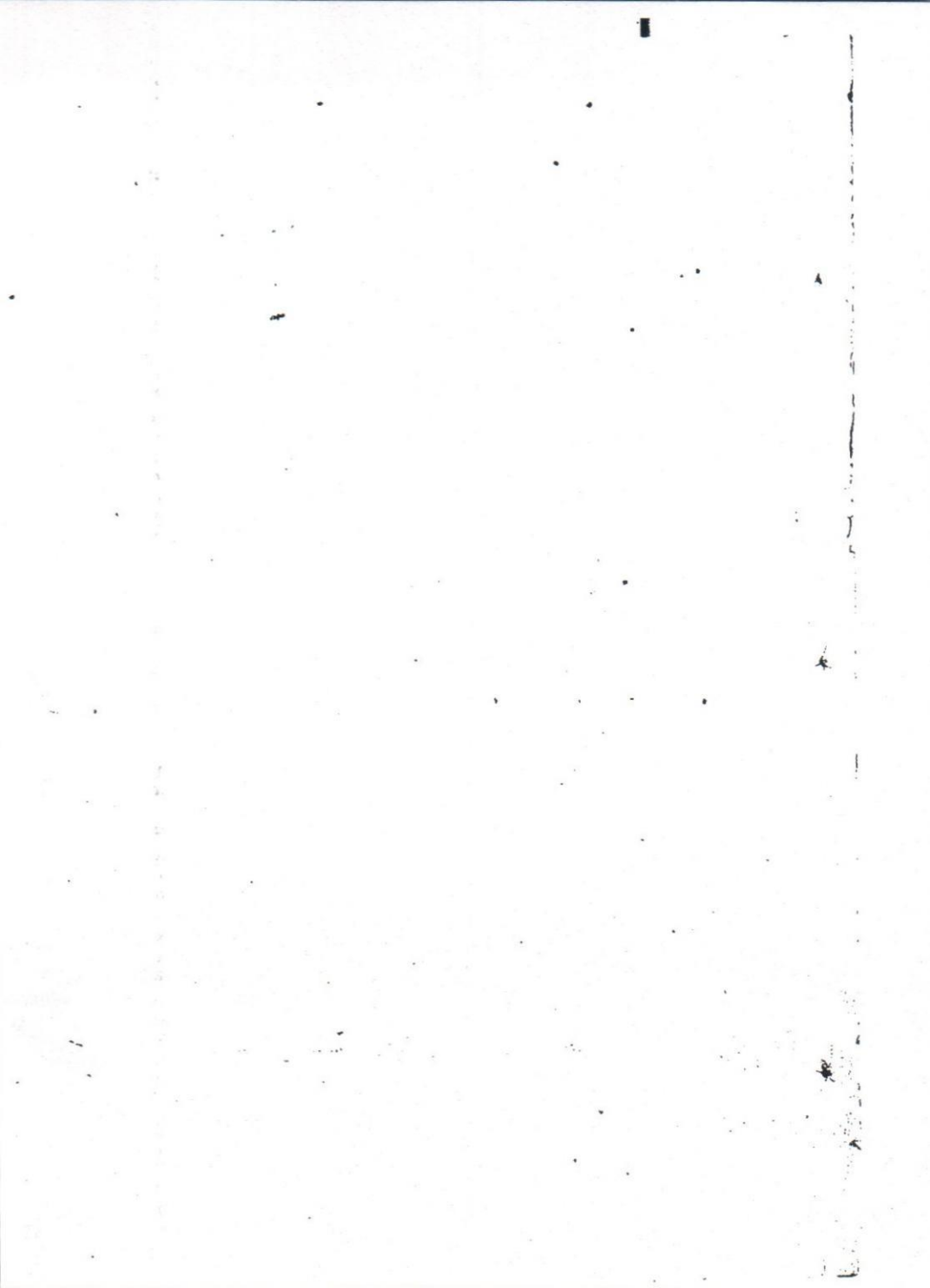
409. As stated in the Note to clause (6) of Article 387, the Summaries of money orders paid, intended for several Audit Offices, are all received together in the Home Audit Office, separately for each month of issue. The Audit of these summaries is conducted in three stages, viz., (1) Cross-totalling by the machine of the totals of the several columns of the Summaries, (2) machine totalling of the monthly totals as worked out in the abstracts for the II period and preparation by the operator of Consolidated totals of amount and No. of money orders; and (3) reconciliation.

The work in the first and second stages is done by the machine operator while the work in the third stage is done by non-machinists called the Summary clerks.

409-A. After getting the certificate of agreement from the Auditor, Postal Audit Section, of the grand total with the charge in the Cash account as laid down in Article 411 below, the Summary clerk will make over the Home summaries to the operators for doing the first stage of Summary Audit. A cross-total of the totals in columns 2 to 5 of the Home Summaries is struck by the machine operators and agreed with the grand total in column 6 thereof as given by the Postmaster. In the case of a disagreement, the difference should be reconciled by a reference to the figures for all the Audit Offices as shown in the Summary for the Home Audit Office and noted as a plus or minus entry below the respective totals shown by the Postmaster in the Home Summary. This reconciliation should be effected before the despatch of the summaries to the respective foreign audit offices. The number of items of the operators' daily outturn should be obtained by actual count of the number of columns in all the summaries dealt with by him and of the number of items he was required to agree in the process of reconciliation.

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### Sorting of Paid Money Orders

415. The work of sorting paid money orders is done in four stages :—

First stage—sorting according to Head Offices of issue.

Second stage—sorting according to Sub-Offices of issue.

Third stage—arranging of the sorted orders under each head or sub-office according to the serial numbers of the orders.

Fourth and final stage—counting, bundling and labelling.

The sorting of paid money orders should be completed on the dates noted below :—

1st period	...	...	...	18th of the next month.
2nd period	...	...	...	3rd of the second month following

416. Each bundle of money orders received from the Paid list group is examined by the Supervisor to see that the number of vouchers shown on the slip placed on the top of the bundle agrees with the corresponding entry in the Memo. (Form A. G. P. T.-407). The Supervisor should note against each entry in the Memo, the names of sorters among whom the vouchers will be distributed for counting, keeping in view that each sorter may get approximately 1,000 vouchers. The vouchers will then be distributed among the sorters for sorting.

A progress register for each sorter should be maintained in Form A. G. P. T.-410.

417. The sorter will verify, by actual counting, the number of vouchers noted in the Memo, and then sort the money orders by Head Offices of issue with reference to the money order name-stamp impressed at the top of each money order. The sorted bundles will be collected by the distributors from each sorter, and after necessary entries have been made in the progress register, the sorted orders will be collected in a receptacle for each Head Office.

NOTE 1.—At the commencement of a period, there will always be 6 days' accumulations of paid money orders, as the interval between the commencement of paid list examination and that of sorting for a period is ordinarily 6 days.

NOTE 2.—In order to avoid the mixing up of money orders issued in one month with those issued in another, the sorting in all stages is done by sets of men. If the distribution of work requires the same man to deal with different months of issue, great care should be taken at every stage of the work to keep one month's issues apart from another month's, bundles for one month being disposed of before those of another month are taken up.

418. Each sorter is next allotted a certain number of Head Offices and is required to sort the orders according to the several Sub-Offices under each Head Office and then serially arrange them for each Head or Sub-Office of issue.

The sorted bundles will be detained in the Sorting group and added to from day to day as the daily despatches are received from the Paid list group and the whole list kept serially arranged until the last despatch for the period concerned has been received. All the bundles will then be amalgamated into a main bundle, serially arranged.

419. The orders for each Head Office including its Sub-Offices will next be counted by hundreds, placed crosswise and bundled, the total number in each bundle being noted on a slip in Form A. G. P. T.-411 placed at the top and signed by the Head Sorter, showing (1) the Head Office of issue, (2) the number of paid orders, (3) the month of issue, and (4) the month of payment, with the sorter's initials.



420. The number of orders contained in the bundle or bundles for each Head Office, as shown in the slips, will then be posted by the Head Sorter against the names of the respective Head Offices of issue in the sorting broadsheet [Form No. A. G. P. T.-412 (a), etc.]. A separate broadsheet should be used for each month and Postal Circle of issue of money orders. The totals of the Circle broadsheets are consolidated at foot of that for the "principal" Circle and the grand total arrived at in the broadsheet for the principal Circle is compared with the grand total of all the Paid list broadsheets. The difference between the two totals is explained in a separate sheet of paper and a report submitted to the Gazetted Officer in charge through the Senior Accountant.

Note.—Before the agreement of the Sorting Broadsheet is taken up, the Head Sorter should see that the number of money orders extracted for test debit check according to Article 429-A, has been noted thereon by the Accountant Debit Check Group, under his dated initials.

421. The serially arranged bundles for each Head Office together with the respective broadsheets for each period of payment are then made over to the debit-checking group for audit. The bundles and the broadsheets are kept distinct for each month of issue. For this purpose, the broadsheets are maintained in three distinctive colours, viz., Brown, Red and Yellow.

421-A. Each of the Head and the Assistant Head Sorters should maintain a diary to record his daily work. He should also review the work of two sorters daily by rotation. The result of the review should be duly recorded in his diary which will be submitted to the Senior Accountant daily and to the Gazetted Officer every Wednesday.

Note.—The Accountant General may, at his discretion, allow a head sorter or an Assistant head sorter to review the work of one sorter only instead of two.

#### Money Orders Mis-sorted by the Post Office

422. It may happen that a money order issued within the area of a Foreign Circle of audit may erroneously be received with the Paid list. The mis-entry of such an order in the Paid list is detected in the course of sorting or by the debit-checker. If the sorters work properly, such money orders should inevitably be intercepted by them, in which case the orders should be made over to the Head Sorter. The latter will enter them in a register and send it along with the vouchers to the Paid list group for verification of the charge. The Paid list examiner will record a certificate of verification on the vouchers and make over the register and the vouchers to the Remittance auditor for transmission to the Foreign Audit Office concerned with an advice of transfer in Form A. C. G.-77. The advices of transfer debits for money orders mis-sorted by the Post Office should be recorded in a remittance register in Form A. G. P. T.-409 and despatched to the Foreign Audit Office concerned twice a week. The number and date of the advice of transfer will be noted in the register of money orders mis-sorted by the Post Office in Form A. G. P. T.-413 against the entries and the register returned to the Sorting group. At the end of the month, the remittance register will be totalled and the total amount adjusted by debit to 'Money Order Remittances' and credit to 'Inland Money Orders' by deduction from debit.

423. The Audit Office receiving the money orders with the advices of transfer debit will also enter them in a remittance register in Form

A. G. P. T.-409 and at the end of the month will make the necessary adjustment in its accounts by debit to 'Inland Money Orders' and credit to 'Money Order Remittances'. Such money orders will not be made over to the debit-checkers, but will be dealt with by the special clerk entrusted to receive them, who will check payments against issues in the Issue list, encircling the entries of amounts and marking them with the letter 'D' (Dacca), or 'L' (Lahore), as the case may be, to indicate the Audit Office from which the money orders were received, and file the money orders after audit with the respective advices of transfer. The accountant in charge of the Remittance group should record these advices of transfer, after satisfying himself that the money orders were audited properly.

#### Misclassified Money Orders

424. If, in the course of sorting, a money order pertaining to a month of issue is found in a bundle of money orders relating to a different month of issue, the money order will not be removed from that bundle, but will be placed at the top of that bundle so that the necessary adjustment may be made by the Debit-checking group.

*Note.*—Bogus money orders are also liable to be detected by the sorter at this stage. If the number assigned to such an order does not fall in the series in which the genuine money orders are issued on that date, or the same number appears for two money orders issued on a certain date, the sorter should at once take them to the Head Sorter who should forthwith make them over through a transit register to be opened for the purpose to the Supervisor Debit Check Section for necessary action.

#### Debit checking or checking Payments against Issues

##### *Process of debit-checking*

425. Each debit-checker will be allotted a certain number of offices for debit-check and will receive from the Sorting group the bundles of paid money orders relating to his portion, no matter in what months they are issued, and sign the corresponding entries in the sorting broad-sheets in the column provided for the purpose. As the bundles are tied up in hundreds and kept crosswise, he will count the hundreds and tally the number with the entry on the slip placed on the top of the bundle. If any discrepancy is discovered, it will be brought to the notice of the auditor in charge, who will settle the difference in communication with the Head Sorter.

Each debit-checker will be allotted different offices in different months. The selection of offices will rest with the Senior Accountant in charge of the Section and for this purpose a broadsheet showing the distribution of offices among the debit-checkers during the several months should be maintained by him. The selection should be so arranged that no debit-checker may be in a position to have any idea of the offices to be assigned to him in a particular month.

*Note.* When receiving a bundle of sorted orders, the checker should see whether the months of issue of money orders agree with the months noted on the slips placed on the bundle.

426. If, in the process of debit-checking, it is found that certain orders have been mis-sorted as to Head Offices of issue, these will be transferred to the proper checker by making entries in the plus and



minus columns of the broadsheet or sheets, as the case may be, his initials being taken against the plus entries, while the checker, who transferred such orders, will initial the corresponding minus entries.

427. If, in the course of debit-checking of money orders relating to a month of issue, certain money orders relating to a different month of issue are found, a note should be made on them of the incorrect month's bundle with which they were received. They must, after check in the Issue list concerned, be transferred to the Assistant Auditor for entry in a register in Form A. G. P. T.-413 and for rectification of the classification in the Paid lists and of the cash account figures. The entries in the register will be totalled each month and a transfer entry made by debiting the correct months of issue and crediting (by deduction from debit) the months of issue under which they were wrongly classified in the cash account.

Some Money Orders may also be found the credits for which cannot be traced in the Issue Lists in consequence of incorrect or illegible entries in them or due to defective or incomplete particulars. Such money orders which are called miscellaneous money orders are made over to the Assistant Auditor who will make an attempt to check those money orders against issues. If he fails in his attempts action should be taken to obtain complete particulars of these money orders and then to debit-check them.

The misclassified money orders after rectification and the miscellaneous money orders after being debit-checked should be made into separate monthly bundles and arranged according to offices of issue.

428. The broadsheets will be retained by the Auditor in files arranged according to dates of their receipt. When a month's accounts have been finally audited, the broadsheets and money orders relating to that month will be made over to the Record clerk; they should be destroyed under the Accountant General's orders after the prescribed period.

429. In debit-checking a money order in the Issue list, the checker will compare the number of the money order and the amount as entered by the post office (in figures and in words) with the corresponding entries in the Issue lists, and mark against the amount in the latter, the letter of the alphabet be assigned to each individual checker with a coloured pencil in token of having thus debit-checked the money order. The entries in the Issue list for money orders paid in different months (which are received in separate bundles—see Article 419) will be ticked off in different colours thus—

Blue—indicating payments in the month of issue.

Green—indicating payments in the next month.

The checker will also note any difference between the amount of the paid money order and the credit in the Issue list in remarks column of the list and issue an objection statement to the Head Postmaster pointing out the short or excess payment.

NOTE 1.—Money orders paid in the month preceding the month of credit will also be debit-checked in blue pencil.

NOTE 2.—The debit-checker should take into account any red ink note made by the Paid list examiner on the money order showing the amount charged in the paid list.

**NOTE 3.**—When a difference is found between the amount of a money order and the credit in the Issue list, the debit-checker will, before entering the difference in an objection statement, re-check the total of that page of the Issue list to satisfy himself that the incorrect credit entered in the Issue list has been included in the total of that page and that the total has been carried over to the next page. He should also take into consideration any entries that may have been made by the Issue list Examiner on the list.

**NOTE 4.**—In debit-checking, the telegraphic money order receipts are treated as ordinary money orders.

**NOTE 5.**—Should the debit-checker find any money order pertaining to a Foreign Circle of Audit, he will hand it over to the Auditor who will transfer it to the Head Sorter, obtaining his receipt for the same on the Head Office sorting broadsheet with which it was originally received.

**429-A.** In order to test the accuracy of the work done in the "Debit-check" group, the Accountant should, just after the I stage sorting, viz., Head Office Sorting, abstract approximately at the rate of four money orders for every 1,000 money orders from the receptacle for each Head Office, so that the number, so abstracted may work up on the aggregate to .4 per cent. of the total number of the transactions for all the offices taken together. He should keep them with him under lock and key till the issue lists for the period have been debit-checked. For the purpose of ascertaining that the abstracted money orders work up to the required percentage on the aggregate they should be entered in a register (Form A. G. P. T.-413-A) maintained for this purpose, and their number should be counted and agreed with that arrived at by calculating 4 per thousand on the total number of money orders entered in the Paid list broadsheet for the period, and a record of this agreement should be made in the register of the abstracted money orders below the entries for the period. The abstracted money orders should then be debit-checked and it should be seen whether these money orders appear as unpaid or not. If any of these money orders is marked by the debit-checker as paid, the matter should be brought to the notice of the Gazetted Officer for necessary disciplinary action. The register of abstracted money orders should be kept confidentially with the Accountant, and submitted to the Gazetted Officer every month after the debit-checking of the period is completed. The mistakes of debit-checkers found out at the time of test check should be entered in an Error Book maintained for this purpose. This Error Book should also be utilised by the Ledger Group for noting the errors and omissions of debit checkers revealed by the examination of the bundles of paid money orders, referred to in Note 3 to Article 459. The Error Book should be submitted monthly to the Head of the Office through the Senior Accountant and the Gazetted Officer-in-Charge. The auditor in charge of the correspondence group will submit to the Accountant, Debit-Check Group all cases in which a call or reference is received for a particular money order reported as unchecked by the clerk dealing with such calls.

**NOTE 1.**—In the work of the test debit-checking the Accountant may have the help of an auditor but abstraction and debt-checking (30 money orders per day) by way of supervision should be done by the Accountant himself.

**NOTE 2.**—The Accountant, Debit Check group, should note the total number of money orders extracted in the Sorting Broadsheet for the period and attest the same with his dated initials.

**430.** The conversion of sterling value into rupee currency in respect of Foreign sterling money orders is checked by the Examiner of the Foreign money order list, vide Articles 522 and 533. The debit-checker should



take into consideration any note or correction made by the Examiner of Foreign money order lists either on the outward money order or in the inward money order list and issue an objection statement, if necessary. The conversion of the sterling value should, of course, be checked by the Auditor and the Accountant when the objection statement is passed. If no note or correction appears on an outward sterling money order, the amount of value in rupees as noted by the Postmaster will be compared with the entry in the Issue list.

431. It happens that the credit for a Telegraphic money order cannot be traced in the Issue list in consequence of incorrect or illegible entry of the name of the office of issue on the Telegraphic money order receipt. Before issuing an objection statement for the non-credit of the Telegraphic money order, the auditor to whom such Telegraphic money orders will be made over by the debit-checker, will make an attempt to find out the correct office of issue by a reference to the Telegraphic money order requisitions. If he fails in his attempts, he will issue a telegram in Code words "Graeca" in cases of Rs. 100 and above and half-margin references marked "urgent" in other cases, asking the office of payment (sub-postmasters being addressed direct instead of through the Head Office) to intimate the correct office of issue by referring to the postal confirmation of the Telegraphic money order advice. If the reply is not satisfactory, the postal confirmation itself should be called for. If the correct office of issue showing the credit for the Telegraphic money order cannot even then be found out, the charge for the money order should be disallowed in audit and the item placed under objection.

NOTE.—The cost of telegrams issued in this connection is recoverable from the Post Office officials at fault and the Audit Office should address the appropriate punishing authority, viz., the Divisional Superintendent or first class Postmasters, as the case may be, to determine whether recovery should be enforced or not.

#### Settlement of Discrepancies

432. Care should be taken to see that in cases of discrepancies, the objection statement is issued to the Head Postmaster of the office of issue or payment, as the case may be. When a discrepancy is noticed between the credit and charge for a money order, the remitter's entry on the money order as to the amount of remittance should be relied upon. If the amount entered by the remitter agrees with the credit, then it should be assumed that the amount paid is incorrect, i.e., the case should be treated as one of short or excess payment, as the case may be, and the objection statement issued to the Head Postmaster of the office of payment of the money order. If, on the other hand, the amount entered by the remitter on the money order agrees with the amount paid, then it should be assumed that the credit afforded in the Issue list is incorrect and the case should be dealt with as one of short or excess credit of money order and the Head Postmaster of the office of issue addressed to settle the objection. In the case of Telegraphic money orders, the Telegraphic money order requisitions should be consulted for the correct amount of remittance. In the case of Value Payable money orders, however, the Head Postmaster of the office of issue of the money order will be addressed for recovery from or refund to, the addressee of the Value Payable article, as the sender of the Value Payable article is entitled to the amount noted by him for recovery on the article.

433. Sometimes on receipt of complaint from the remitter or the payee of a money order, Postmasters take action for the recovery or refund of the excess or short payment and adjust the amount in their accounts, sending an intimation to the Audit Office. In such cases, the credit or charge will be verified and the fact noted in the Issue list by the Auditor. Debit-checking group, against the money order concerned, so as to attract the attention of the Debit-checker in the course of his debit-checking. No objection statement will be issued to the Postmaster in such cases, but a 'not to issue' objection statement will be prepared.

#### Adjustment of small differences

434. Differences in the money order accounts of sums not exceeding two annas on account of over credits and short credits of value and commission or short payments and over-payments on value of money orders (except in the case of Revenue money orders) need not be included in the Objection Books and objection statements. Over-credits of value and commission or short payment on money orders not exceeding two annas should be noted in a register in Form A. G. P. T.-414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of "Fees and other receipts—Other items" under Abstract B-II—Miscellaneous Revenue, by debit to 'Inland Money Orders—month of issue' or 'Money Order Commission'. Short credits of value and commission or over-payments on value of money orders should be noted in a separate register in Form No. S. Y.-265. The total amount will be adjusted monthly by debit to "Abstract J.V—Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable over-payments" and credit to 'Inland Money Orders—month of issue' or 'Money Order Commission'. The two registers should be submitted monthly to the Gazetted Officer in charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

NOTE 1—In some cases, pies are included by mistake in foreign rupee money orders and the postmaster of the office of exchange directs the postmaster of the office of issue of the money orders, to refund the pies to the remitter. These cases should be included in the Objection Books and objection statements should be issued.

NOTE 2—When a case of difference not exceeding two annas noticed during audit of Revenue Money orders, has been brought to the notice of the party concerned and it is found that the party does not choose to take any action in the matter, the objection may be withdrawn in the manner contemplated in Article 477.

#### Time allowed for checking Paid Orders

435. Checkers receive money orders in fortnightly bundles from the Sorting group, and a fortnight is allowed for the disposal of the batch. The number received by each checker and his daily outturn as well as the balance in hand are daily recorded in a progress report book in Form A. G. P. T.-415 (see Article 512).

The debit-checking of the paid money orders should be completed on the dates shown below:—

Paid money orders received with the first Bi-monthly List of money orders Paid	...	...	...	3rd of the second month following.
Paid money orders received with the second Bi-monthly List of money orders Paid	...	...	...	20th of the second month following.



### Errors and Omissions

436. Errors or irregularities discovered in checking the paid orders will be noted in coloured pencil on the money order and issue list, as the case may require, and will be communicated to Postmasters in the manner prescribed in Chapter 20 of the Posts and Telegraphs Audit Code, Volume I.

### Recording paid orders.

437. As the checker completes the check of the paid money orders, he will record the bundles of money orders appertaining to each head and sub-office of issue and month of issue and payment in the fortnightly bundles as received from the Sorting group (see Article 421). If an objection statement is issued pointing out discrepancy between the credit and the charge on account of a money order, the money order will be stitched or securely fastened to the objection statement as an enclosure, a check slip (Form No. A. G. P. T-403) being prepared and signed by the Auditor in charge and placed in the bundle. Such money orders, on their return, will be filed with the case relating to the objection statement. In place of every money order removed from the bundle of recorded vouchers, a check slip must be prepared by the person who wants it to be removed. The checkers will be held personally responsible for any money order found missing from a bundle in their charge, without a check-slip being placed in lieu thereof.

### Transfer of vouchers and Issue lists to Ledger group

438. After the issue lists have been fully checked, the recorded bundles of vouchers and the issue lists will be transferred to the Ledger group for the picking out of unchecked items. It should be clearly understood by the checkers that after the vouchers and issue lists have once passed out of their hands, no further checking or alteration should be made by them in the issue lists. If necessity for this should arise, the vouchers should be made over for disposal to the Ledger group by the auditor in charge of the debit-checking group in which the vouchers are received.

### Review

438-A. The work of each debit-checker should be reviewed thrice a month by the Auditor and the Accountant, Money Order Section. The Auditor and the Accountant for the purpose of this review, will test-check daily, from each debit-checker's work, a certain number of items which should be so fixed by the Head of the office that the total number of items checked is not less than 450 a day.

### Duplicate Money Orders

439. When an intimation is received of the issue of a duplicate order in lieu of an original order lost before payment, the clerk who receives such intimation will refer to the issue list, and see that the original order has not been noted as paid. If he finds that the original order has been paid, he will at once telegraph to the office of payment or

send an express letter in Form A.G.P.T.-443, as may appear necessary stopping payment of the duplicate. If it has not been paid, he will note the fact of the issue of a duplicate in red ink against the entry in the issue list. Should the original order be found afterwards in the course of debit check, the checker will transfer it after check to the clerk who deals with cases relating to intimations of issue of duplicates for such action as may be necessary.

NOTE 1.—Intimations of issue of duplicate money orders will be indexed by the clerk concerned in a separate register which will also show the final disposal of the intimations. These intimations should invariably be dealt with as urgent correspondence.

NOTE 2.—A statement of irregularities in the issue of duplicate money orders should be sent to the Head of the Circle every month.

### Void Money Orders

440. A "Void money order" is a money order not paid within the period of its currency, i.e., on or before the last day of the month following the month of its issue.

### Lists of Void Money Orders

441. Void lists (Form No. M. O.-19) are prepared only by Head Offices of issue and include such unpaid void money orders as were issued either by the Head Office or any of its sub-offices. Void-money orders relating to the issues of other Head Offices are returned to the Head Offices of issue to be included in their void lists. Thus each Head Office submits only one void list to its own Audit Office, and the money orders appear in the list in serial order. The void lists are due for submission to the Audit Office on the 16th of each month, and include money orders treated as void at the end of the month following that of issue. Separate void lists are submitted of the money orders issued in each month (also see Article 445). Void money orders received direct from offices of payment under Rules 289 (4) and 300 (4) of the Posts and Telegraphs Manual, Volume VI, should be entered in the list of void money orders concerned.

442. Void lists are dealt with in the Miscellaneous group of the Money Order Section where they are first examined with the void money orders that are received therewith. If any money order entered in the list is missing or if a money order be received in excess, the fact should be brought to the notice of the Postmaster. An explanation of the absence of an order should be called for, unless accounted for by a remark in the void list. The examination of the void lists should be completed within one week of their receipt.

NOTE.—Should a void money order of a Foreign Circle of Audit be erroneously included in the Home Circle void list, it will be struck out therefrom and such void money order will be forwarded to the Audit Office concerned, where its entry will be supplied in the appropriate void list and it will then be dealt with in the ordinary course. The error should also be pointed out to the Postmaster concerned.

443. Credit in respect of each void money order should then be verified with the entry in the Issue list. The letter 'R' should be marked in red pencil against the amount of the order in the Issue list to indicate that the money order has been received in the Audit Office as unpaid void.



No account adjustment will be necessary for the unpaid void money orders and their amounts will continue to remain under the Inland Money Order head for the month of issue.

The unpaid void orders will, after check, be kept arranged in bundles of convenient size for each month of issue according to Head Offices of issue in alphabetical orders so that they can be easily traced for re-issue when payment is claimed.

444. All the items not checked in the Issue list will be entered in the list of unpaid items. After the preparation of the list of unpaid items for a Circle is completed, the void list and the list of unpaid items will be arranged alphabetically according to Head Offices and bound together to constitute the "Register of unpaid money orders". There will thus be a separate monthly volume for each Circle.

N.B.—Care should be taken to see that no item in the void list is entered again in the list of unpaid items. The Accountant in charge of money order ledger should exercise this check.

NOTE.—The procedure for the preparation of the list of unpaid items is laid down in Article 459.

445. Void unpaid money orders received by the Postmaster of the Office of issue after the submission of the void list will be forwarded to the Audit Office with covering letters. These money orders should be entered in the Void lists and checked in the register of unpaid money orders or Issue list according as the preparation of list of unpaid items from the Issue list is completed or not. After check, they should be filed in the proper place in the bundles of void unpaid orders.

#### Payment of Void Money Orders

446. Although a money order is technically 'void' if not paid within currency, there is no bar to its being paid, if payment is possible. In such cases, the payment is treated in the Post Office accounts, not as a money order payment, but as an unclassified payment and is debited in the accounts by the Postal Accounts Section to the "Inland Money Order" head in respect of Home Audit Office issues and to "Money Order remittance" in respect of Foreign Audit Office issues. The classification is advised by the Money Order Section, before the posting of the Classified Abstract.

447. On receipt of the schedule of void money orders paid with the paid money orders, the sub-auditor in the Money Order Section will—

- (a) see that the particulars of the money orders agree with the entries in the schedule and then tick off each entry in the schedule;
- (b) verify whether each entry in the list is supported by a money order and if a voucher be found wanting make a reference to the postmaster calling for the voucher, keeping the amount under 'items awaiting clearance' in the Objection Book and preparing a check slip in lieu of the money order and placing it in the bundle;
- (c) check the totals of the schedule;
- (d) if any money order issued from a Foreign Audit Circle be wrongly entered in the Home Circle schedule or vice versa;

correct the entry by scoring out the item from the wrong schedule and inserting it in the proper one and recast the totals of the schedules;

- (e) compare the totals of the Foreign Audit Circle schedules with the entries in the Home Audit Circle schedules. mark the total 'agreed' and initial the entry;
- (f) forward the Foreign Audit Circle schedules to the Foreign Audit Office concerned together with the paid money orders and relative advices of transfer, number and date of the advice of transfer being noted against the respective entry in the column "Remarks" of the register in form A. G. P. T.-416, vide clause (i) of this Article.
- (g) sort the paid money orders of each head office in respect of Home Audit Office schedule according to months of issue and serially, and prepare an abstract in red ink at the bottom of the last sheet of the schedule showing the number and amount of money orders according to different months of issue;
- (h) send the void schedule for each period with the classification noted on its back to the auditor of the Postal Accounts Section who will initial the total of the schedule marking it "agreed" after verifying with the charge in the corresponding schedule of unclassified payments and return the void schedule to the Money Order Section. The auditor of the Postal Accounts Section should note on the back of the schedule of unclassified payments, the classification given on the void schedule for each period and incorporate the same in the Classified Abstract for the month concerned;
- (i) post the total for each month or year of issue and for each Foreign Audit Office against the head office in the Register in Form A. G. P. T.-416. The register should be submitted to the Gazetted Officer for review through the Accountant every month;
- (j) resort the paid void money orders for each period according to Head office and Sub-office of issue and arrange them serially and debit-check them in the Issue list. Paid void money orders of any month of issue received after the register of unpaid money orders has been prepared should, however, be debit-checked in the register and not in the Issue list. Each item so checked either in the Issue list or in the register should be marked with the letter 'V' in blue pencil. For items debit-checked in the register of unpaid money orders, a note of payment should also be made in the column provided for the purpose;
- (k) place the paid money orders, after debit-check, in separate bundles for each Head Office and each month of issue, irrespective of the date of payment.

Note.—Any mis-classification between months of issue found in the course of debit-check should be rectified.



### Paid Void Orders received from the Foreign Audit Office

448. On receipt of void orders from the Foreign Audit Office with an advice of transfer debit, the sub-auditor will compare them with the schedules accompanying them, check the totals of the schedules, sort the money orders according to Head Office and month of issue, and classify the amount for each month or year of issue and record them in a Register in Form A. G. P. T.-417. This register will consolidate for each month of adjustment the total amounts debited by the Foreign Audit Office and responded to by the Home Audit Office. The amounts debited should be adjusted by credit to "Money Order Remittances" and debit to "Inland Money Orders—month of issue" in the accounts of the principal Circle of the Home Audit Office, and an acceptance of the debit sent to the Foreign Audit Office concerned, a note of the number and date of acceptance being made in the register. The register should be submitted to the Gazetted Officer through the Accountant for review every month.

449. The sub-auditor will then re-sort the paid orders according to Head Office and Sub-office, of issue, arrange them serially and debit check the orders in the Issue list or in the register of unpaid orders, if the latter has already been prepared, marking against the entry the initial letter of the name of the Audit Office and the month of adjustment in the Home Audit Office thus:

M June '27.

For items debit-checked in the register of unpaid money orders, a note of payment should also be recorded in the column provided therein.

The instructions in clause (k) of Article 447 and the note thereunder will also apply in the case of these money orders.

### Recoveries from Wrong Payees and payments to Right Payees of Money Orders

450. Credits and debits appearing in the schedules of unclassified receipts and payments on account of recoveries from wrong payees of money orders and their subsequent payments to the right payees should be taken to the detailed head "Recoveries of wrong money order payments" under the head "Deposits" in the Postal Accounts Section. That Section will enter the amounts in a register of deposits (Form A. G. P. T.-70), and watch their subsequent adjustments as in the case of "other deposits". The total credits and debits posted in this register will be agreed with the Detail Book.

NOTE 1.—As payments to the right payees are generally made after recoveries of the amounts from the wrong payees, credits will, as a rule, precede the debits in such cases. If, however, a payment is made to the correct party under orders of the competent authority before recovery of the amount from the wrong payee, the charge should be held in the Objection Book of the Postal Accounts Section under "Advances Recoverable—Other Accounts".

NOTE 2.—If payment to the right payee is made by an office under the jurisdiction of the Foreign Audit Office the charge should be transferred by that office through the head "Post Office Remittance" to the Audit Office in which the credit appears, an advice of transfer being sent in Form No. A. C. G.-77.

### Transfer of balance from Inland Money Orders to Forfeited Money Orders

451. The head "Inland money orders" relating to a particular financial year will be kept open in the books for three official years and the balance (i.e., the excess of actual receipts over payments) under the

head will, thereafter, be transferred direct to a revenue head—"Forfeited money orders" at the end of the third year of issue by a transfer entry thus:

	Dr.	
Rs.	Inland money orders (year of issue).	Cr.
	NIX—Posts and Telegraphs—Abstract B—	
	Receipts on account of Money Orders, and British Postal Orders, etc.	
	Forfeited Money Orders.....Rs.	
	Amount of money orders of (year of issue) outstanding at the	
	end of the year.....lapsed to Govern-	
	ment.	

This arrangement does not preclude the subsequent payment of the money orders, should claims arise on a later date. The items so transferred should be entered in a Register of Forfeited Money Orders (Form No. A. G. P. T-478) wherein a column is provided to record subsequent payments. The total of the items entered in the Register should be attested by the Accountant. The monthly head "Inland money order" should be kept open in the books only during the financial year in which the money order was issued and the first month of the following year. From the accounts for May onwards each year, charges on account of payment of Inland money orders issued during the previous financial years will be posted in the Classified Abstract and Detail Book against the annual heads for the years of issue (e.g., "Total Inland Money Orders 1927-28"). The balance outstanding at the end of the second year following the year of issue will be transferred to the head "Forfeited money orders". The amount credited to the head "Forfeited money orders" and the amount of unexplained difference in the money order—accounts should be reported by each Audit Office to the Office of the Auditor-General of Pakistan immediately after the March Supplementary Accounts (1st Batch) is closed.

NOTE.—When payment of a Forfeited Money Order is authorised, the Register of Forfeited Money Orders (Form A. G. P. T-478) should be submitted to the Gazetted Officer along with the payment order for attestation of the entry in the register.

#### *Re-issue of Void Money Orders*

452. On receipt of an application in an Audit Office for the re-issue of a void money order, it should be seen that the void money order is one that was issued within that Circle of Audit and if not, the application should be transferred to the Audit Office concerned. A reference will then be made to the register of unpaid money orders (see Article 444) to see if the money order is still outstanding as "void" or "forfeited to Government". If the register shows an entry which corresponds with the particulars given in the application and it is found that the original void money order was received, the money order will be re-issued in favour of the person named in the application, whether he be the remitter or the payee or a person named by either of them.

453. Should the particulars given in the application disagree with those recorded in the register of unpaid money orders, the Postmaster will be asked in a letter in Form No. A. G. P. T-419 to explain the difference. A note of the number and date of this reference will be kept in the register of unpaid money orders.



454. If the money order, the re-issue of which is requested, has been paid within or after the period of currency, or if authority for repayment to the remitter in a foreign country has been communicated to the office of exchange or if it has been re-issued already, the facts as known should be communicated to the Postmaster.

455. (a) Foreign inward money orders held as void should not, as a rule, be re-issued in favour of any person other than the payees without the assent of the Pakistan office of exchange through which they were originally advised. In no case a Foreign inward money order can be re-issued six months after its issue. In such cases, the Postmaster should be asked to obtain the assent of the Pakistan Office of Exchange.

(b) Applications for the re-issue of void money orders will ordinarily be received through Postmasters (vide Rule 301 of the Posts and Telegraphs Manual, Volume VI). Applications made by remitters or payees direct to an Audit Office should be forwarded to the Postmaster of the offices of issue of the money orders for necessary action. A money order will not be re-issued in favour of the heir of deceased remitter or payee unless the claim is acknowledged by the competent authority (or by the original payee or remitter, if surviving).

(c) Void money orders sent out on requisition will not be re-issued until they are received back.

(d) When the payee or remitter of a void inland money order applies for its payment to him in a country or place outside Pakistan with which money orders can be exchanged, the money order will be re-issued by the Audit Office on the Pakistan Office of Exchange concerned, with instructions to that office to cash the order and after deducting from the amount a fresh commission at the rates applicable to inland money orders or outward foreign sterling money orders, as the case may be, to advise a fresh order for the balance to the country or place of payment.

456. On the acceptance of an application for the re-issue of a void money order, the void money order is re-issued by making an endorsement on it, or on a separate slip (Form A. G. P. T.-420), pasted to it. Re-issued orders are numbered in an annual series and entered in a register (Form No. A. G. P. T.-421), the fact of re-issue being also recorded in the register of unpaid money orders against each original money order.

The re-issued money orders will be examined by the Senior Accountant or an Accountant of the Money Order Section, and after being passed by him will be placed before the Gazetted Officer for signature. Re-issued money orders will be transmitted to the office of payment in registered covers without any forwarding letters. An intimation in Form No. A. G. P. T.-419 should be sent to the Officer applying for the re-issue, should he not be the Postmaster of the Office of payment.

457. Re-issued money orders, if paid, are not accounted for in the ordinary lists of money orders paid, but in the schedule of void money orders paid referred to in Article 447. The void money order clerk, on receipt of such lists, will note the payments of the re-issued orders in the void list and transfer the vouchers to the Re-issue clerk who will note the payments in the register of re-issued money orders (Form A. G. P. T.-421), and record the vouchers.

Re-issued orders, if not paid, are returned to the Audit Office where they are held as void. A letter in Form No. A. G. P. T.-422 should be issued to the Office of payment regarding the disposal of re-issued money orders not received as paid or void.

*Consolidation of transfer entries made in the various groups of the Money Order Section*

458. All adjustments made in the Money Order Section will be posted in the Combined Transfer Ledger and Abstract (Form No. A. G. P. T. A. C.-32-A) by a special clerk attached to the ledger group. For this purpose, the various registers, e.g., the register of Fees and Petty receipts, the registers of writesoff, misclassification, etc., will all be totalled and made over to the clerk in charge of the Combined Transfer Ledger and Abstract by the respective groups with a note of adjustment made below the total. The clerk after noting the entries in the Combined Transfer Ledger and Abstract will return the registers with a note of the pages in which the entries are posted. The Combined Transfer Ledger and Abstract will be totalled and made over to the ledger clerk. The remittance group adjustments will, however, all be directly posted in the Combined Transfer Ledger and Abstract from the register of remittances. On the 12th of the following month, the total for each detailed head appearing in the Combined Transfer Ledger and Abstract will be copied in an abstract of Transfer entries which will be sent to the Booking Section for incorporation in the accounts.

*Review of unchecked items*

459. The Money Order Ledger group reviews the Issue lists with a view to picking out the entries which remain unchecked in either green, red or blue pencil and posts the amounts of such entries in the remarks column of the Issue list for "Items unaccounted for". A statement of these items is prepared in Form No. A. G. P. T.-423 and checked by a reference to the bundles of checked money-orders. If any money-order entered in the statement be found in these bundles, the entries in the statement are struck out and the date of payment noted in the remarks column of the statement. After this, the issue list should be treated as closed and the entries in the statement copied in the list of unpaid items (Form M. O.-19 void Register). Any remark made in the issue list against these items will also be copied in the "remarks" column of this list.

NOTE 1.—If it is found necessary to remove any item after the issue list is treated as closed owing to the receipt of the Void Money Order or for any other cause, the corresponding entry in the statement or in the register of unpaid Money Orders (if the statement is already copied but the register for the month is not closed) should be scored out with suitable remarks under the dated initials of the Accountant. The corresponding item in the issue list need not be checked. In cases of doubt only, the Issue List is referred to.

NOTE 2.—The work of picking out unchecked items should commence in the fourth week of the third month following the month of issue and should be completed before the end of the fourth month following the month of issue.

NOTE 3.—Any unchecked money orders found in the bundles of paid money orders should be noted against the checkers responsible for the mistake in the Error Book mentioned in Article 429-A by opening a separate column in it for the purpose.



NOTE 4.—Great care should be taken in preparing the lists of unchecked money orders as the money orders outstanding as unpaid by the close of the third year of issue are entered in the Register of Forfeited Money Orders which is kept as a permanent record for admitting future payments.

460. The total of the register of unpaid money orders referred to in Article 444 will represent the amount of unpaid orders outstanding. Before arriving at the total amount of outstandings at the end of any month, care should be taken to see that all the money orders charged for in the accounts up to and including that month are debit-checked. The amount adjusted and the month of adjustment will be entered in the columns provided for the purpose. The total amount adjusted in a month will be compiled separately and entered at the end of the register. A broadsheet will be maintained showing the amount of unpaid orders, the amount adjusted and the outstanding balance at the end of each month for each Circle. In the broadsheet for the principal Postal Circle, the balances of other circles will be transcribed so as to arrive at the total balance of unpaid orders for the whole Audit Office. This amount will be entered in column 5 of the extract of the Money Order ledger referred to in Article 468.

The register relating to the current period together with the broadsheet should be submitted to the Gazetted Officer through the Accountant in charge for review every month by the 10th of the 5th month following the month of issue.

#### Compilation

461. The totals of the Summaries of Money Orders issued and paid are compiled according to Postal Circles in Forms A. G. P. T.-424 and A. G. P. T.-425. The figures in column 5 of these forms are verified with the corresponding figures in the Detail Books. Form A. G. P. T.-425 provides for deductions to be made for payments on account of issue of Foreign Audit Circles and these figures are verified from the Remittance register (see Article 412): both Forms A. G. P. T.-424 and 425 also provide for a compilation of the differences between Summary and cash account figures.

NOTE.—In compiling these statements any "Errors in accounting" shown at the foot of the Summaries should be verified with the Objection Books or other registers through which they have been adjusted.

462. The payments on account of Home Circle issues communicated in the extracts from Paid Summaries received from other Audit Offices are separately compiled in Form A. G. P. T.-426 and the figure entered in column 5 of these forms should be verified with the Remittance register (see Article 412).

NOTE.—The provisions of the Note to Article 461 apply here also.

463. Abstracts of mis-sorted money orders relating to the month of issue in hand sent to, and received from, other Audit Offices should be prepared from the advices of transfer (see Articles 422 and 423), write-back and adjustments being duly noted.

464. A statement of actual short-payments and over-payments on money orders as well as of mis-sorted money orders advised by the Foreign Audit Office is also prepared in Form A. G. P. T.-428 from the Issue lists for verification of the adjustments made on their account with the Objection Books or other registers through which they have been adjusted.

465. An abstract of adjustments on account of differences shown in Forms A. G. P. T.-424, 425 and 426 and in the statement of actual short-payments or over-payments on individual money orders picked out from the Issue list should be prepared, and incorporated in a general statement of differences and adjustments which will be verified with the adjustments previously made by the several Audit groups.

#### *Money Order Ledger*

466. The Detail Book figures under the Inland Money Order head will be communicated by the Book Section through a statement for verification and agreement with the several compilations and statements mentioned in articles 447 (i), 448, 461 and 465. After verification and agreement, a consolidation of the totals under Inland Money Orders for all the Postal Circles under the jurisdiction of the Audit Office should be made by opening two columns in the statement itself.

467. A money order ledger for the Audit Office will be maintained in Form A. G. P. T.-429. The horizontal lines in this ledger will represent the months of issue, and the vertical columns, the months of account. There will also be a horizontal line to indicate the progressive total up to any month. The figures in this ledger will be posted from the statement of consolidation of Inland money order figures referred to in Article 466. The progressive totals of debits and credits for the Inland Money Orders up to any month of adjustment will thus be readily transcribed into the extract of the Money Order ledger referred to in Article 468.

468. An extract from the Money Order Ledger for each official year is also prepared comparing the book balance under the Inland Money Order head at the end of any month of account with the register balance (Form A. G. P. T.-430) and forwarded to the Auditor-General, on the 12th of the 5th month following the month of issue. The extract sheet shows in column 1 the months of issue and in columns 4 and 5 total credits and debits which are posted from the Money Order Ledger referred to in Article 467. The balance is struck in column 6 and this is compared with the balance shown in the broadsheet for the register of unpaid money orders for the whole Audit Office, vide Article 460, the latter being also entered in column 7. The difference between columns 6 and 7 which is termed "unexplained difference" is entered in column 8. The balance in column 6 should agree with the total of the entries in columns 7 and 8.

469. The extract contains two additional columns 7 and 8 which are not embodied in the Ledger. Column 7 shows the total amount of unpaid items for each month of issue that remains outstanding in the register of unpaid money orders and represents the liabilities of the Government in respect of money orders which are payable when claims arise. Theoretically, therefore, the book balance shown in column 6 should exactly equal the figure exhibited in column 7, but, as a matter of fact, this is never the case. Due to mistakes in the several stages of audit, etc., there is always some difference which is technically termed 'unexplained difference' and the figure shown in column 8 represents this unexplained difference. If the figure in column 7 is more than that in column 6 it means that the liability of the Department is more than what the accounts actually indicate. Every endeavour should in this case be



made to reduce the amount of unpaid items by overhauling the adjustments made and tracing the charges of the unpaid money orders in the Paid lists. The latter method should invariably be adopted at least in respect of Telegraphic and other money orders for amounts exceeding Rs. 100. It is not uncommon that some money orders charged in the Paid list are lost or mislaid in the course of transmission and these are left unchecked in the Issue list. Another cause is that a wanting money order may have escaped the notice of the Paid list examiner and in this case also the money order goes unchecked. If charges are traced in the Paid list, the items should be adjusted in the register of unpaid money orders with a suitable note against them. The unexplained difference will consequently go down. The Accountant in charge of the Section should always be on the alert to see that the unexplained difference is not very high in any month and should take steps to keep down the difference to a minimum.

470. A general report not necessitating any account adjustment but giving the unexplained difference in the money order accounts and the amount credited to the head "Forfeited money orders" and a general scrutiny of the figures in comparison with the corresponding figures of previous years should be made to the Auditor General every year by each Accountant General.

#### Results of Audit

471. The general rules and principles laid down in Chapter-20 of the Posts and Telegraphs Audit Code, Volume I, should be followed in raising, communicating and watching audit objections. The maintenance of a separate register in Form S. Y.-15 referred to in Article 472 of the Posts and Telegraphs Audit Code, Volume I, is however not necessary to watch the return of Objection Statements relating to money order transactions as this should be done through the Objection Books. The more detailed procedure applicable in the case of money order objections is described in Articles 472 to 485.

#### Errors found in Audit

472. The following errors are found in the course of audit of money orders:—

- (1) Erroneous payments (i.e., short-payments or over-payments) on account of money orders, and short or excess credits on account of commission.
- (2) Differences between the summation of details and totals of the issue and the paid lists or summaries.
- (3) Differences between abstracts and summaries.
- (4) Difference between total of list of summary and cash account figures.

NOTE 1.—The term "over-payment" includes every payment which is in excess of the credit of value given in the Issue list. It includes therefore—

- (a) a payment in excess of the credit whether the credit is correct or erroneous;
- (b) a double payment (in this case the second payment should be shown as an error in accounting);
- (c) a payment, the corresponding credit for which is omitted from the Issue list through fraud or error.

NOTE 2.—The term "short-payment" includes every case in which the payment falls short of the credit in the Issue list.

*Intimation of errors*

473. Whenever any difference which falls under one of the classes referred to in Article 472 is discovered or whenever it is necessary to order the recovery or the refund of an erroneous payment, or to intimate short or excess credit on account of commission to the Postmaster, an objection statement in Form A. G. P. T.-431 will be prepared and issued in duplicate, particulars of the difference between summation of details and total of list and summary being noted, when necessary, in Form A. G. P. T.-432. The amounts of overpayments should be taken to the head "Advances Recoverable—Money Order overpayments" and the amounts of short payments, to the head "Deposits—Money Order short-payments".

NOTE.—In urgent cases or in cases of suspicious payments, telegraphic intimations are issued in advance of the objection statement prescribed in this Article.

474. Objection statements are sent out to enable the Postmaster to take prompt measures for the recovery of money overpaid (or short collected) from the party concerned, or from the person at fault (as the case may require), or the refund of money short paid (or overcollected) to the person to whom it is due, or for the submission of any wanting voucher, etc., and it is most important that they should be issued without delay.

*Recoveries and refunds*

475. In issuing the objection statements, the Postmasters should be definitely instructed to show the receipts and charges (on account, of recoveries and refunds) in the schedules of unclassified receipts and payments respectively. If any item of recovery or refunds is shown in the list of money orders issued or paid, the money order auditor should cancel the entry in the money order list and alter the total of the summary, making an explanatory note at foot of the summary for the guidance of the auditor of the Postal Accounts Section, who should correct the cash account accordingly and enter the amount in the register of recoveries and refunds referred to in Article 492.

476. Each objection statement should be carefully scrutinized before it is issued. In the following cases, as also in other cases in which it may be thought necessary, copies of objection statements should be sent to the Heads of Circles or their special attention should be drawn to them:—

- (a) Overpayments exceeding Rs. 10 on account of money orders.
- (b) Short credits exceeding Rs. 10 on account of money orders.
- (c) Absence of credits for money orders.
- (d) Wrong totals of money order issue and paid lists when the difference exceeds Rs. 10.

NOTE.—All cases of double payments of money orders arising out of the issue of duplicate money orders or otherwise, or of overpayments on money orders, or of short credits in the total of money order issue lists or of excess charges in the total of paid lists involving Rs. 50 or more, should be investigated thoroughly by Audit, to see that adequate disciplinary action has been taken against the officials responsible for the irregularity and that there has been no attempt at fraud. Cases, in which there is indication of an attempt at fraud, should be fully investigated irrespective of the amount involved.



477. Items of objection on account of short credits or overpayments of sums exceeding two annas but not exceeding Re. 1 in respect of either value or commission should be waived when the correspondence thereon tends to become protracted, and the items do not indicate any wilful neglect of duty on the part of any Postal official and do not form one of a series pointing to systematic fraud. Items exceeding Re. 1 but not exceeding Rs. 5 may also be waived by the Deputy Accountant General, if after correspondence with the executive officers concerned, it is found that the recovery is practically impossible and that there is not sufficient reason to press for serious disciplinary action. The items waived should be entered in a register (Form S. Y.-265) and the amounts should be totalled and adjusted monthly by transfer entry. The entries in the register should be attested by the Accountant in charge of the section and reviewed by the Gazetted Officer monthly. Excess credits in value or commission or short payments on money orders of sums exceeding two annas may be adjusted under the orders of the Gazetted Officer to the revenue head "Fees and other receipts", if it is found, after correspondence, that the Postmaster could not effect payment of the sum to the party concerned. There is no bar to payment of the amount when claimed subsequently.

478. The difference between the figures of the summary of money orders and the cash account will not be known to the Money Order Section until the summary is returned by the auditor of the Postal Accounts Section, who will note on it, in red ink, the difference (if any) between the total of the summary and the credit or debit in the cash account (vide Articles 398 and 411). The Money Order Section will take this difference against the manuscript heading "Errors in accounting" to be introduced in the summary to make the summary agree with the cash account. The adjustment of the difference taken against "Errors in accounting" will rest with the Money Order Section, which should take it to "Advances Recoverable—money order overpayments" or "Deposits—money order short payments", and take steps to have the amount recovered or refunded, as the case may require.

NOTE.—Difference on a particular Summary of sums not exceeding 2 annas will be adjusted in the manner indicated in Article 434.

#### Objection Book

479. The Objection Book will be maintained in Form No. A. G. P. T.-433 separately for dealing with the issues of different months and each Circle should have its own set of books. As each head office objection statement for a period is ready for despatch, it will be copied into the Objection Book. When all the objection statements of a Circle have been so copied, the Objection Book will be closed by pasting a closing Entry Slip (Form No. A. G. P. T.-435) at the bottom of the last page for the month.

NOTE 1.—In offices where the number of items under objection is not large the Accountant General may, if he finds it more convenient, authorise the maintenance of only one book in form A. G. P. T.-433 with a separate column in manuscript for the entry of the month of issue in respect of each item of objection.

NOTE 2.—As from May onwards, the year of issue and not the month of issue is the account unit of Money Order issues of the previous financial year, a separate Objection Book will be maintained in the Money Order Section in respect of objections relating to the issues of the previous year. But after all

the monthly Objection Books upto June Accounts are closed, unadjusted items of the previous year will be copied into the yearly Objection Book referred to above and adjustments in respect of those items recorded therein.

480. To close Money Order Objection Books, two transfer entries must be prepared for each Circle, in respect of the monthly totals of the first two money columns, clearing the head "Inland Money Orders—Issues of (month)" by debit and credit, respectively, to the heads "Advances Recoverable—Money Order over-payments", and "Deposits—Money Order short-payments".

481. Except in the case of adjustment of amounts shown as "errors in accounting" in the Summaries of money orders issued (vide Article 478), all adjustments which affect the head "Inland Money Orders" must, as a general rule, be made by an addition to, or deduction from, the head on the payment side.

NOTE.—When it is discovered that the Postmaster's credit on account of the value and commission of Value Payable or other money orders is short or excess under one head, and vice versa under the other, the adjustment of this mistake should be made in the same manner as in the case of the exception referred to in this Article.

#### *Adjustment Register*

482. An adjustment register will be maintained in Form A. G. P. T.-434.

The total of the money columns of each month's adjustment register will be deducted from the total balance of the amounts under objection. It is therefore necessary that the adjustment register should be closed simultaneously with the Objection Book.

#### *Abstract of Objections*

483. An abstract of objections will be kept in Form No. A.T.M.-131.

A general abstract of all Objection Books should be prepared in order to bring together the total amount under—

- (1) Objected to during the month.
- (2) Adjusted during the month.
- (3) Balance under objection.

#### *Broadsheet of Balances*

484. A broadsheet of the debits and credits to "Advances Recoverable—money order overpayments" and of "Deposits—money order short payments"—will be maintained in Forms Nos. T. T. M.-129 and A.T.C.-64 respectively, as laid down in Articles 483 and 289 of the Posts and Telegraphs Audit Code, Volume I.

485. Deleted.

#### *Appropriation Accounts and Report*

486. Detailed instructions on this subject will be found in Chapter 22 of the Posts and Telegraphs Audit Code, Volume I. All cases of money order frauds and embezzlements, wrong payments and double payments involving Rs. 100 and above, etc., will be included in the register referred to in Article 509 *ibid.*

487. Nil.



*Cash Account entries and Audit Objections*

488. The Cash Account of each Head Post Office shows the following entries on account of money orders, viz., under Receipts (1) "Money Orders issued", (2) "Commission on money orders", and under Payments, (3) "Money Orders paid". The figures for money orders paid will also be distributed and exhibited in the inner column separately for the three months of issue, i.e., for the previous month, the current month and the following month. All items will be posted against the corresponding heads in the Classified Abstract (but see Article 489).

NOTE.—The commission on Field Service money orders is not included in the credit in the Cash Account, but is adjusted in the Audit Office, vide Article 396.

489. As the amount appearing in the Cash account against "Money Orders paid" includes payments on account of issues of Foreign Audit Circles, an adjustment will be necessary to separate (i) the payments on account of Home Circle issues from (ii) payments on account of issues of each Foreign Audit Circle, the figures being taken from the Register mentioned in Article 412. The adjustment will be made in the Money Order Section monthly by a transfer entry in the following form for each Postal Circle:—

Dr.

Money Order Remittances,

Transfer to.....Audit Office.

To

Inland Money Orders

Cr.

(Deduct from debit).

490. The amounts of the Foreign summaries received from other the Audit Office will be adjusted monthly in the Detail Book of the principal Postal Circle in the receiving Audit Office, by the following transfer entry, the figures being obtained from the register mentioned in Article 412.

Dr.

Inland Money Orders

To

Money Order Remittances

Cr.

Transfer to.....Audit Office.

491. Besides the entries in the body of the cash account referred to in Article 488, there may be sundry entries under unclassified receipts or unclassified payments in rectification of over-payments or short-payments of money orders, and the auditor of the Postal Accounts Section will carefully examine the schedules with a view to tracing out such credits or debits and deal with them under the following rules:—

- (a) Recoveries of over-payments should be credited to "Advances Recoverable—Money Order over-payments".
- (b) Charges on account of short payments should be debited to "Deposits—Money Order short-payments".

- (c) Charges on account of void orders should be debited to the "Inland Money Order" head.
- (d) Adjustments on account of short and excess credits of commission should be credited to "Commission on Money Orders", and debited to "Refunds—Money Order Commission" respectively.

492. The auditor of the Postal Accounts Section will classify the entries referred to in Article 491 on the assumption that they adjust-outstandings under the heads named, and furnish the Money Order Section with full details of items (a), (b) and (d) in a register in Form A. G. P. T.-436. The register should be sent to the Money Order Section twice a month, after the receipt of the accounts for each period. The Money Order Section will adjust the items in the respective objection books. In case any of the items of credits and debits referred to in clauses (a) and (b) of Article 491 appearing in the accounts of one circle are adjustable in the objection book of another circle, inter-circle adjustments through the head "Posts and Telegraphs Remittances—same Audit Office" should be made monthly for each circle to clear off the excess credits or debits in the accounts of one circle with reference to the corresponding difference in the other. These adjustments should be carried out simultaneously in both the circles concerned.

The items relating to the Foreign Audit Office should be classified as "Money Order Remittances" by the auditor of the Postal Accounts Section who will send a statement of recoveries and refunds (Form A. G. P. T.-437) to the Foreign Audit Office through the Money Order Section. This statement should go out by the 13th of the month following the month of account.

493. The Money Order Section will take prompt measures to note the adjustments referred to in Articles 491 and 492 against the corresponding items in the Objection Books. If no such items exist, a provisional adjustment will be made to clear the outstandings by credit or debit to "Fees and other receipts—other items" under Abstract B-II—Miscellaneous Revenue. The items will not, however, be allowed to rest finally under this head. The reason for each credit or charge should be ascertained by a reference to the money order concerned. If the money order referred to does not disclose any discrepancy, the Postmaster should be addressed as to the cause of recovery or payment. If correct particulars of the money order are furnished, and the money order shows a discrepancy, a 'not to issue' objection statement will be prepared and the head "Fees and other Receipts—other items" will be cleared by transfer of the credit or debit to the proper head. If the paid money order has not come under audit, a note will be made in the Issue list with instructions to the debit-checker to prepare a 'not to issue' objection statement for the amount of the money order when debit-checked. If, on the other hand, the paid money order does not reveal any difference, and the correspondence with the Postmaster becomes protracted without any result, the amount may rest finally under the head "Fees and other receipts". In the case of charges, however, the items may be waived up to the limit of Rs. 5 provided that the conditions specified in Article 477 are satisfied. If the amount exceeds Rs. 5, the case should be reported to the Auditor General if it cannot be settled with executive officers. No action need be taken for sums of two annas and less, which may be allowed to remain finally under the revenue



head. A note should, however, be made in the Register of amounts waived (Form No. S. Y.-265) in the column provided for the purpose, of recovery of items, however small, which were already waived. Suitable notes of action taken in respect of provisionally adjusted items and of the final adjustment of these items should be recorded in the register of refunds and recoveries for the month against the items concerned. A summary detailing the adjustment of the total figure in the register of refunds and recoveries under each head of account will also be given at foot of the register below the last entries.

NOTE.—Outstanding items of recoveries and refunds under the head "Money Order Commission" in the register of refunds and recoveries, are allowed to remain under that head and are not transferred to the head "Fees and other receipts—other items" under Abstract B-II—Miscellaneous Revenue. In the case of outstanding items of recoveries the items will be finally admitted without any investigation. As regards outstanding items of refunds of money order commission no action need be taken for sums of two annas and less. Each item exceeding annas two should be fully investigated. The final clearance of the items of refunds should be watched through the Broadsheet mentioned in Article 494. In every case a note of refund should be kept in the Issue List in the proper place to guard against double payment.

491. To enable the Accountant and the Gazetted Officer to see whether all the items in the refund and recovery register which were provisionally adjusted to "Fees and Other Receipts" in a month have subsequently been finally adjusted to the proper heads, a broadsheet in the Form of abstract of objections (A.T.M.-131) should be maintained in the Objection Book group showing the amount provisionally adjusted in a month and the subsequent final adjustments in different months against it. The Broadsheet and the Refund and recovery Register should be submitted to the Gazetted Officer for review monthly on the due dates prescribed in Appendix B.

NOTE.—If, however, it is found that any of the items represents a recovery of an overpayment or refund of a short charge on a money order issued by a Postal Circle under another Audit Office, the item will be transferred to that office by a transfer entry. An intimation of the adjustment should, at the same time, be sent to the other Audit Office which will bring the item on to its books by a responding entry.

495. A separate sub-schedule of void money orders paid is received in the Money Order Section, Miscellaneous group. The amounts are classified in that group and communicated to the Postal Accounts Section for incorporation in the Classified Abstract, *vide* Article 447.

#### Reconciliation of Transfers

496. A statement of remittances made to the Foreign Audit Office (Form A. G. P. T.-438) should be prepared in duplicate by carbonic process at the end of each month, from the register mentioned in this chapter and from the counterfoils of advices of transfer, and after the total of each Circle brought out therein has been checked with the total of the respective Detail Book, the statement should be forwarded to the Foreign Audit Office concerned. The latter will return one copy of the statement, after noting on it the month of adjustment by reference to its registers and files of advices received, and retain the other copy in which the total amount adjusted in that month on account of advices received from the remitting Audit Office in that month or in a previous month and other sources will be worked out for agreement with the Detail Book.

497. The copy of the statement of remittances referred to in Article 496 returned to the remitting Audit Office will be treated as a register of remittances made to the Foreign Audit Office and pasted in a guard-file. The copy retained by the receiving office will be treated as a register of remittances received, and filed similarly.

498. The registers of remittances referred to in Article 497 should show no outstandings at the close of a year after the final accounts for that year have been prepared; but should there be any, full details thereof should be communicated to the Office of the Auditor General in the prescribed form (A. G. P. T. No. 563).

499. In order to exercise a careful watch over the outstandings at the close of a year, a broadsheet in Form No. A.T.M.-131 should be kept showing the amounts debited each month by the Foreign Audit Office as ascertained from the remittance statement of that office. The credits afforded each month in the Home Audit Office will be posted against the corresponding debits. The broadsheet will thus show at any time the unadjusted debits for each month and prompt action should be taken to adjust the outstanding debits before the close of the year.

500. Care should be taken to see that after the close of March Final accounts debits are not ordinary raised against an Audit Office under the head "Money Order Remittances". The advices of transfer debits (as also the statement of recoveries and refunds) should reach the other Audit Office in such time as to enable it to respond in the March Final accounts. The statement of remittances for March Final should be despatched so as to reach the Foreign Audit Office, by the 20th July.

501. It should be distinctly understood that an advice of transfer should invariably be responded to in full by the receiving office. If the whole amount of the advice, or any part of it, cannot be accepted, the rejected amount should be written back by a separate advice of transfer in which full particulars of the item rejected and the original advice in which it was included, should be given.

502. Statement of money order recoveries and refunds received from the Foreign Audit Office should also be adjusted in full in one month. If any items shown therein are not traceable in the Objection Books, the amounts will be provisionally adjusted to "Fees and Other Receipts" by clearing the remittance head and action taken for their final clearance as in the case of such items appearing in the register of refunds and recoveries, *vide* Article 493.

#### Statistics

503. A register (Form A. G. P. T.-402) will be maintained for each Postal Circle showing in respect of each Head Post Office in the Circle the gross number, value and commission of Inland money orders issued and the gross number and value of Inland money orders paid during each month of the year, as also the number, value and commission of telegraphic money orders issued and the number and value of telegraphic money orders paid. The figures should be posted monthly and the monthly totals will be transcribed into the abstract page at the end of the register. The register will be submitted to the Gazetted Officer for review every month. At the end of the year the register will be totalled and a statement prepared therefrom and sent to the Office of the Auditor General by the 10th July, together with the statistics of Foreign money orders referred to in Article 583. Separate statements in Forms Nos. A. G. P. T.-439 and 439-A will also be sent to the Office



of the Auditor General at the close of the year for the purpose of verification of the amounts of money orders issued and paid in each Circle with the General Books.

Forms A. G. P. T. 439 and 439-A will also be posted monthly and submitted to the Gazetted Officer for review.

504. Nil.

#### *Money Orders sent out*

505. Letters or telegrams of enquiry regarding disposal of money orders and requisitions for paid money orders are dealt with in a separate group called the "Money order sent out" group. They should be indexed in a separate register (Form A. G. P. T. 440) and disposed of with great promptitude.

NOTE.—Paid money orders may be forwarded to Head Postmasters, Sub-postmasters in the Selection Grade, Inspectors and Superintendents of Post Offices and higher authorities of the Department, if they so desire. Unpaid void money orders should not, however, be forwarded to Inspectors and Postmasters subordinate to Superintendents. In making requisitions for void money orders, the Superintendents or first class Postmasters should state the circumstances in which they are required. (See Rule 220 of the Posts and Telegraphs Manual, Volume V, and Article 77 of the Posts and Telegraphs Initial Account Code, Volume I.)

506. For each money order referred to in the letter or requisition, a check slip in printed Form No. A. G. P. T. 403 will be prepared showing the particulars of the money order as well as the number and date of the reference.

507. If the money order relates to a period for which the records have already been destroyed, a reference should be made to the Void List or the register of unpaid items to ascertain the fate of the money order. If it is not traceable in any of the registers, the presumption is that the money order has been paid within currency and destroyed after the ordinary period of preservation. The fact as ascertained should be intimated in reply in printed Form No. A. G. P. T. 441.

508. If the issue list which appertains to the Money Order has not been destroyed, and closed under Article 459, the list will be referred to and if the money order is found debit checked therein, the check slip should be placed in the bundle concerned in lieu of the money order and the Money Order removed. If the list is closed but not destroyed, the Issue List and both the statements and Register of unpaid items should be referred to. The auditor will then intimate the disposal of the money order, filing the money order with the case, or send the money order in a registered cover with a forwarding letter, as the case may be (vide Form No. A. G. P. T. 441).

509. If the issue list shows that the money order has been checked in red pencil, indicating that it has been received as void, the unpaid void money order should not be removed from the bundle of void orders. The fact that it has been received as void with the void list may be intimated. If the void money order is, however, required for purposes of enquiry, it may be sent with instructions that it should not be paid before it is formally re-issued by the Audit Office. A check slip should be placed in lieu of the money order in the bundle of unpaid void money orders.

510. If the money order remains unchecked in the issue list and the money orders relating to the issues of the month concerned have not been completely debit-checked, no definite information regarding the disposal of the money order can, at this stage, be furnished. A reply should in this case be sent in printed Form No. A. G. P. T.-441 stating that the money order has not come under audit. When the money orders relating to the month of issue of the money order requisitioned for have been completely debit-checked and it is found by reference to the Issue List and statements and register of unpaid items that the money order was not checked or scored out as paid the reply should also be sent in printed Form No. A. G. P. T.-441 stating that the money order has not been received as paid or void. No subsequent communication on the subject should be promised in the reply and the case treated as closed for the time being.

NOTE.—If, however, with the particulars supplied in the requisition, the Money Orders can be traced even before debit checking it should be so traced and the procedure outlined in Article 508 generally followed.

511. No information as to the disposal of a money order should ordinarily be furnished to a member of the public, even if he be the remitter or the payee. Letters of enquiry, when received, will be returned to the party with the request that he may address the Postmaster or the Supervising Postal Officer concerned. Complaints regarding non-payment of money orders received direct in the Audit Office should also be similarly disposed of. Requisitions for paid money orders received from officers other than Departmental Postal officers, and Judicial and Police officers, should not be complied with. Those officers should be asked to address the Head of the Circle concerned.

NOTE 1.—Money orders sent out to Departmental Officers will not be received back, but will be recorded by them with the cases concerned. Money Orders forwarded to Judicial or Police officers should, however, be called back and recorded in the Audit Office along with the cases pertaining to them.

NOTE 2.—The "Money-order sent out" Register (Form No. A. G. P. T.-440) will be treated as the despatch register also for the cases dealt with in the "money order sent out" group. The despatch number will be the index number with the letter (a) added to it. The distinctive mark 'M. O. S.' may form the numerator and the despatch number the denominator. The note of disposal will be made in the register against the index number concerned in the column provided for the purpose. Telegrams will be entered in red ink.

### *Progress Reports*

512. Each sub-auditor and machine operator employed in any of the groups of the Money Order Section except Void and other groups for which daily rates of out-turn cannot be enforced should maintain a progress report in the prescribed form (Form A. G. P. T.-415 or 442) and fill up the out-turn for each day and make it over to the Auditor or the supervisor concerned on the morning of the following day. Particulars of the lists and other items of work done should be mentioned in the report.

513. The daily rates for the different kinds of work in the Money Order Section are prescribed from time to time by the Auditor General.

NOTE 1.—In the case of groups for which daily rates of outturn are not prescribed, the due dates fixed for the submission of various documents and for audit should be strictly observed.

NOTE 2.—Any shortage in outturn should be made up on the following day or before the audit for the period is completed.



NOTE 3.—So long as the work is current, the prescribed rates should be maintained. When the work is in arrears, the Accountant General may enhance the rates up to 10 per cent. at his discretion. Except in individual cases, no reduction of the rates is permissible.

NOTE 4.—A consolidated register showing the receipt and disposal and the earliest date of receipt of undisposed of letters in each group of the Money Order Section should be prepared and submitted daily to the Senior Accountant and weekly to the Gazetted Officer in charge.

514. The Auditors or the Supervisors in charge of the groups should check these reports and each of them should submit a consolidated report showing the names of persons and the work turned out by each on each day to the Accountant, who after proper scrutiny will send on the consolidated reports to the Senior Accountant in charge of the Money Order Section. The latter should check them and submit them to the Gazetted Officer every Wednesday for review. The consolidated report gives an idea of how the work in each group stands and whether the work will be completed within the prescribed period. It is the duty of the Senior Accountant in charge of the section to see that the work in any group does not fall into arrears and he should, therefore, keep an eye on the due date fixed for each kind of work and so arrange the staff as to complete the work in all stages on the due dates. If the work is not finished by the due dates, the matter should be brought to the notice of the Gazetted Officer for increase in the daily rate of outturn or transfer of men from other sections, or grant of overtime allowances if admissible.

515. The auditors in charge of Paid list and Issue list groups should, after completion of the examination of the lists for a period, compile the total daily outturn of the sub-auditors who checked the lists for the period and agree the total outturn for the period with the number of money orders entered in the Paid List group broadsheets and that obtained from the Issue abstracts to see that the outturn has been correctly shown by the sub-auditors and transcribed into the consolidated report. An agreement of the outturn given by the machine operators with the total of the abstracts should also be made by the Supervisor of the Comptometer group or by the Auditor in charge of Paid list and Issue list groups as ordered by the Accountant General in the agreement memorandum of the respective groups. This agreement memorandum should be submitted to the Senior Accountant in charge through the Accountant of the group concerned, who should verify the figures. Any difference indicates unreliability of the reports submitted by the sub-auditors and any one found guilty of wilful submission of false reports should be reported to the Gazetted Officer for disciplinary action.

516. Each auditor in charge of a group who is required to conduct a daily review should keep a Diary in Form No. A. G. P. T.-444 for the purpose. The diary should be submitted to the Senior Accountant daily and to the Gazetted Officer in charge every Wednesday.

517. The auditor in charge of a check group should review at least 5 sheets of Head and Sub-Office lists daily, noting in his Diary the name of the sub-auditor and the names of the offices the sheets of which have been examined and the period of account. He should sign the sheets examined by him.

518. The Accountant in charge of the check groups of the Money Order Section should also maintain a Diary in Form A. G. P. T.-444 showing the review done by him of the different kinds of work turned out by

the men under his charge. He should check at least 3 sheets of Head and Sub-Office lists daily so that each man's work may come under his scrutiny by rotation. His review should not be confined merely to checking the work of the groups under his charge. A review of the work of the miscellaneous group, viz., Void Ledger, Remittance, Objection Book, etc., should also be occasionally exercised by him. Any carelessness or irregularities noticed will be written up in the diary which will be submitted to the Senior Accountant daily and to the Gazetted Officer in charge, every Wednesday.

A general Error Book will be maintained in manuscript by the Senior Accountant who should note therein all mistakes committed by officials other than those for whom separate Error Books are maintained (see Articles 393, 408-E and 429-A). The Error Book should be submitted to the Head of the Office through the Gazetted Officer-in-charge on the 7th of every month.

NOTE.—A systematic test check at the rate of 5 per cent. should be conducted on the list of unchecked items by the auditors of the miscellaneous groups. A review of the conversion of sterling values of Foreign Money Order at the rate of 20 items a day should also be conducted in the Foreign Money Order Section. The Auditor, Foreign Money Orders Group, should do alternately, the test check and the review work mentioned here.

## SECTION II.—FOREIGN MONEY ORDERS

### *Introductory*

519. "Foreign Money Orders" are money orders which originate in or are ultimately paid by the Postal Administration of a Country, or Colony outside the jurisdiction of the Pakistan Posts and Telegraphs Department. Articles 520 to 589 prescribe the procedure to be followed in the auditing and accounting of these transactions.

The term "Outward money orders" refers to money orders which originate at a Pakistan Post Office and are sent outside the jurisdiction of the Pakistan Post Office for payment, while the term "Inward money orders" refers to money orders which originate outside the jurisdiction of the Pakistan Post Office and come into it for payment or for onward transmission to another Country or Colony.

NOTE 1.—For definitions of the terms "Foreign sterling money orders" and "Foreign rupee money orders", see Rule 311 of the Posts and Telegraphs Manual, Volume VI.

NOTE 2.—The names of the foreign countries with which Pakistan exchanges money orders, and the names of the Pakistan offices of exchange for those countries and colonies, will be found in the Foreign Post Directory of the Post and Telegraph Guide.

NOTE 3.—The Director General of Posts and Telegraphs is required to fix the rates of conversion for sterling Money Orders and British Postal Orders according to article 344 of the P. & T. Account Code. Whenever there is a change in the market quotations for sterling exchanges, the Director General will furnish the Auditor General with a copy of the quotations together with his office notes and orders and the Office of the Auditor General will scrutinise whether the necessity for any change in the rates has been correctly examined by the Director General and the rates changed suitably, if necessary.

Once a month the Office of the Auditor General should examine the records to see if changes in the rates of Postal remittances have been intimated by the Director General and examined by the office. If no intimations were received an enquiry should be made of the Director General to confirm whether there has been no change in the market quotations. The review should be made on the 15th of each month and a watch of it kept through the calendar of returns.



## I.—Outward Sterling Orders

*Account arrangements*

520. Outward sterling money orders are not accounted for in separate issue lists but are included in the ordinary lists of money orders issued, the entries being distinguished by the letter "S" prefixed to the number. So far as the audit of these entries in the issue lists is concerned, no special procedure is necessary. The money orders being payable out of India, the offices of exchange merely submit periodical lists of the money orders advised to foreign countries accompanied by the money orders which are regarded as paid.

*Examination of Exchange Office Outward lists*

521. Each office of exchange submits to the Audit Offices lists of money orders advised by each mail to each foreign country on account of issues by Post Offices within their respective Circles of audit. These lists in Form No. F. M. O.-2 which are termed "Exchange Office Outward Lists", show—

- (a) the number of the money order,
- (b) the date of the money order,
- (c) the head or sub office of issue.
- (d) the sterling value of the money order,
- (e) its equivalent in Rupees converted at the rate prevalent on the date of issue of the money order, and
- (f) commission on the money order.

All these particulars should be verified by the sub-auditor with reference to the money orders accompanying the list, and the initial letters of the Postal Circles as given below should be noted against the entries in the list in order to facilitate the compilation of statistics for statement I prescribed in Article 583. In the case of 'through' money orders, the letter 'F' will be noted against the entry.

Circle	Initial letter
East Bengal Circle .. .. .	D
Punjab and North-West Frontier Circle .. .. .	L
Sind and Baluchistan Circle .. .. .	S

522. The sub-auditor will also see—

- (a) that commission on each order has been correctly noted in the outward list;
- (b) that the rupee equivalent of each sterling money order shown in the list is correct with reference to the rate of conversion in force on the date of issue of the money order, as intimated by the Director-General, Posts and Telegraphs, from time to time. Any discrepancy in rupee equivalents will be entered in red ink as a plus or minus entry below the Postmaster's entry of amount in the rupee column and the totals corrected accordingly; the correct rupee equivalent should also be noted on the money order under the dated initials of the examiner for further action by the debit-checker;

- (c) that the money orders relating to issues of different months are correctly charged in the respective outward lists;

NOTE.—If he detects any mistake, he must strike out the entry of the money order from this outward list in which it was wrongly charged, and make a fresh entry for the same in the proper list (if received) or in a separate portion of the same list, under a distinct heading in red ink. He will correct the totals of the lists accordingly and embody the corrections in the consolidated totals given at the foot of the outward list :

- (d) that in the case of a wanting money order, the action prescribed in item (vi) of Article 408-B ;
- (e) that postage stamps of the value of three annas on account of fee for obtaining "advice of payment" have been affixed to the outward foreign sterling money orders (payable in the countries from which advices of payment are obtained, vide Manual, Volume VI), on which the words "Advice of payment" have been written in red ink.

NOTE 1.—Foreign outward sterling money orders are issued by offices of exchange in lieu of telegraphic foreign money orders, and against the entries of such money orders in the outward lists no commission will be noted.

NOTE 2.—In the case of telegraphic money orders, the requisition should be examined to see if stamps on account of fee for "advice of payment" have been affixed to it.

NOTE 3.—The instructions in clause (e) will not be applicable in the case of through money orders, as the postage stamps realised will be affixed to the money orders in the country of origin.

523. When the examination of an exchange office outward list received in an Audit Office has been completed, the sub-auditor will verify the totals of the number and amount of the money orders (both sterling and rupee columns) and of the commission entered therein. Any discrepancy in the totals of the sterling value should be intimated to the office of exchange for subsequent adjustment. If the Audit Office is not the Audit Office of the principal office of exchange, it will intimate the figures to the latter in Form A. G. P. T.-445. This intimation will be prepared in duplicate by carbon process, the pencil copy being retained as office copy and the carbonised copy sent to the Audit Office concerned. The total of each week for each country of exchange will be posted in a register (Form A. G. P. T.-446 in which separate pages will be allotted for each Audit Office. The issues of the current month should be entered in black ink while those of the previous months should be entered in red ink. At the end of the month the register will be totalled, and the grand total of the rupee amount, shown in the register, will be adjusted by the following transfer entry to be made in the accounts of the principal Postal Circle under the audit of the Audit Office—

Dr.

Inland money orders (month of issue).

To Money Order Remittances.

Transfers—Audit Office

Cr.

Total

524. In the Audit Office of the principal office of exchange, after the consolidated totals shown at foot of the outward lists received by it have been proved with the figures furnished by the other Audit Office, the





(b) The paid orders will be sorted in the usual way and debited checked in the repaid order list.

(c) On receipt of the exchange account, the entry in the register referred to in clause (a) will be compared with the amount shown to the credit of Pakistan in the list of repaid and void orders attached to the exchange account, and a note made in the register showing against the item the month of exchange account in which the item is accounted for. Any discrepancy or any undue delay in claiming credit in the exchange account will be noticed and settled in communication with the Postmaster of the principal office of exchange.

527. In the case of repayment to a remitter of a "through" money order, the procedure prescribed in Article 526 is not followed, but the value of the money order is credited to the country of issue by debit to the country of payment through the respective exchange accounts. If the exchange accounts with both the countries are submitted to the same Audit Office, the credit in the one and the charge in the other will be adjusted by a single transfer entry on receipt of the two accounts; but when the exchange accounts are submitted to two different Audit Offices, the procedure to be observed will be as exemplified below:—

A money order issued in England for payment in the country "X" is to be repaid to the remitter. The amount is debited (i.e., shown to the credit of Pakistan in the Dacca G. P. O. exchange account with "X" and credited (i.e., shown to the credit of England) in the Karachi exchange account with Great Britain and Northern Ireland. The debit and credit will be adjusted by transfer entries thus—

*In the Dacca Audit Office*

Dr.  
Foreign Money Orders.  
Country "X".

To  
Money Order Remittances from Lahore Audit Office

Cr.

*In the Lahore Audit Office*

Dr.  
Money Order Remittances to Dacca Audit Office.

To  
Foreign Money Orders.  
(Great Britain and Northern Ireland)

Cr.

An advice of the adjustment (Form No. A. C. G-77) made in the Lahore Audit Office should be sent to the Dacca Audit Office.

528. In the case of an outward sterling money order intercepted by the remitter before it has been advised to the country of payment, the actual sum in rupee currency, and not the commission realised from the remitter, should be refunded to him. The amount will be charged in the list of money orders paid, supported by the money order which will be debit-checked in the usual way.

529. Nil.



## II.—Inward Sterling Orders

### Explanation

530. In the case of inward sterling money orders, the Pakistan office of exchange represents the office of issue. It receives periodically a list of money orders advised by the foreign country, converts the sterling amount of each money order into rupee currency at the rate in force on the date of advice of the money order by the foreign country (as intimated by the Director General, Posts and Telegraphs, from time to time), and prepares corresponding money orders in a special form prescribed for inward sterling orders, which are in the ordinary course forwarded to the office of payment.

531. Money orders advised by Great Britain and Northern Ireland form an exception to the procedure prescribed in Article 530 in that the conversion for such money orders is made by the London Post Office to the nearest anna at a rate fixed by the Postmaster which is duly noted on the advice lists and the rupee equivalents are communicated in the lists advised by him. The money orders are issued for these amounts by the offices of exchange.

NOTE.—The rate of exchange is also noted at the top of each list by the office of exchange.

### Audit of Exchange Office Inward lists

532. A periodical list in Form No. F. M. O.-3 of inward sterling money orders issued is submitted by the office of exchange to the Home Audit Office with the following particulars:—

- (a) the number of money order;
- (b) the date of the money order;
- (c) the head or sub office of payment;
- (d) the sterling value of the money order;
- (e) the rupee equivalent; and
- (f) the commission on "through money orders".

In this list, there is also a column for noting, in the Audit Office, the initial letter of the Postal Circle of payment, vide Article 521.

533. The list of inward sterling money orders issued is divided into sections corresponding to drawings by the different foreign countries and headed with the numbers and dates of the respective inward lists received from those countries. These lists are audited as follows:—

- (i) The sequence of numbers is examined.
- (ii) The conversion of the sterling amount into rupee equivalent is verified item by item, any wrong calculation being corrected in red ink and the total altered accordingly under the initials of the auditor. The error should be pointed out to the office of exchange.
- (iii) The commission on through money orders is checked with reference to the rates given in Appendix C to the Posts and Telegraphs Manual, Volume VI.
- (iv) The totals are checked (any corrections that may be found necessary being made and intimated to the office of exchange); and

- (v) The figures are finally posted, week by week, for each inward list in a register in Form A. G. P. T.-447 for the purpose of monthly adjustment by a transfer entry, thus:—

Dr.

Foreign money orders (country of exchange).  
(rupee equivalent).

To

Inland money orders (month of issue)

Commission on money orders—  
(through money orders).

N.B.—The figures for the lists bearing dates of the previous months are posted separately and in red ink.

- (vi) The initial letters of the Circles of payment are entered in the column provided for the purpose. In the case of 'through' money orders the letter F will be assigned.

The examination of the lists should be completed within one week of their receipt, and then made over to the checker for debit-checking.

NOTE.—The transfer entries should be made in the accounts of the month following the month to which the lists relate.

534. If the office of exchange from which the inward list has been received is not the principal office of exchange, and the latter is situated within the area of the other Audit Office, the debit in the transfer entry referred to in Article 533 will be taken to the "Remittance" head and an advice of transfer issued to the other Audit Office concerned detailing the total number, amount, and commission on through money orders entered in the list, with particulars of the period thereof, for the purpose of raising the debit in the list, under the head "Foreign money orders (country of exchange)" by credit to the head "Remittance". The figures thus communicated to the Audit Office of the principal office of exchange should be entered in the register of inward orders maintained by that office (separately for each country and office of exchange) below the figures of the offices of exchange under its own Circle of audit, while in the remitting Audit Office they should be posted in a separate part of the register of inward orders.

N.B.—In the advices of transfer the details of the lists bearing dates of the previous months should be entered in red ink for necessary action being taken by the receiving Audit Office.

#### Audit and check of payments

535. The inward sterling money orders, when paid, are included in the ordinary lists of money orders paid, and are distinguished by the letter S placed before their numbers. They are sorted as ordinary money orders and dealt with by the checker in the ordinary manner, see Articles 425 to 434.



**Repayments to remitters and void orders**

536. Inward money orders repaid to their remitters during currency will be received with forwarding letters from the office of exchange in which the repayments are intimated. Suitable notes will be made in the Inward lists and the money orders entered in a register in Form A. G. P. T.-450. Their adjustment in the money order exchange accounts should be watched through the same register (A. G. P. T.-450), all correspondence in connection with such repayments being treated as closed. The register should be reviewed monthly by the Senior Accountant and quarterly by the Gazetted Officer in charge.

537. If an inward sterling money order is not paid within the period of currency, it is accounted for as void. Should its repayment be applied for by the office of exchange on behalf of the remitter, it will, after note in the void list, be duly authorised by the Audit Office concerned, which will, on receipt from the office of exchange of the intimation of the advice of repayment to the foreign country, enter the money order in the register in Form No. A. G. P. T.-450 or communicate it to the Audit Office of the principal office of exchange, as the case may be, see Article 540. If, however, no application for the repayment is received, the void orders will be communicated by the Audit Office in Form A. G. P. T.-451 or in Form A. G. P. T.-453, as the case may be, to the office of exchange on the expiry of six months from the date of receipt in Pakistan, to be written back to the credit of the foreign country of issue in the next exchange account, where the repayments to remitters will also appear, see Article 560.

The above procedure should not, however, be followed in the case of void inward value-payable money orders issued from Ceylon, Somaliland Protectorate, etc. The value of such orders should be transferred to the head "Forfeited money orders" in the manner indicated in Article 451.

538. In the case of Iraq, all inward orders not paid in Pakistan should be placed to the credit of that Administration direct and shown in the exchange account as repaid orders. Lists of repayments are sent to the Audit Office by the office of exchange along with the money orders for which repayments are sanctioned. On receipt of the lists, suitable notes are made in the Inward list, or the register of unpaid money orders. The totals of the lists are then entered in the register of repayments (Form A. G. P. T.-450) and the lists are kept on record. On receipt of exchange accounts, these lists are referred to for the particulars of the money orders shown therein and the amounts adjusted.

539. The details of inward money orders readvised for repayment to a foreign country are entered in the Repaid Register (Form No. A. G. P. T.-450) on receipt of information from the Foreign Audit Office or the principal office of exchange.

540. The authorisation for repayment to remitters of inward orders and the communications of void inward orders as prescribed in Articles 536 to 539, if addressed to an office of exchange other than the principal office of exchange, and in case the latter be within the audit area of another Audit Office, should also be advised in Forms A. G. P. T.-452 and 451 to that Audit Office in order that it may be in a position to watch the adjustments appearing in the exchange accounts through the

register in Form No. A. G. P. T-450 maintained by it. When such adjustments are traced, the Audit Office of the principal office of exchange will verify the items from the register maintained by it and adjust the amount as follows:—

Dr.

Money Order Remittances.

To

Foreign Money Orders

(country of exchange).

Cr.

An advice of transfer should also be issued, at the same time, to the other Audit Office concerned where the necessary note will be made in its register of void orders and a transfer entry prepared as follows:—

Dr.

Inland Money Orders (month of issue).

To

Money Order Remittances

Cr.

### III.—Outward Rupee Orders

#### Introductory

541. Outward rupee orders are drawn on foreign countries by Pakistan and one-half per cent. commission on the aggregate amount of the drawings is credited by Pakistan to the foreign countries.

#### Audit Arrangements

542. The money orders are included in the lists of money orders issued, but are distinguished from inland orders by the letter F noted before the number in the lists, and the audit of the value and commission is performed under the rules for inland money orders (vide Articles 389-395).

NOTE.—Outward foreign money orders are not, as a rule, issued on "Postal Service".

543. Deleted.

544. The offices of exchange submit periodically lists of money orders advised, accompanied by the money orders entered therein, except in the case of Burma for which original money orders are sent out of Pakistan. These are audited in the same manner as the exchange office lists for sterling money orders advised, and transfer entries are similarly prepared through the registers in Form Nos. A. G. P. T-446 and 447 for each foreign country of exchange for the purpose of incorporating the figures in the monthly accounts (see Article 523).

NOTE.—Postage stamps to the value of three annas on account of fee for obtaining advice of payment will be affixed to the outward rupee money orders as in the case of outward sterling money orders. [Also see Note 2 to Article 522 (e).] This rule does not apply to the case of outward money orders for Burma as payee's acknowledgements are exchanged with that country.

544-A. The audit procedure prescribed for foreign outward money orders is generally followed in the case of Burma also. As the extract from the lists of money orders advised by each mail to Burma by the



Karachi and the Dacca offices of Exchange is not accompanied by the original money orders as in the case of money orders exchanged with other Foreign Countries a check slip is prepared by the Audit Office, in respect of each entry in the extract from the lists and checking payments against issue is conducted by means of these check slips. The extracts received in the Audit Office will be audited in the same manner as other exchange office outward lists and accounts adjustments will also be similarly made.

545. The money orders or the check slips prepared as in Article 544-A are then made over to the Sorting group where they are sorted according to offices of issue, and their amounts checked with a coloured pencil against the entries in the corresponding lists of money orders issued.

NOTE 1.—The rules in Section I of this Chapter are generally applicable to this class of money orders.

NOTE 2.—The payments to remitters of the outward rupee money orders, the payment of which is authorised or which are communicated as void, are made in the manner prescribed in Articles 526 to 528. The outward money orders returned from Burma for repayment are, before being sent out to the Post Offices of issue in Pakistan, impressed by the Karachi and Dacca Offices of Exchange with the 'R. P. O.' Stamp and fresh serial number and date entered thereon.

#### IV.—Inward Rupee Orders

##### Explanation

546. Inward rupee money orders are drawn by foreign countries on Pakistan and one-half per cent. commission on the total amount of the drawings is credited to Pakistan by the foreign countries.

##### Audit arrangements

547. The offices of exchange submit periodically lists of inward rupee money orders issued which are audited in the same manner as the exchange office lists of sterling money orders issued and necessary adjustments are noted in the Transfer Entry book (Form A. G. P. T.-574) for the purpose of incorporating the figures in the monthly accounts (see Article 533). The lists are then made over, under receipt, to the ordinary money order checker.

NOTE.—The claims of the Pakistan Post Office from the Malaya Administration and vice versa on all accounts, other than the money order exchange account, are adjusted by means of "Postal Service" money orders which are exempt from all charges for commission.

548. The inward rupee money orders, when paid, are included in the ordinary lists of money orders paid, being distinguished from inland orders by the letter F placed before the numbers. They are sorted along with the inland money orders, and debit-checked in the ordinary way.

549. The treatment of void inward rupee money orders drawn by foreign countries other than Burma and their repayments to the remitters are governed by the rules prescribed in Articles 536 to 540.

NOTE.—The repayment of inward rupee money orders within currency is governed by the procedure prescribed in Article 536.

549-A. Money Orders from Burma which for any reason cannot be paid are not sent to the Audit Office but are kept in deposit in the Dacca and Karachi Offices of exchange for further disposal pending receipt of instructions from the remitters in Burma. Such orders are disposed of by the Dacca and Karachi Offices of exchange either by payment in Pakistan or return to Burma for repayment to remitter there through repayment lists. Copies of repayment lists are sent by the Dacca and Karachi Offices of exchange to the home audit office (Dacca and Lahore) as the orders are re-advised.

On receipt of the lists suitable notes should be made in the Inward lists or the registers of unpaid money orders as the case may be. The adjustment of these money orders is made by a transfer entry prepared as follows:—

Dr. Inland Money Orders (month of issue).

To Foreign Money Orders—Burma.....Cr.

On receipt of the exchange account, the amount shown therein as inward orders repaid should be verified with the totals of the repayment lists.

#### V.—Trade charge Money Orders

##### C. O. D. outward lists

550. On receipt of the outward lists with Value-payable money orders in the respective Audit Offices (vide Note 3 to Rule 3, Appendix B to the Posts and Telegraphs Manual, Volume VI), the money orders are examined as ordinary foreign money orders and made over to the Sorting group where they are sorted along with other inland paid orders and sent to the Debit-checking group in which they are debit-checked along with other money orders. The totals of these outward lists are posted in a register in Form No. A. G. P. T.-449 and the following adjustment is made:—

Dr:

Inland money orders--month of issue.

To

Cr:

Suspense Account—Trade Charge Money Orders (Name of Country).

NOTE 1.—The entries in the C. O. D. outward lists and the Value Payable Money Orders advised to the United Kingdom, Eire or Ireland and Zanzibar also bear special serial numbers assigned by the Karachi Office of exchange advising the Money Orders. The serial numbers will run consecutively commencing with No. 1 for each month and for each audit office and will also be shown on the relative Trade Charge Money Orders.

NOTE 2.—The C. O. D. outward list examiner will carefully examine whether any mis-sorted C. O. D. money order has been wrongly included in the C. O. D. list. The mis-sorted money orders when traced, should not be sent to the Sorting group but should be forwarded to the other Audit Office with a forwarding note, necessary correction being made in the total of the C. O. D. lists, and an intimation of the correction sent to the Audit Office as well as to the Pakistan Office of Exchange concerned.



### London Trade Charge Account

55L (a) This account is prepared by the London Post Office and sent to the Karachi office of exchange, by which it is submitted to the Lahore Audit Office with the receipted Trade charge money orders.

(b) On receipt of the Trade Charge Account with the relative Trade Charge Money Orders, the orders are sorted in the Lahore Audit Office according to the Audit Offices of the different offices of issue and listed separately for each Audit Office in Form A. G. P. T.-473 in which are shown—

- (1) the special serial number assigned by the Office of Exchange.
- (2) the sterling value of the Trade Charge Money Order and its equivalent in rupee currency. The lists for the Lahore Audit Office will be in singles. Those for the Dacca Audit Office will be prepared in duplicate and totalled and reconciliation of the sterling value alone with the total shown in the London Trade Charge Account prepared in sterling currency will be effected in the Lahore Audit Office. The total amount of the lists in (rupees) for the Dacca Audit Office is debited to that Audit Office through an Advice of Transfer, the lists and vouchers being sent as enclosures.

NOTE.—Any difference in the rupee amount due either to clerical errors in compiling the extracts or to short or excess charge in the outward lists will be detected in the course of detailed audit in the Audit Office concerned.

(c) The Home Audit Office money orders are sorted according to the month of advice and the special serial number assigned to them by the Office of exchange (vide Note 1 below Article 550), and debit-checked in the outward lists with which the identical Value-payable money orders were received.

(d) The following adjustment of the gross amount of the account is made in the Lahore Audit Office.

Dr.

Money Order Remittance.—Dacca Audit Office.

Suspense Account.—Trade charge money orders—(name of country).

To

Foreign money orders—Great Britain and Northern Ireland .. Cr.

(e) The sterling value deducted from the total of the Trade Charge Account on account of one-half per cent. commission is converted into rupee currency at the flat rate of exchange. The following adjustment is then made—

Dr.

Foreign money orders—Great Britain and Northern Ireland  
(deduct from credit).

To

Commission on Money Orders.

Cr.

(f) On receipt of these money orders with the advice of transfer in the Dacca Audit Office, the correctness of the amount debited is verified by comparing the entries in the lists with those on the vouchers. They

are sorted according to the month of advice and the special serial number and then debit checked against the entries in the outward lists and thereafter the following adjustment is made.

Dr.

Suspense Account—Trade Charge Money Orders (name of country).

To

Money Order Remittances—

Lahore Audit Office.

Cr.

NOTE.—The initial letters of the Postal Circle should be noted against each entry in the extracts with reference to the Trade Charge Money Orders to facilitate compilation of statistics (vide Note to Article 583).

551-A. The Trade Charge Accounts with Eire or Ireland and Zanzibar are received in the Lahore Audit Office and dealt with in the same manner as Trade Charge Account with London. The only difference is that the amounts of the former accounts both inward and outward are adjusted through the Money Order exchange accounts under "special items".

552. Deleted.

#### List of unpaid items

553. After all the money orders are debit-checked in the outward lists, the items not debit-checked in the outward lists are compiled in a statement called the List of unpaid items in Form No. A. G. P. T.-474. These money orders, when received as paid with subsequent Trade Charge Account, are debit-checked in the list of unpaid items.

554 Deleted.

#### C. O. D. Inward lists

555. These lists are received from the offices of exchange which are authorised to deal with C. O. D. money orders and are audited as other Inward lists. At the end of the month, the amounts of these lists are posted in the Inward register (Form No. A. G. P. T.-449) and the following adjustment is made:—

Dr.

Suspense Account—Trade Charge Money Orders—(name of country).

To

Inland Money Orders (month of issue) .. .. Cr.

In addition to the above adjustment, the following adjustment is made in respect of commission calculated at one and a half per cent. on the total amount of the lists:—

Dr.

Sale of ordinary stamps.

To

Commission on Money Orders



### Inward Trade Charge Accounts

556. These accounts are prepared by the Principal Offices of Exchange from the Certificates of payments received from the Post Offices of payment of C. O. D. Inward Orders. The accounts relating to Malaya, Great Britain and Northern Ireland, Eire or Ireland and Zanzibar are submitted to the Lahore Audit Office. On receipt of these accounts their totals are checked. The amount of one half per cent. commission shown therein is also checked. The money orders, shown therein are verified in the inward lists concerned noting against the entries the month of the Inward Trade Charge account in which the orders are claimed.

The following adjustments are then made:—

Adjustment of the Gross total of the Account.		Adjustment of the one half per cent. commission deducted.	
Dr.	Foreign money orders (Name of country).	Dr.	Commission on money orders.
To		To	
	Cr.		Cr.
	Suspense Account—Trade Charge Money Orders.		Foreign money orders (Name of country (deduct from debit)).

The outstandings in the Inward lists, i.e., the inward money order not claimed in the Account, are compiled in a statement called the statement of unpaid items (Form No. A. G. P. T.-474). When these outstanding money orders are claimed in the subsequent accounts, they are removed from the above statement.

### Broad sheet of Inward and Outward Trade Charge Money Orders

557. The amounts of Inward and Outward lists temporarily placed under the head "Suspense Account—Trade Charge Money Orders" are posted in a broadsheet in Form No. A. G. P. T.-469. The amount claimed in the respective Trade Charge Accounts are also posted in the broadsheet in order to clear the amount placed under the head "Suspense Account—Trade Charge Money Orders". The difference between these two amounts represents the amount of the outstanding items in the list of unpaid items. The Broadsheet serves the purpose of not only exercising a check over the outstanding items but also of reconciling the credits and debits under the head "Suspense Account Trade Charge Money Orders" with the corresponding figures in the Detail Book and is submitted to the Gazetted Officer on the last day of the month for review.

### Trade charge Money Order transactions with the Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory

558. In the case of trade charge Money Order transactions with the Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory, the claim on account of Inward and Outward C.O.D. Money Order transactions is based not on the actual payments effected as in the case of C.O.D. transactions with the United Kingdom, Eire or

Ireland, etc., but on the total amount advised by the Exchange Office in the outward and Inward Lists. In view of this, the head "Suspense Account—Trade Charge Money Orders" is not operated upon. The total amounts of Outward and Inward Lists are directly adjusted to the head "Foreign Money Orders" as in the case of ordinary Foreign Money Order transactions.

*C. O. D. Outward Lists.*—The Outward Lists and the Money Orders will show both the sterling and rupee equivalent. On receipt of the lists with the V. P. Money Orders in the respective Audit Offices from the Karachi Office of Exchange, the Money Orders are examined with reference to the entries in the lists and the totals of the lists checked and further action is taken as laid down in Articles 523 and 524 with the exception of Note 1 under the latter Article.

*C. O. D. Inward Lists.*—Inward Lists are received in the Lahore Audit Office from the Karachi Office of Exchange and are audited as other Inward Lists. The amounts of these lists are posted in a Register in Form No. A. G. P. T.-447 and the following adjustments made:—

*Debit.*—*Foreign Money Orders*—Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory.

To Inland Money Orders (Month of Issue)—credit.

In addition, commission at 1½ per cent. worked out on the total of the lists is also adjusted as under:—

Debit Sale of ordinary stamps.

To XIX Posts and Telegraphs—Abstract B—Miscellaneous Revenue—II—Postal Receipts—(a) 1—Commission on Money Orders.....Credit."

559. *Statement of Trade Charge Money Orders.*—Statements of Trade Charge Money Orders are received monthly in the Lahore Audit Office and contain the following particulars:—

1. Total amount advised during a month with particulars of each list.

2. Less ½ per cent. commission.

3. Net amount due.

The figures shown in the statement are verified with the entries in the Register referred to in Article 558. The commission is checked and adjusted as shown below:—

*Debit.*—*Foreign Money Orders*—Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory.

(Deduct from Credit.)

and credit

to XIX Posts and Telegraphs—Abstract B—Miscellaneous Revenue—II—Postal Receipts—(a) 1—Commission on Money Orders—in the case of outward orders and Debit XIX Posts and Telegraphs—Abstract B—Miscellaneous Revenue—II—Postal Receipts (a) 1—Commission on Money Orders.

*Credit to Foreign Money Orders.*—Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory in respect of Inward orders. (Deduct from Debit.)

The net amounts shown in the statement are verified with the claims shown in the Money Order Exchange Account.



## VI.—Periodical settlement of Accounts

### Exchange Accounts

560. The money order transactions between Pakistan and the several countries of exchange are settled periodically by means of exchange accounts which show, on one side, the total amount of each outward list, the international commission thereon calculated at one-half per cent, the amount of inward orders repaid to remitters or written back to the country of issue as void (see Articles 537 and 549), remittance on account, special items and balance from preceding account. On the other side, the exchange accounts show, the total amount of each inward list, the international commission thereon at one-half per cent, outward orders repaid to remitters or written back to Pakistan as void, remittance on account and special items. The two sides of the accounts are squared by showing the difference as "balance due to or by Pakistan".

NOTE.—For sterling exchanges the account is expressed in sterling money; for rupee exchanges the form of account is similar, but the figures are in rupee currency.

### Receipt and Audit of Exchange Accounts

561. The exchange accounts with the several foreign countries and colonies are prepared periodically as shown in Appendix B to the Posts and Telegraphs Manual, Volume VI. These accounts are received in the Audit Office from the principal offices of exchange,

562. The exchange accounts will be received by the Home Audit Office of the principal office of exchange and will be dealt with by the Money Order Section. The total of the outward and inward lists will be verified, the international commission checked, the amount shown as inward orders repaid or void examined with the corresponding entries in the void list and the register of repaid order (Form A. G. P. T.-450), and the total of the list of repaid orders verified with the amount shown in the exchange account, discrepancies being noticed in Form A. G. P. T.-455. Finally, due note will be taken of the entries adjusting errors in previous accounts and of any special items: the cost of the bill of exchange for remittance of the balance or proceeds of that received in settlement of the balance as communicated by the Postal Accounts Section will be checked with the balance of the exchange account. The following transfers will be made, on receipt of exchange accounts, in order to adjust the commission and other receipts or charges shown in the money order exchange account:—

- (a) Credit or debit commission for the net difference in international commission.
- (b) Credit or debit "Exchange on Remittance Accounts—Postal and Money Order transaction" for difference of exchange or for premium paid for purchase of drafts in settlement of balances due by India for rupee money order transactions.
- (c) Credit or debit "Foreign money orders" to counterbalance (a) and (b).

- (d) Debit "Inland money orders—month of issue" in case of Home Circle money orders or "Money order remittance" in case of other money orders by credit to "Foreign money orders" in respect of repayment of inward orders.

563. The balances of the money order exchange accounts should not be carried over to the next account, but should be settled by cash remittances or remittances through the High Commissioner for Pakistan in London or through the London General Account, unless otherwise provided for in any particular case.

A register in Form A. G. P. T.-456 should be kept for watching the credits and debits in settlement of the balances of the exchange accounts.

On receipt of the exchange accounts, the balance shown therein is noted in this register and a note of adjustment in settlement of the balance is recorded in the column provided for the purpose. The items, if any, outstanding in this Register at the close of the accounts for March Final are transferred to the next year's Register under the attestation of the Accountant.

NOTE.—The examination of the exchange accounts should be completed within 15 days of their receipt.

563-A. *Watch of interest on balances of money order exchange accounts outstanding for more than 6 months.*—The amount shown in an Exchange Account as remaining due from one Administration to the other, shall on the expiration of six months following the period covered by the relative Exchange Account, be subject to interest at the rate agreed upon. The interest shall be carried to the debit of the Administration in arrear in the following account "under special items". With a view to watch the adjustment of interest on balances outstanding for more than 6 months, necessary notes regarding interest should be made in the last column of the Register in form A. G. P. T.-456 and its adjustment watched. The Register should be submitted for review to the Gazetted Officer through the Superintendent on the last day of every quarter. The register for the previous year should also be submitted along with the register for current year for the Gazetted Officer's review through the Superintendent at the end of the 1st quarter ending the 30th June.

The amount of interest appearing in the Exchange Account should be adjusted under the head "B. Miscellaneous Revenue—Postal—Fees and other receipts—other items". In the case of sterling accounts the amount shown in sterling currency should be converted into Rupees at the flat rate of Re. 1 = 2s.—1 29/32d.

NOTE.—The interest shall be calculated on the number of Calendar months, the remaining number of days in a month being treated as a fraction of a month.

564. Advance remittances due to, or from, foreign countries are watched through a register in Form A. G. P. T.-457. This register is posted once a week (Saturday) and is reviewed by the Gazetted Officer on the 2nd of every month. Calls should be made for remittances after one month and three weeks from the date on which they fall due.

565. The exchange account for money order transactions with Great Britain and Northern Ireland is combined with the letter and parcel postage account and termed the "General Account with the London Post



Office". The balance of exchange account with the British Postal Agencies in Persian Gulf is also adjusted through this Account.

The General Account is received in duplicate in the Lahore Audit Office from the Superintendent, Foreign Post, Karachi, by the 3rd of the second month following. The Lahore Audit Office adjusts the sterling amounts relating to (1) Foreign Money Orders (2) Share of Commission (3) Repaid and Void Money Orders (4) Trade Charge Money Orders and (5) Balance of Money Order transactions with foreign countries settled through the General Account. The actual rupee values in respect of items (1), (3), (4) and (5) above are ascertained from the various registers and subsidiary accounts maintained in the Lahore Audit Office. The net adjustments to the head 'Foreign Money Orders—United Kingdom' made on receipt of the London and the Inward Trade Charge accounts, are taken for the sterling amounts against Trade Charge Money Orders in the General Account. The actual rupee values thus ascertained are adjusted by debit or credit to "Foreign Money Orders—(Country)". The Remittance head "Account with the High Commissioner for Pakistan in U.K.—Items adjustable in England is, however, credited or debited with the rupee equivalents of the sterling amounts converted at the flat rate (2s. 1 29 32d. per rupee) and any difference between the two rupee figures is adjusted under "Exchange on Remittance Account". The commission on Foreign Money Orders and Trade Charge Money Orders is also adjusted at the flat rate of exchange [vide Article 551 (e)]. The Money Order Section of the Lahore Audit Office will then make over both the copies of the General Account to the Account Current Section. The latter after adjusting the remaining items will forward one copy to the Office of the Auditor General, so as to reach that office by the 10th of the month. The Office of the Auditor General will send it to U.K. after check by the first Mail day, vide Article 100 of the Posts and Telegraphs Account Code.

NOTE.—A schedule of debits and credits relating to the Accounts between England and Pakistan should be sent to the Office of the Auditor General by the Lahore Audit Office in respect of the adjustments made in that Office.

566. As already stated in Article 531, the amounts advised by the London Post Office are shown in the relative inward lists in rupee currency. In the Karachi General Account, particulars of these lists, viz., number of list, date of list, monthly numbers, amount of orders in rupees, etc., are entered to the credit of Pakistan in the space provided for the purpose. The total amount of orders in rupees for the month plus the commission at one-half per cent. will be converted into sterling at the mean of the market rates for drafts current during the month. A statement showing the mean of the rates (Karachi on London) will be forwarded to the Karachi office at the close of each month. Pakistan cannot, therefore, claim from England the total sterling value of the inward lists for a month as in the case of other sterling countries, but only the sterling value arrived at by conversion of the total amount of rupees shown in the inward lists at the mean of the market rates for drafts (Karachi on London) prevailing in the course of the month.

NOTE 1.—In the case of sterling countries, the total rupee equivalent adjusted in each month is noted in red ink in the Money Order Exchange Account against the particulars shown in the list. The month of adjustment is also noted therein. A reference is made in the last column of the register of outward orders to the exchange account in which the lists are accounted for.

**Note 2.**—The month of exchange account in which void inward orders are shown as repaid to the foreign country is noted in the void list and the amounts of such orders shown in the column 'month of adjustment'. Suitable notes should also be made in the register of repaid orders and in the statement of void orders communicated to the foreign country as void. In the case of inward orders repaid within currency, the particulars of the exchange account and the month of adjustment should be noted prominently against the money orders in the Inward list or in the register of unpaid money orders if the items have already been picked out as unpaid money orders. In the latter case the column 'month of adjustment' will also be filled in.

567. In the case of the following countries, the settlement of balances due to Pakistan in the money Order Exchange Account will be made by remittances through the Chief Accounts Officer to the High Commissioner for Pakistan in London.

1. Nyasaland Protectorate. 2. British Guiana. 3. Colony and protectorate of Kenya. Uganda Protectorate and the Tanganyika Territory. 4. Egypt. 5. Malta. 6. Trinidad. 7. Commonwealth of Australia. 8. New Zealand. 9. Zanzibar. 10. Saudi Arabia. 11. Aden. 12. Switzerland, and 13. Iraq.

Intimations of the remittances made by the above countries are sent by them to the Accountant General, Pakistan Revenues, Karachi, who forwards them in original to the Lahore Audit Office for watching credits afforded through the London Accounts and for note in the register of remittances (Form A.G.P.T.-456), as well as in the register for watching advance remittances (Form A.G.P.T.-457). When credits for the remittances appear in the London Accounts extracts from the schedule of credits are sent to the Lahore Audit Office by the Accountant General, Pakistan Revenues, Karachi, for purposes of adjustment and verification of the credits with the intimations of remittances already sent. They are adjusted as below and particulars of adjustment are communicated to the Office of the Auditor General—

Dr.

- (1) Account with the High Commissioner for Pakistan in U.K.  
Postal and Money Order transactions.
- (b) With Colonial Administrations.
- (2) Exchange on Remittance Accounts.  
Postal and Money Order transactions.

To

Foreign Money Orders.....(name of country).....Cr.

Or

Dr.

Account between England and India—Postal and Money Order transactions.

- (b) With Colonial Administrations.



To

(1) Foreign Money Orders—(Name of the Country).

(2) Exchange on Remittance Accounts.

Postal and Money Order transactions.....Cr.

The rate of conversion adopted for the remittance in sterling is the same as that for inward orders in force on the date of the remittance. The difference between the amount in rupees converted at this rate and the conventional rate of Re. 1 = 2s. 1 29 32d. will be debited or credited as the case may be, to "Exchange on Remittance Account".

NOTE.—In the case of Aden, money orders are exchanged in rupee currency. If the balance of the monthly Money Order Exchange Account is in favour of Pakistan, the Postal Administration of Aden shall at the same time that it returns an accepted copy of the Account to Pakistan adjust the balance either by means of a sterling draft at the current market rate drawn by Agents for the colonies in London in favour of the Chief Accounts Officer to the High Commissioner for Pakistan in London or by means of a rupee draft drawn in favour of the Superintendent, Foreign Post, Karachi, as may be convenient to that Administration. The adjustment of the amount of the sterling draft will be effected in the manner indicated above for other countries.

558. The balances in favour of Pakistan in respect of exchange accounts with colonial and other administrations are adjusted through the London Account, while the balances due by Pakistan are settled by drafts on London purchased in the market. The amount paid in rupees for the purchase of the draft will be charged in the cash account and debited to "Foreign Money Orders—country of exchange".

569. The balance of the half-yearly parcel account between Pakistan and the Kenya, Iraq, Australia, and New Zealand is adjusted through the money order account between the two administrations by entry against the head "Special items detailed in the annexure". The balance of letter mail transit charges and balances of Air Mail Accounts between Pakistan and Colony and Protectorate of Kenya, Uganda Protectorate and Tanganyika Territory are also adjusted similarly. No money order commissions is payable on the balances thus included in the money order account. The adjustment is effected by credit to the head "Abstract A-II—Postal Receipts (b) Receipts from other Postal Administrations or (c) Deduct Payments to other Postal Administrations" as the case may be.

570. The balances of the half-yearly accounts relating to both insured and uninsured parcels exchanged between Pakistan and the Commonwealth of Australia, viz., the Colonies of New South Wales, Queensland, South Australia, Tasmania Victoria and Western Australia are included in the money order accounts between Pakistan and those Colonies. Care should be taken to see that no money order commission is charged on such items. These balances, when they appear in the general account of money orders with the Commonwealth, will be adjusted in the manner indicated in Article 569 in the accounts of the months in which the balances of the money order accounts are settled. The land and sea transit charge are also similarly adjusted.

## 571. Deleted.

571-A. The balances due to Pakistan on account of money orders exchanged between Pakistan and Ceylon, are settled by Bank drafts drawn in favour of the Postmaster, Karachi, and the balances due to Ceylon are settled by means of bills of Exchange on Colombo.

572. Under the head "special items" in the money order exchange accounts with Malaya and the Colony and Protectorate of Kenya, Uganda, Protectorate, and the Tanganyika Territory the adjustment on account of Savings Bank transfers appears to the credit of Pakistan or the Foreign Administration. A schedule of Savings Bank accounts transferred between the countries concerned is appended to the money order exchange account. The adjustment in respect of such Savings Bank transfers is made in the course of audit of the money order exchange account by debiting or crediting the head "P—Deposits and Advances—Accounts Current with Foreign Governments—Account with the country concerned—Savings Bank Transfers" and by crediting or debiting (deducting from credit) the head "Foreign money orders". The schedule of Savings Bank accounts is then forwarded to the Savings Bank Section for final disposal in respect of transfers relating to Malaya.

*Miscellaneous Items*

573. Amounts due to or by the Pakistan Posts and Telegraphs Department on account of the conveyance of letter mails over the Dhanushkodi Talaimanner service, Natal Line and Pakistan and South African Lines are settled through the Annual Liquidation Account of the International Bureau at Berne and are generally adjusted as described in Article 369-A, Posts and Telegraphs Audit Code, Volume I. In the case of Great Britain and Northern Ireland, however, the final adjustment of the amount as included in the Liquidation Account is effected through the General Account between Great Britain and Northern Ireland and Pakistan the credits and debits being adjusted in the same heads of account as indicated in article 369-A *ibid*.

*Adjustment of Exchange*

574. As the Government of Pakistan have adopted the rate of Re. 1 = 2s. 1-29/32d. as the conventional rate in the public accounts, and as different rates are fixed by the Director General, Posts and Telegraphs, from time to time, for the conversion of foreign outward and inward sterling money orders, the difference between the rupee value converted at the official rate and that converted at the rate fixed by the Director General, Posts and Telegraphs, has to be adjusted to the head "Exchange on Remittance Account—Postal and Money Order transactions".

575. After the examination of the exchange account is completed, all the adjustments made in respect of the transactions shown in the exchange account under the head "Foreign Money Orders," are collected under the credit and the debit sides of that head in a broadsheet in Form No. A. G. P. T. 458 and a reconciliation of the two sides is attempted. The two sides will ordinarily agree in the case of rupee countries. In



the case of sterling countries, however the sterling value on the two sides of the exchange account will agree, but there will always be a difference in the rupee value due to the adoption of different rates of conversion for the adjustment of remittances from the foreign country. This difference will be adjusted to the credit or debit of "Exchange on Remittance Account—Postal and Money Order transactions" and the two sides of the head "Foreign Money Orders" reconciled.

576. In the Detail Books, the major head "Foreign Money Order" is divided into as many sub-heads as there are countries or colonies with which Pakistan has direct exchanges of money orders. Great care should be taken to adjust the transactions relating to each exchange under the proper head of account.

Exception.—The money order transactions with the several States of the Commonwealth of Australia are adjusted in the books under a single head "Commonwealth of Australia".

577 }  
578 } —Deleted.  
579 }  
580 }

#### VII.—Exchange of Telegraphic money orders with Foreign Countries.

581. Telegraphic Money Orders exchanged between Pakistan and Foreign Countries are included in Inward and Outward lists of Telegraphic Money Orders. These lists (both inward and outward) bear the same number and date as those of Ordinary lists. As no separate exchange account is maintained in respect of these transactions, the total of the Telegraphic Money Order lists is for the purposes of accounts, included in that of ordinary Inward or Outward lists as the case may be. Advance copy of lists of Telegraphic Money Orders is received in Audit Offices from the offices of Exchange. The advance list contains the following particulars:—

- (1) Number of the Money Order.
- (2) Date of the Money Order.
- (3) Head or Sub Office of payment.
- (4) Value of the Money Order.

In the case of Telegraphic Money Orders originating from Sterling Countries other than Great Britain and Northern Ireland only the Sterling amount is shown in the Advance list whereas in the case of Telegraphic Money Orders originating in Great Britain and Northern Ireland only the Rupee equivalent is shown. The Advance list is audited as follows:—

- (1) Sequence of numbers is examined.
- (2) Totals are checked (any corrections found necessary being made and intimated to the office of exchange).
- (3) Initial letters of Postal Circles are noted against the entries in the list to facilitate compilation of statistics. In addition the rupee equivalent of the sterling value (in the case of sterling countries other than Great Britain and Northern Ireland) is

*Verification of Balances*

588. The balance under the head "Foreign Money Orders" comprises the balance of the exchange accounts remaining unsettled at the close of the year, excluding the inward money orders advised in March but accounted for in the issue list for April prepared by the office of exchange. With a view to bring out this result, the net international commission of the unsettled exchange accounts and the amounts of inward orders shown therein as repaid or void are adjusted by transfer entries in the accounts of March (final), or by journal entries if the exchange accounts are received too late to admit of the adjustments being made in March (final). The items which make up the annual balance are noted in full detail in the remarks column of the broadsheet referred to in Article 587 and a statement showing the verification of the register balances with the Detail Book balances in Form No. A. G. P. T.-563 prepared in detail of each foreign country is submitted to the Office of the Auditor General soon after the March (final) accounts are closed.

A similar report should be sent after the closure of each batch of Journal Entry.

NOTE.—It should be borne in mind that, besides the amount of inward money orders advised in March but accounted for in foreign money order issue list for April, the items that cause difference between the balance as worked out in the broadsheet and that shown in the unadjusted exchange account are (a) remittances received during the year in partial settlement of the unadjusted exchange account, and (b) advance remittances received in March in respect of the transactions for April. All these items should be described fully in the broadsheet.

*Verification of balance "under Suspense Account—Trade Charge Money Orders"*

589. After the March (final) accounts, of a year are closed, the balance under this suspense account as per register of unpaid items should be verified with the book balance and a report for each country showing the register and book balances at the end of each year and the difference (with the month of adjustment noted against the difference) should be sent to the Postal Accounts Section, for consolidation and submission to the Office of the Auditor General. Similar statements should be sent after the accounts of the year for each batch of Journal Entry are closed.





converted and posted against the relative entries in the list for adjustment purposes. The figures are finally posted in a register in Form A. G. P. T.-447 for the purpose of monthly adjustment. The entries in the list are debit checked with the paid Telegraphic Money Order receipts prepared by the office of payment. No audit is exercised on the completed copy of the list beyond seeing that the number and date of the Foreign Office Inward list are filled in the Advance copy and the totals of the completed copy of the list are posted separately in the register mentioned above in the manner indicated in the "N.B." under Article 533. With a view to check the correctness of the claim from the foreign countries, a verification is made of the figures included in the Advance list with those accounted for in the Foreign office Inward list. As only the rupee equivalent is shown in the Advance list from Great Britain and Northern Ireland the sterling value as per the Inward list, is entered against the relative entries in the Advance list and its correctness checked. Any discrepancy should be settled either on receipt of the Exchange Accounts or in communication with the office of Exchange.

#### *Outward Telegraphic Money Orders*

These Money Orders are accounted for in outward lists of Telegraphic Money Orders prepared by the Pakistan Office of Exchange. Lists received in audit are accompanied by copies of the Telegraphic Money Order advices, on which they are based but without any other voucher. Check slips should be prepared for the purpose of debit checking. In the case of sterling Money Orders rupee values should also be noted on slips to facilitate debit check. The check slips along with the copies of the relevant Telegraphic Money Order advices pasted to them are then treated as paid vouchers and checked with the relative entries in the outward lists. The lists and the check slips are thus dealt with in the same way as ordinary outward lists and orders.

#### *Pak-Burma Telegraphic Money Orders*

581-A. The audit procedure prescribed for telegraphic money orders exchanged between Pakistan and foreign countries is generally followed with the exception that no advance copy of Telegraphic M. O. Lists is received in the Audit Office.

A duplicate of all outward and inward Telegraphic Money Order lists prepared by the exchange office of the country of issue will be forwarded by the Karachi and Dacca Offices of exchange to the Audit Office at the time of forwarding the lists to Burma or on receipt from Burma. The outward lists received from the Karachi and Dacca offices of exchange will be accompanied by the copies of the telegraphic money order advices. Check slips are prepared and pasted to the advices, which are treated as paid vouchers. The audit of these inward and outward lists is conducted in the same manner as the exchange office lists of rupee money orders issued and outward orders advised to Burma. The inward lists will be prepared by the Rangoon Office of Exchange separately for each of the three Frontier Telegraph Offices (*viz.*, Rangoon,



Akyab and Mandalay) showing monthly serial numbers arranged consecutively with the distinctive initial letters (*viz.*, R. A. and M.) assigned by the three frontier Telegraph Offices in Burma. These numbers and letters will be shown in the Telegraphic money order receipts made out by the offices of payment in Pakistan. The checker will debit check these T. M. O. receipts and also examine the sequence of the serial numbers and point out any irregularity noticed in the course of examination to the exchange office.

582. Telegraphic Money Orders are also exchanged with the following countries :—

- (1) Great Britain and Northern Ireland.
- (2) Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory.
- (3) Nyasaland Protectorate.
- (4) Zanzibar.
- (5) Malaya.
- (6) Burma.
- (7) Ceylon.
- (8) Aden.

#### VIII.—Miscellaneous

##### *Statistics of Foreign Money Orders*

583. The following statements should be prepared by the Money Order Section of each Audit Office and sent to the Office of the Auditor General not later than the 10th July of each year :—

*Statement I* (Form No. A. G. P. T.-462)—Showing the number, value and commission on the following three classes of foreign money orders issued during the year just closed, classified according to the Circles of issue, *viz.* :—

- (a) Foreign sterling money orders.
- (b) Foreign rupee money orders.

*Statement II* (Form No. A. G. P. T.-463)—Showing the number and value of the foreign money orders paid during the year, classified according to the Circles of payment.

**NOTE.**—Statements I and II should exclude the value and number of "through" money orders issued or paid as they do not represent the issues or payments of Pakistan.

*Statement III* (Form A. G. P. T.-464)—Showing the money order transactions with each country or colony dealing with sterling or rupee money orders.

*Statement IV* (Form No. A. G. P. T.-465) Showing the number, value (in Pakistan currency) and commission on outward foreign money orders for each month of the year just closed.

*Statement V* (Form No. A. G. P. T.-466)—Showing the number and value (in Pakistan currency) of inward foreign money orders for the year just closed.

**Statement VI (Form No. A. G. P. T.-467)**—Showing the number and value of inward foreign money orders for each country and colony, classified according to the Circles in which the Pakistan Offices of exchange are situated.

**Statement VII (Form No. A. G. P. T.-468)**—Showing the number and value of inward foreign money orders for each country and colony, classified according to Circles in which the Pakistan offices of exchange are situated.

Statement I will be compiled by classifying the entries in the exchange office outward list. The compilation will be taken up immediately after the examination of each list has been completed. The total of the classification will be proved with the total of the weekly (or periodical) list and the monthly total of the classification will be made by the end of the second month following that to which the outward lists relate. This classification will be posted in a register in Form A. G. P. T.-459 which will be submitted to the Gazetted Officer for review. Telegraphic money orders will be posted in the register separately.

Statement II will be compiled by classifying the entries in the exchange office inward list. The compilation will be made in the manner indicated above and completed by the end of the second month following that to which the inward lists relate. The classification will be posted in a register in Form A. G. P. T.-460 which will be submitted to the Gazetted Officer for review. Telegraphic money order statistics will be recorded on a separate page for each class.

Statement III will be compiled as follows:—

The total number, amount (sterling and rupee) and commission on outward orders to each country of exchange will be posted in the register in Form No. A. G. P. T.-470 against each month and the annual total struck. For inward orders, the figures will be compiled from a register in Form A. G. P. T.-471. Figures for repaid and void orders will be compiled from the exchange accounts for each month in a register in Form A. G. P. T.-472 and the annual figures will be copied in Statement No. III.

Statement IV will be compiled from the register in Form A. G. P. T.-448.

Statement V will be compiled from the register in Form A. G. P. T.-471 which will be posted from the register in Form A. G. P. T.-447.

Statement VI will be compiled from the register in Form A. G. P. T.-470 and Statement VII from the register in Form A. G. P. T.-471.

The registers in Forms A. G. P. T.-470, 471 and 472 should be posted monthly and submitted to the Gazetted Officer for review.

**NOTE**—Statistics for trade charge money orders will be compiled in forms similar to those prescribed for foreign money orders above. Classification of these money orders according to Circles of issue and payment will be compiled from the respective Trade Charge accounts and not from the outward and inward lists. In the case of Trade Charge Money Order transactions with the Colony and Protectorate of Kenya, Uganda Protectorate and the Tanganyika Territory the statistics will be compiled from the Outward and Inward Lists.



584. A statement showing separately, the amounts received and paid in Pakistan on account of Money Orders transactions (excluding Remittances) with the several foreign countries which settle their accounts through London, for each year, is submitted to the Auditor General, by the 25th April for communication to the Department of Commercial Intelligence and Statistics, by the first week of May.

Another statement showing the figures upto March Supplementary Account is also submitted to the Office of the Auditor General not later than the 15th July for transmission to the same officer by the end of that month.

*Reconciliation of Foreign Money Order figures with the Detail Book*

585. The figures under the head "Foreign Money Orders" are verified, separately for each foreign country of exchange, by means of a register in Form A. G. P. T.-461, one page being used for the credit and another for the debit in which the differences are clearly explained. All differences with the Detail Book are adjusted before the accounts are finally closed, so that the total figures for the year in the column "Figures as per Detail Book" agree arithmetically with those in the column "Figures as per Foreign Money Order Register".

586. In order to enable the Money Order Section to effect the reconciliation prescribed in Article 585, the Detail Book figures for each month relating to "Foreign Money Orders" are supplied to that Section by the Postal Accounts Section not later than the 5th of the second month following that to which the accounts relate, and the figures are verified by the Money Order Section within 15 days of receipt of the Detail Book figures, the register being submitted to the Gazetted Officer for review on the 22nd of the month, through the Senior Accountant.

*Broadsheet of Foreign Money Orders*

587. A broadsheet is maintained, in Form A. G. P. T.-458, of the total credits and debits under the head "Foreign Money Orders". A separate agreement is secured for each foreign country, one page being used for credit and another for debit. The Booking Section figures for each month, when they relate to only one exchange account, are posted in the appropriate column against the month to which they relate, but when the figures include amounts relating to more than one exchange account, they are split up and the amounts relating to each exchange account are posted against the particular month as shown in column 1. In respect of the exchange accounts which are prepared quarterly, half-yearly or yearly, the figures are posted against the last month of the quarter, half-year or year, as the case may be, the months being bracketed together. The horizontal total against each month of the exchange account is struck only when the exchange account is adjusted by a remittance, as it is then only that an agreement between the total credit and the total debit can be secured. This agreement cannot be effected in respect of the exchange accounts which are left unadjusted during the year, and the differences between the credits and debits in these cases make up the annual balance. The broadsheet is submitted to the Gazetted Officer for review through the Senior Accountant on the 22nd of the second month following that to which the accounts relate.

## CHAPTER 8.—PAKISTAN POSTAL ORDERS

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## Introductory

606. The Auditor General of Pakistan is responsible for the Stock, Custody and issue of the Pakistan Postal Orders and also for the audit of all transactions relating to them. The rules for indent, sale and payment of the Pakistan Postal Orders in Post Offices as well as those relating to the maintenance of the initial accounts and submission of account returns of Pakistan Postal Order transactions to Audit Offices will be found in Part V of Chapter 7 of the Posts and Telegraphs Manual, Volume VI.

607. The Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, acting on behalf of the Auditor General is responsible to arrange for the direct annual supply of the Pakistan Postal Orders to the Dacca Audit Office. In addition to the annual supply received for his office, he also holds a Central Reserve Stock to meet occasional demands arising from his or the other Audit Office.



### Stock

#### *Procedure for obtaining the supply of Pakistan Postal Orders*

608. The supply of Pakistan Postal Orders is obtained through the Director General of Posts and Telegraphs by yearly indents on the Controller of Stamps. It should be so calculated as to supplement the existing stock of each denomination to meet the requirements of twelve months from the following January.

For this purpose yearly indents in the following form should be sent by the Dacca Audit Office to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, so as to reach his office on or before the 10th August each year. The quantity required should be shown against those denominations only which need replenishing. A similar indent should also be prepared by the Lahore Audit Office showing its requirement.

An yearly consolidated indent should be prepared accordingly (in quadruplicate) and issued over the signature of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, showing separately under each denomination of Pakistan Postal Orders the requirement of each Audit Office as well as of the Central Reserve Stock and the mode of despatch of the Pakistan Postal Orders direct to them.

The total quantities of each denomination of Pakistan Postal Orders required to be printed should be determined with due regard to the sliding scale of manufacturing rates so that the printing of each denomination may be done in one lot, thereby avoiding small printing runs involving increased manufacturing cost to the Department. It should also be clearly noted in the indent for the guidance of the Press whether the supply of Postal Orders of any particular denomination is required in advance.

Three copies of the indent should be forwarded to the Director General of Posts and Telegraphs on or before the 20th August each year and the quadruplicate copy filed in a guard file as office record.

On receipt of the three copies of the indent, the Director General of Posts and Telegraphs, after his counter-signature, will forward two copies to the Controller of Stamps so as to reach his office by the 1st of September each year.

Supplies will normally be despatched by the Controller of Stamps direct to the two audit offices early in January each year according to their requirements, as shown in the indent.

Supplies to the Dacca Audit Office will be accompanied by an invoice in quadruplicate showing the total quantity of each denomination of Postal Orders with their serial numbers. Original copy of the invoice should be retained by the receiving officer, the 2nd and 3rd copies returned after acknowledgment to the Controller of Stamps and the quadruplicate copy sent to the Lahore Audit Office duly acknowledged. In the case of the Lahore Audit Office only three copies of the invoice will accompany the supply for disposal in the above manner.

## Yearly indent for Pakistan Postal Orders

Denomination	Issues in previous 12 months (as detailed on the reverse)	Stock on 31st July	Additions required (in hundreds) to make up 12 months demands column 3, when less deducted from column 2	Remarks
1	2	3	4	5
Eight Annas	...	...	...	
Rs. 1 0 0	...	...	...	
Rs. 1 8 0	...	...	...	
Rs. 2 0 0	...	...	...	
Rs. 2 8 0	...	...	...	
Rs. 3 0 0	...	...	...	
Rs. 3 8 0	...	...	...	
Rs. 4 0 0	...	...	...	
Rs. 4 8 0	...	...	...	
Rs. 5 0 0	...	...	...	
Rs. 5 8 0	...	...	...	
Rs. 6 0 0	...	...	...	
Rs. 6 8 0	...	...	...	
Rs. 7 0 0	...	...	...	
Rs. 7 8 0	...	...	...	
Rs. 8 0 0	...	...	...	
Rs. 8 8 0	...	...	...	
Rs. 9 0 0	...	...	...	
Rs. 9 8 0	...	...	...	
Rs. 10 0 0	...	...	...	

NOTE.—If the number in column (3) exceeds that in column (2) the word "Nil" should be written in column (4) and no indent will be necessary.

## Custody of the Stock

609. The Stock of the Pakistan Postal Orders is kept by the Cashier attached to each Audit Office. The Stock is secured in a safe with double locks in the joint custody of the Gazetted Officer in charge of the Cash Branch and the Cashier, each of these officers keeping his keys in his personal custody.



610. On receipt of the orders from the Controller of Stamps in the Lahore Audit Office the total number of the orders supplied as shown in the invoice should be compared with the total number shown against Lahore Audit Office and under Reserve Stock in the office copy of the indent and in the case of the Dacca Audit Office with the total number shown in the office copy of the yearly indent referred to in Article 608 and variations, if any, noted against the denomination concerned in the latter. The orders are supplied by the Controller of Stamps in small packets of 100 each. The number of packets as well as the number of the Pakistan Postal Orders contained in each packet should be counted in detail. The total number of orders received should be noted under the respective denominations in the Stock Register (Form A. G. P. T. 480). Entries made in the Stock Register should be attested by the cashier as well as by the Gazetted Officer-in-Charge of the Cash Branch. The acknowledgment for the orders should also be prepared and initialled by the cashier, and despatched under the signature of the Accountant General, Punjab, Posts and Telegraphs Branch, or the Gazetted Officer-in-Charge in the manner laid down in Article 608.

NOTE.—The Pakistan Postal Orders supplied to the Dacca Audit Office direct by the Controller of Stamps should also be similarly noted and shown as issued to him by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, in the Reserve Stock Register, on receipt of the acknowledged copies of the invoices as required under Article 608.

611. The stock in the Audit Offices is ordinarily replenished annually by direct supply received from the Controller of Stamps in January each year as laid down in Article 608.

Indents for supplementary requirements may, however, be made to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, for supply from the Central Reserve Stock when necessary.

#### *Issues from the Stock*

612. The indents received from the Post Offices, or the indents for supplementary requirements received in the Lahore Audit Office from the Dacca Audit Office are submitted by the cashier to the Gazetted Officer-in-Charge and when orders for supply have been passed by him, the requisite number of orders is taken out of the Stock, entered in the Stock Register (Form No. A. G. P. T. 480) and checked both by the Gazetted Officer and the Cashier, and the latter then issues them with an invoice prepared in Form No. A. G. P. T. 303 (in duplicate) signed by the Gazetted Officer.

The original copy of the invoice issued by the Cashier, is received back from the Audit Office concerned or from the Post Office concerned, duly signed as an acknowledgment, and is filed in a Guard File. The Cashier should see that he receives an acknowledgment for the Pakistan Postal Orders supplied within a reasonable time, issue reminders for the same, when necessary, and bring cases of unusual delay to the notice of the Gazetted Officer.

#### *Stock Register*

613. The stock register in Form A. G. P. T. 480 maintained by each Audit Office, is posted as regards receipts, from the invoices received from the Controller of Stamps and as regards issues, from the invoices issued by it to the Postmasters. In regard to the supplies received from the Central Reserve Stock the posting in this register is made from the

invoice received from the Lahore Audit Office which will also make an entry of issues in its Reserve Stock Register when issuing the invoice.

**NOTE.**—Pakistan Postal Orders received from the Controller of Stamps or from the Central Reserve Stock of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, should be counted by the cashier in the presence of the Gazetted Officer, who will conduct a test check of the counting.

#### *Issues to the Postmasters*

614. Pakistan Postal Orders are issued to Head Post Offices on indents received from the Postmasters. These Indents (whether by telegram or otherwise) are entered in the appropriate columns of the Stock Register. Cases in which indents for Pakistan Postal Orders are made by telegram should be reported to the Head of the Circle when it appears that such telegram could have been avoided by the exercise of proper foresight.

615. The indents received from the Postmasters are, in the first place, sent to the Audit Section concerned for verification of the figures as to balance and sale noted by the Postmasters. They are then submitted to the Gazetted Officer-in-Charge and when orders for supply have been passed, the required number of Pakistan Postal Orders are taken out from the safe and an invoice prepared in triplicate by carbonic process, in Form No. A. G. P. T.-303. The serial and consecutive numbers of each denomination of orders issued, are detailed in the invoice.

**NOTE.**—The stock should be kept so arranged that the orders issued may always be from the earliest supply.

616. Triplicate copy of the invoice is kept as office copy duly filed with the indent and the other two sent to the Postmaster with the Pakistan Postal Orders detailed therein, under registered cover. One of these (i.e., the original copy) is received back with the Postmaster's acknowledgment and pasted into a guard file after verification with the entry made by the Audit Section concerned in the column provided in the Stock Register.

**NOTE.**—Remainder should be duly issued in cases in which the acknowledgment is not received within a reasonable time.

### Returns

#### *Returns of Pakistan Postal Orders received in the Audit Offices*

617. The following monthly returns of Pakistan Postal Orders are received in the Audit Offices from Head Post Offices (*vide* Article 372 of the Posts and Telegraphs Initial Account Code, Volume I)—

- (1) List of Pakistan Postal Orders sold.
- (2) Abstract of payments of Pakistan Postal Orders with the paid orders.
- (3) Memorandum of unsold Pakistan Postal Orders in stock.

Soon after the first April of each year, a detailed list showing the serial numbers of Pakistan Postal Orders in stock is received from Post Offices (*vide* Rule 402/12 of the Posts and Telegraphs Manual, Volume VI).



It should be examined to see whether the Pakistan Postal Orders as detailed therein correctly work up to the total shown under each denomination and whether the total agrees with the closing balance under each denomination as shown in the Memo. of Unsold Pakistan Postal Orders in stock for the month of March. The list should then be filed with the Memo.

**Note.**—If the list of Pakistan Postal Orders sold or the Abstract of Payments of Pakistan Postal Orders for any month is not received in sufficient time to admit of their being audited before the preparation of the Classified Abstracts, the credits or debits appearing in the Cash Account should be taken to the suspense head "Credits suspended" or "Debit suspended", as the case may be.

### Audit

#### *Audit of the list of Pakistan Postal Orders sold*

618. On receipt of each list, the total should be checked with the credit afforded in the monthly cash account of the Head Postmaster and the calculation of the value of each class of orders sold should be verified. The value and the commission should be classified under "Pakistan Postal Orders" and "commission on Pakistan Postal Orders". The former head is opened under "Deposits" while the latter is opened in Abstract "B—Miscellaneous Revenues" under "Postal Receipts—Receipts on account of Money Orders, British Postal Orders, etc."

619. Short or excess credits exceeding annas two in the cash account, of the value of Pakistan Postal Orders sold should be held under objection and adjusted thus:—

The correct value should be credited to the proper head and (a) the amount short realised debited to "Advances Recoverable" in the accounts, (b) the amount realised in excess should be credited to "Fees and Other Receipts—Other items" in Abstract "B.II—Miscellaneous Revenue" and entered in the inner column of the Objection Book. The items should be removed from the Objection Book on credits on account of (a), and debits on account of (b) being traced. In case of (b), if a refund cannot be made within a reasonable time, the amount will be removed from the Objection Book with the remarks "Removed, purchaser not traceable".

Differences in the Pakistan Postal Orders accounts of sums not exceeding two annas on account of over-credits and short-credits or short-payments and over-payments should be treated in the manner laid down under the head "Objections", *vide* Article 626.

#### *Audit of the Abstract of Payments of Pakistan Postal Orders*

620. The paid lists or abstracts of payments should be examined to see:—

- (a) that every entry in the Abstract of Payments is supported by paid orders to that value. If a paid order is not received with the list and its absence is not explained against the entry in the list it should immediately be called for by telegram.
- (b) that the full face value plus the value of the Pakistan Postage Stamps (not exceeding two in number and annas seven in value), if any, affixed to the face of the orders to make up broken amount, agrees with the entry against the respective denomination in the Abstract of Payments;

- (c) that the total value of any individual order including the value of the Pakistan Postage stamps affixed to the order does not exceed Rs. 10;
- (d) that the total value of the Pakistan postage stamps affixed to the orders for making up broken amounts, agrees with the total shown in the abstract of payments; and
- (e) that the total amount paid as per Abstract, agrees with the charge in the monthly cash account.

Note.—The value of a Pakistan postage stamp for less than an anna affixed to Pakistan Postal Orders is not payable (vide Rule 402,13 of the Posts and Telegraphs Manual, Volume VI.)

621. The paid orders should be further examined in detail in the following manner:—

- (a) If the amount is paid to a person other than the payee named in the Pakistan Postal Order, the sanction of the competent authority [the Postmaster-General or the Superintendent of Post Office, as the case may be, vide Rule 52 I(I) and Rule 127 (B) (I) of the Posts and Telegraphs Manual, Volume VIII] for payment, should invariably accompany the order and the number and date of sanction should be quoted on the paid order.
- (b) If the order is not genuine, or if the amount has been altered, or if it has been cut, defaced, mutilated or bears erasures or alterations or otherwise irregular, the amount thereof should be placed under objection under "Advances Recoverable" and the Postmaster asked to recover the amount from the party at fault; the order should not be included in the return of Pakistan Postal Orders paid to be submitted to the Lahore Audit Office. If it was payable at another office, it bears the endorsement "Payee known to me" signed by the Postmaster.
- (c) In case the extra commission be not realised on an order paid after three months or if realised by short charge in the list of Pakistan Postal Orders paid, the order should be returned to the Postmaster with instructions to have Pakistan postage stamps for the amount equivalent to the commission affixed on the back of the order and to re-submit it to the Audit Office. In such cases the full amount of the order should be placed under objection as "Advances Recoverable".
- (d) The stamps affixed for making up broken amounts should be defaced in the Audit Office, and if they are affixed elsewhere than in the space provided for the purpose on the face of the order, their value should be recovered from the Postmaster concerned.

Note.—The procedure for dealing with the short payments or over-payments exceeding two annas or not exceeding two annas has been outlined in Articles 619 and 626 respectively.

622. Pakistan Postal Orders repaid to the purchaser are treated in the same way as orders paid to the payee and are included in the monthly abstract of payments. They should be audited with reference to Rule 402,21 of the Posts and Telegraphs Manual, Volume VI.

623. If the amount of orders paid or refunded is irregularly charged in the Schedule of unclassified payments, it should be transferred to the L 5 AG



Abstract of Payments of Pakistan Postal Orders and the irregularity pointed out to the Postmaster concerned.

In the case of Pakistan Postal Order lost after payment, a certificate of payment by the paying Postmaster in the form prescribed in Rule 402/24 of the Posts and Telegraphs Manual, Volume VI, together with the Postmaster General's letter of authority for its issue should be accepted as a paid order.

624. The total amount of Pakistan Postal Orders paid (less the amount placed under objection and also less the value of the Pakistan Postage Stamps affixed to the Pakistan Postal Orders) should be classified under the head "Deposits—Pakistan Postal Orders", the total value of the Pakistan Postage Stamps affixed to the Pakistan Postal Orders being debited to the head "Deduct—Value of stamps affixed to Pakistan Postal Orders" under "I—Joint Receipts (Postal and Telegraphs)" in Abstract A—Postage and Message Revenue.

#### *Audit of the Memorandum of unsold Pakistan Postal Orders*

625. The memorandum of unsold Pakistan Postal Orders in stock in Post Offices received with the monthly lists of sales, should be checked by the auditor to see that the opening balance corresponds with the closing balance of the previous month. He should also see that—

- (i) the supply received: if any, agrees with the entries in the Stock Register (vide Article 613), he will then fill in the column provided for "Entries to be made by the Audit Section" in the register;
- (ii) the sales agree with the corresponding entries in the list of Pakistan Postal Orders sold;
- (iii) the balance of orders shown as in stock under each denomination agrees with the total of the numbers shown against the heads "Orders unsold in Head Office" and "Orders unsold in Sub-offices" under that denomination.

After an arithmetical check, the memorandum together with the sale list should be filed with the cash account.

#### *Objections*

626. The procedure for raising, communicating and adjusting objections detected in the course of audit and maintenance of objection books, etc., is the same as laid down in Chapter 20 of Posts and Telegraphs Audit Code, Volume I (General Audit Code).

Differences in the Pakistan Postal Order accounts of sums not exceeding two annas on account of over-credits and short-credits or short-payments and over-payments need not be included in the Objection Book. They should nevertheless be included in the Objection Statement with a warning to the Postmaster to avoid such irregularities in future. Over-credits or short-payments on Pakistan Postal Orders not exceeding two annas should be noted in a register in Form A. G. P. T.-414 for each Postal Circle and the total amount adjusted by monthly transfer entries to the credit of "Fees and other receipts—other items" in Abstract B—Miscellaneous Revenue by debit to "Deposits—Pakistan Postal

Orders' Short-credits or over-payments on Pakistan Postal Orders should be noted in a separate register in Form S. Y.-265. The total amount should be adjusted monthly by debit to 'Abstract J-V.—Miscellaneous Postal Expenses, Losses, etc., written off—Irrecoverable Over-payments' and credit to 'Deposits—Pakistan Postal Orders'. The two registers should be submitted monthly to the Gazetted Officer-in-charge through the Senior Accountant for review. If these mistakes occur frequently in the accounts of any one Post Office, the Postmaster's special attention should be drawn to them and a report should be made to the Head of the Circle requesting him to take suitable notice of the Postmaster's carelessness.

#### Miscellaneous

##### *Pakistan Postal Orders lost or stolen from the stock of a Post Office*

627. On receipt of reports of loss or theft of Pakistan Postal Orders in the Lahore Audit Office from Postmasters (*vide* Rule 402[13 of the Posts and Telegraphs Manual, Volume VI) or from an Audit Office, the bundles of the Pakistan Postal Orders paid should be examined to see whether the missing orders have been paid or received as spoilt or unclaimed. If not, the fact should be brought to the notice of the Heads of the Circles so that the latter may issue instructions to all Postmasters prohibiting their payment.

628. If payment of any such missing order or orders is traced, the order or orders should be examined and forwarded to the Head of the Circle for an investigation of the fraudulent payment, placing the amount under "Advances Recoverable" in the Objection Book.

629. Sums recovered from the postal official responsible for the loss of the missing orders are credited by Postmasters as "unclassified receipts" and should be brought to account under "Fees and other Receipts—other items" in Abstract B. II—Miscellaneous Revenue—Missing Pakistan Postal Orders should continue to be shown in the stock until the Head of the Circle concerned after making necessary enquiry and being satisfied about the loss of orders, forwards a final report to the Home Audit Office, which will then direct the Postmaster concerned to remove the orders from his stock, by an entry in red ink in his list of Pakistan Postal Orders sold without including the value of the orders in the total of the lists. No write-off of value is necessary.

##### *Disposal of the 'Spoilt' and 'Unclaimed' Pakistan Postal Orders received from Postmasters, etc.*

630. Spoilt and unclaimed Pakistan Postal Orders when received in the Audit Office, either from Postmasters or from any other source, must be treated as "valuables" and made over to the section concerned through the register of valuables kept in the Record Section. (They should reach the Audit Office in separate registered covers marked "important" in red ink, and when this is not the case, the irregularity should be brought to the notice of the sender.)

631. If the serial and consecutive numbers of the orders returned by Postmasters are detailed in the letter accompanying them or in a separate invoice, the orders should be checked with the entries in the letter or the invoice and an acknowledgment (in the prescribed form)



signed by the Gazetted Officer-in-Charge, sent to the Postmaster. If no details are given in the letter or no invoice is received, a suitable list should be prepared in manuscript and the omission pointed out to the Postmaster.

632. Spoilt Orders received either with the list of orders sold or otherwise should be entered in a manuscript register in the form prescribed below which should be submitted to the Gazetted Officer for orders and attestation of the entries made therein. If the reasons stated by the Postmaster for treating the orders as 'spoilt' are found by the Gazetted Officer to be satisfactory, the orders should be forwarded to the Lahore Audit Office with a covering memorandum which should be enclosed in a separate service envelope, registered and superscribed "Important" in red ink, the number and date of the forwarding memorandum being cited in the last column of the register referred to above. Cases which reveal carelessness or rough handling of orders in Post Office or where the explanation of Postmasters treating the orders as 'Spoilt' is not satisfactory, should be reported to the Head of the Circle concerned.

Register of Spoilt Pakistan Postal Orders

Date of receipt	From whom received	Serial No. (with index No. and letter) of Orders	How Spoilt	Value	Accountant's remarks	Gazetted Officer's orders	No. and date of Memo. forwarding the order to the Lahore A. O.

633. The spoilt orders when received in the Lahore Audit Office are entered in the register of valuables kept in the Record Section and made over to the Pakistan Postal Order clerk under his initials. The Pakistan Postal Order clerk then enters them in a manuscript register in the following form and places them in their proper places in the bundles of paid orders. The date on which orders have been so placed should be noted against the respective serial numbers in column 5 of the register. The Register should be submitted to the Gazetted Officer for review every Monday.

## Register of Spoilt Pakistan Postal Orders

No. and date of the memorandum with which the Pakistan Postal Orders received	From whom received	Serial No. (with index number and letter) of the order	Value	Placed in paid bundles by me on		Remarks
				Initials of the P. P. O. clerk	Date	
1	2	3	4	5	6	7

634. Unclaimed orders received in the Audit Office should also be entered in a manuscript register in the following form and submitted to the Gazetted Officer along with a forwarding memorandum addressed to the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, duly kept in the register. The Gazetted Officer will attest the entry in the register and sign the memorandum which along with the unclaimed orders should be despatched to the Lahore Audit Office in a service envelope, registered and superscribed "Important" in red ink. The number and date of the forwarding memorandum should be noted in the "Remarks" column of the register.

## Register of Unclaimed Pakistan Postal Orders

Date of receipt	From whom received	Serial Number (with index No. and letter) of the Order	Office of issue	Date of issue	Name of the payee as noted on the Order	Office of payment as noted on the Order	Value	Initials of the Auditor.	Initials of the Accountant	Initials of the Gazetted Officer	Remarks

635. Unclaimed orders received in the Lahore Audit Office from the Dacca Audit Office as well as from the Head Post Offices, etc., under its own jurisdiction are entered in the manuscript register in the following form and submitted to the Gazetted Officer for attestation of the entries in the register. The orders are kept in the safe for Pakistan Postal Orders in stock separately for each denomination in separate bundles according to the months of issue for twelve months, counting from the last date of the month of issue and then placed in their proper places





making over the statement to the statement group, the total of the statement must be proved by the Accountant in charge of the Audit Section who should see that the total value of payments (excluding the value of postage stamps affixed to the Pakistan Postal Orders) is correct with reference to the face value of the total number of the Pakistan Postal Orders paid; and agrees with the booked figures and mark the statement "agreed with Detail Book" under his initials.

636-A. The Audit section concerned in each Audit Office should compile for each postal circle separately, two statements of Pakistan Postal Orders sold and in stock in each month in form A. G. P. T.-483 and forward them to the Lahore Audit Office on the 25th of the month following that to which the statements relate. Before sending the statement of Pakistan Postal Orders sold the total of the statement must be proved by the Accountant-in-charge of the Postal Audit Section who should see that the total value of the Pakistan Postal Orders sold is correct with reference to the face value of the total No. of Pakistan Postal Orders sold and agrees with the detail book figures and mark the statement "Agreed with Detail Book" under his initials.

The commission realised on Pakistan Postal Orders sold should also be checked with reference to the total No. of Pakistan Postal Orders sold and agreed with the Detail Book figures monthly for statistical purposes.

The figures of Pakistan Postal Orders in stock should be shown separately in form A. G. P. T.-483, under each denomination separately in respect of the following:—

• Opening balance—

Supplies from—

(i) A. G., Punjab, P. & T. Branch, Lahore.

(ii) Controller of Stamps.

Deduct:—

(a) Sales

(b) Spoilt P. P. Os. sent to Lahore Audit Office vide No. dated

(c) P.P.Os. written off.

(d) Returned to Lahore A.O. vide invoice No.

Closing Balance.

637. The Statement group should prepare a consolidated statement (in Form A. G. P. T.-483) showing the total value of Pakistan Postal Orders paid for all the Postal Circles under the jurisdiction of the Audit Office and arrange the paid orders for all the postal circles together according to the serial numbers and index number and letter of each series for each denomination separately. The statement together with the arranged paid orders should, after effecting agreement of the figures in the former with the debits in the detail book, be despatched to the Lahore Audit Office on the 27th of the month following that to which the statement relates.

638. The Audit Office should be careful to see that every paid order the value of which is included in the statement is sent to the Lahore Audit Office. When it is found absolutely necessary to detain a paid order



on any account, its amount should not be included in the statement of paid orders until the order is actually despatched. The amount of the order so detained should be placed under objection under "Advances Recoverable". When the value of the order is subsequently included in the statement and actually despatched, its face value should be debited to the head "Deposits—Pakistan Postal Orders" and the value of the Pakistan postage stamps (if any) affixed thereto to the Head "Deduct—value of stamps affixed to Pakistan Postal Orders" under "I—Joint Receipts (P. & T.)" in Abstract A.—Postage and Message Revenue, by credit to the head "Advances Recoverable".

639. In the Lahore Audit Office, the statements received from the Audit Offices should be entered in the register of valuables kept in the Record Section and made over to the Pakistan Postal Order clerk together with the Paid Orders. The Pakistan Postal Order clerk should count the paid orders and tick off the numbers entered in the statement under each denomination. The statement should be marked "checked" under the initials of the Pakistan Postal Order clerk and filed under the orders of the Gazetted Officer.

640. The paid orders received from the Dacca Audit Office and those paid by Post Offices in the jurisdiction of the Delhi Audit Office should be arranged together for the whole of Pakistan according to the serial numbers of each series of the index number and letter for each denomination separately. This work should be completed by the end of the second month following the month to which the Pakistan Postal Orders paid relate. The paid orders should then be kept in an Almirah in separate bundles for each denomination serially arranged irrespective of the month of payment.

641. Soon after the Pakistan Postal Orders paid during March have been arranged in bundles in the manner indicated in Article 640, each bundle should be examined by the Pakistan Postal Order clerk and the Pakistan Postal Orders running in unbroken consecutive numbers, segregated in separate bundles for each denomination for destruction after one year, e.g., the bundle of Re. 1 denomination contains paid orders from 1 to 1206, 1210 to 1599, 1620 to 1650 and so on. The paid orders from 1 to 1205 should be separated for destruction and as soon as the wanting paid orders, viz., 1207 to 1209 are received the paid orders up to 1598 should be transferred to the bundle prepared for destruction. Before destroying the Pakistan Postal Orders they should be entered in a register in the following form and orders for destruction obtained from the Accountant General.

Denomination	Serial Number	Date of Destruction	Initials of G. O.

### Verification of stock

#### Central Stock

641-A. The Central Stock of Pakistan Postal Orders should be verified annually by a Gazetted Officer of the Office of the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, who is not connected with the work relating to the stock of Pakistan Postal Orders with the help of 3 or 4 auditors. This verification will generally be done in July when the balance is at its lowest.

A certificate of the verifying officer for completion of the verification should be sent to the Auditor General, within a week after the verification. The office of the Auditor General should watch that the certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

#### Audit Office Stock

642. On the last day of each month, the stock of Pakistan Postal Orders in the Audit Office should be verified by the Gazetted Officer in charge with the balance shown in the Stock Register which will be initialised by him.

643. In addition to the usual monthly verification, an independent verification of the stock of Pakistan Postal Orders in the Audit Office should also be carried out annually on the 31st March each year either by the Accountant General himself or by one of his Gazetted Officers other than the Gazetted Officer in charge of the stock and a certificate of the verifying officer to that effect forwarded to the Auditor General so as to reach his office by the first week of April. The office of the Auditor General should watch that the certificates are received by the due date. Certificates showing no discrepancies should be filed immediately while those showing discrepancies should be filed only after the discrepancies are settled.

#### Stock in Post Offices

644. At the time of inspection, Superintendents and Inspectors of Post Offices are required to send to the Audit Office a memorandum showing the balance at the end of the month preceding his visit, subsequent receipts and sales up to the date of visit, and the balance in stock on that date, with a certificate that the stock and accounts were found to agree, *vide* clause (4)1) to Rule 239 of the Posts and Telegraphs Manual, Volume VIII. The memorandum should be checked with the return of the corresponding period received from the Post Office, any discrepancy being reported to the Head of the Circle.

#### Verification of balances

644-A. The Posts and Telegraphs Audit Office, Lahore, will maintain the following three broadsheets in manuscript in the subjoined forms A, B and C for verifying the balances of stock of Pakistan Postal Orders and effecting an agreement with the ledger balance when the accounts of the year are closed :—



(1) A broad sheet showing the number under each denomination and value of—

- (i) Pakistan Postal Orders received from the Controller of Stamps.
- (ii) Pakistan Postal Orders issued to Audit Offices, and
- (iii) Pakistan Postal Orders in stock in Lahore Audit Office.

(Central Stock)—This broadsheet will be posted from the stock register of Pakistan Postal Orders and the monthly balances worked out therein will be agreed with the balances shown in the stock register.

(2) A broadsheet showing the number under each denomination and value of—

- (i) Pakistan Postal Orders issued to the Posts and Telegraphs Audit Offices,
- (ii) Pakistan Postal Orders sold (including spoilt and written off), and
- (iii) Pakistan Postal Orders in stock in Audit and Post Offices.

The number of Pakistan Postal Orders issued will be posted in the Broadsheet from the stock register of Pakistan Postal Orders. Their value will also be posted therein after calculation. The number and value of Pakistan Postal Orders sold will be posted from the statement of Pakistan Postal Orders sold, received monthly from the Posts and Telegraphs Audit Offices, vide Article 636-A. The balance worked out in this broadsheet should be agreed with the balance in stock shown in the statements of Pakistan Postal Orders in stock received from the Audit Offices (vide Article 636-A).

(3) A broadsheet showing the number under each denomination and value of—

- (i) Pakistan Postal Orders sold,
- (ii) Pakistan Postal Orders paid, and
- (iii) Pakistan Postal Orders remaining unpaid. The number and value of Pakistan Postal Orders sold and paid will be posted in the broadsheet from the statements of Pakistan Postal Orders sold and paid received from the Branch Audit Offices (vide Articles 636 and 636-A). The value of Pakistan Postal Orders sold and paid in each circle as posted in this broadsheet should be agreed with the figures of monthly credits and debits on account of Pakistan Postal Orders intimated on the 25th of the 2nd month following, to the Lahore Audit Office by the office of the Auditor General and the discrepancies, if any, reconciled in communication with the Audit Office concerned.

The broadsheets should after completion be submitted to the Gazetted Officer before the end of the 2nd month following the month of account.

## CHAPTER 9.—CUSTOMS DUTY ON POSTAL PARCELS, ETC.

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## Introductory

645. The rules for the assessment and realisation of customs duty on Postal parcels and letters (both inward and outward) will be found in Chapter I of the Posts and Telegraphs Manual, Volume VI. The rules for the accounting of customs duty realised at Post Offices are given in Chapter 8 of the Posts and Telegraphs Initial Account Code, Volume I.

## Inward Foreign Mail Articles

646. Letter Mail articles and postal parcels are received for delivery in Pakistan from foreign countries with which arrangements exist for their exchange. These articles and parcels are called inward foreign mail articles and inward foreign parcels. They are received only through certain offices called the offices of Exchange, which are located at Tor-Khan (Peshawar), Lahore, Mirjawa (Quetta), Karachi, Dacca and Chittagong.



647. As the inward foreign parcels and articles of Letter mail may contain dutiable articles, their contents are examined by the Customs Department before they are transmitted by the offices of Exchange to their destination. In the matter of the clearance of articles through the Customs and the realisation of the amount of Customs duty from the addressees, the Pakistan Post Office acts as an agent of the Customs Department and receives as fee for its services a commission of 8 per cent. calculated on the total customs duty realised through the Post Office vide Article 297 of the P. & T. Account Code. The department also gets commission at the rate of 3 per cent. on the net sale proceeds of abandoned inward foreign parcels returned by the offices of exchange to Customs Department. The percentage rates are subject to revision as may be done by the Government from time to time.

The rules governing the procedure relating to the assessment of articles to Customs Duty are contained in the Foreign Post Manuals, Volumes I and II.

648. The audit and accounting work in connection with Customs Duty and other charges realised by the Post Offices on inward foreign parcels and articles of Letter mail has been centralised and is conducted by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, on behalf of the Auditor General. The amount of Customs Duty and other charges are recovered in cash on delivery of parcels, and articles and credited in the accounts of the Post Office under the head "Customs duty receipts". In the case, however, of Pakistan States which have been authorised to use Service Postage stamps, and of all Government officials, the practice hitherto followed of paying Customs Duty by means of Service Postage stamps has been allowed to continue.

649. The amount of Customs Duty levied on dutiable articles is claimed by the Civil Department on the basis of the amount assessed by the Customs authorities and not on the actual amount realised by the Post Office on delivery of the articles. The duty of audit consists, therefore, in seeing that not only the Customs duty assessed on each article is correctly recovered from the addressees and accounted for by the offices of delivery but also that the P. & T. Department gets a write back of customs duty from the Civil Department in respect of:—

- (i) articles assessed to duty but subsequently redirected out of India or returned as undelivered;
- (ii) articles intercepted and destroyed by the Postal authorities owing to prohibition of their transmission by inland post;
- (iii) articles assessed to duty but subsequently revised before delivery to the addressees;
- (iv) articles assessed to duty but subsequently found to be undeliverable and treated as abandoned on receipt of instructions from the senders.

## Returns due and dates for their submission to Audit

650. The following accounts of Customs Duty transactions are rendered to the audit office.

Description of return	By whom rendered	Whether submitted weekly or monthly	Date of submission
(a) Parcel Bills	Office of Exchange	Weekly	By the end of the corresponding week of the month following that to which the bills relate.
(b) Letter Mail Register	Do.	Do.	Do.
(c) Customs Bills (with statement of adjustments and write-back lists).	Do.	Monthly	25th of the month following that to which the bills relate.
(d) Schedules of Customs Duty with Parcel Receipts and Assessment Memos	Head Office	Do.	10th of the month following that to which the schedules relate.

## Due dates for completion of Audit

651. The due dates for completion of the audit of Parcel Bills, schedules, etc., are as follows:—

Item of Works	When due for completion
(a) Audit of Parcel Bills, Letter Mail Register and Customs Bills	25th of the second month following.
(b) Audit of Schedules of Customs Duty	10th of the second month following.
(c) Credit check	25th of the third month following.
(d) Check of write-back lists	25th of the second month following.
(e) Check of Duty Prepaid Parcel Bills and detailed statements.	Do.

**Audit of the Parcel Bills, Letter Mail Registers, Statement of Detained articles, Abstracts and Customs Bills**

652. The inward Foreign Parcel Bills and Letter Mail Registers, etc., are received in the Record Section and made over to the Customs Duty Section through a transit register. These bills and registers show among other particulars required for the purpose of assessment:—

- (i) The name and address of the addressee,
- (ii) Local Number,
- (iii) Amount of Customs Duty.

The total of each page of the Parcel Bills and Letter Mail Registers shown on the bills as well as in an abstract in Form No. F. P.-29, which is prepared separately and submitted with the Parcel Bills, etc.



653. On receipt of the Parcel Bills, etc., in the section, they should be made over to the machine operator who should check the totals given in each page and agree the same with the amount shown in the abstract, the total of which should, in its turn, be also checked. The operator should note down the errors in the totals in a register showing the irregularities detected by the machine operator and mark the bills as checked under his initials with date.

After this work is completed, the documents should be made over to the Parcel Bill clerk who should verify in lump the total of the abstract with the total gross amount claimed in the Customs Bill. If in the course of agreement any discrepancy is noticed, the Parcel Bill clerk should locate the difference and issue a communication in Form No. A. G. P. T-479 to the Postmaster. An objection statement should be issued only when it is found on receipt of a reply to the communication that the mistake affects the amount claimed in the Customs Bill. The fact of agreement should be recorded on both the documents under the initials of the Parcel Bill clerk with date.

654. After the audit is over, the Parcel Bills, etc., should be arranged according to the serial order of the Local Numbers and stitched together in parts of convenient size inside a wrapper and docketed. The docket should show the name of the office of Exchange, the month of assessment, the number of the volume and the first and last local Number. The correctness of the last local number of the month should be verified by reference to the Number shown by the Offices of Exchange on the first page of the Parcel Bill of the following month. There should be no break in the series of numbers. If there is a break, the irregularity should be pointed to the office of Exchange through the half-margin Memorandum of Customs Duty irregularities in Form A. G. P. T-479. The checker should see that the date stamp of the office of Exchange is impressed on the right hand corner of the Parcel Bills and that the Parcels and articles assessed to duty in a different month are not included in the Parcel Bills, etc., under check. The checker should mark the document as checked under his initials with date.

655. The Customs Bill shows the total amount of Customs Duty assessed during the month as shown in the Parcel Bills, Letter Mail Registers, etc., in addition, it also contains "deduct" and "add" adjustments on account of the discrepancies of the previous month, the write-back of the debits of Customs Duty and the customs duty assessed on parcels and Letter Mail articles of the previous months which were detained for later customs examinations. The net amount of the Customs Bill is debited to the Post Office in the Exchange Account with the Civil Accountant General of the Province in which the office of Exchange is situated.

The Customs Bills are adjusted as follows:—

The net amount of the Bills are adjusted by debiting "Advances Recoverable Customs Duty on Inward Foreign mail Articles" and crediting (a) Exchange Accounts between Civil and Posts and Telegraphs" Account between.

(i) Accountant General, Punjab, Civil, Lahore and the A. G. P. & T. Branch, Lahore—Items adjustable by P. & T. Miscellaneous of Office of exchange.	In the case of Customs Bills of Lahore Office of Exchange.
(ii) A. G. P. R., Karachi, and the A. G. P. & T. Branch, Lahore—Items adjustable by P. & T. Miscellaneous.	In the case of Customs Bills of Karachi and Mirjawan (Quetta).
(iii) Comptroller, N. W. F. P., Peshawar, and the A. G. P. & T. Branch, Lahore—Items adjustable by P. & T. Miscellaneous.	In the case of Customs Bills of Turkhan (Peshawar).

and (b) "Posts and Telegraphs Remittances Dacca Audit Office" in the case of the Customs Bills of Dacca and Chittagong Offices of Exchange.

Note.—The Parcel Bills of the Chittagong office and the letter Mail Registers of Dacca Office of Exchange are received monthly.

The amounts deducted from the Customs Bills on account of write-back of debits of Customs Duty are adjusted by debiting "Advances Recoverable Customs Duty on Inward Foreign Mail Articles" and crediting "Deposits—Refund of Customs Duty on Inward Foreign Mail Articles" and the write-back lists made over to the auditor in charge of write-back statement and his acknowledgment obtained. The amounts added to or deducted from the Customs Bill on account of discrepancies should be adjusted to the adjusting heads of account, viz., "Deposits—Short Debit or Excess recovery on account of Customs Duty Realisation" and "Advances Recoverable—Excess Debit or Short recovery on account of Customs Duty Realisation". The Adjustment sheets should be made over to the objection Book Auditor under receipt for further action.

656. After the completion of the audit of the Parcel Bills, Letter Mail Registers, etc., and the Customs Bills, the totals of the Parcel Bills, Letter Mail Registers, Statements of Detained Parcels and articles and the amount of Customs Bills should be entered separately for each office of Exchange in a register showing the reconciliation of Parcel Bills, etc. with Customs Bills. The action taken for the difference if any, should be noted in the register. The register should be submitted to the Gazetted Officer through the Accountant for review on the 25th of every month.

657. The gross amount of the Customs Bill, amount of write-back of Customs Duty and the net amount claimed by the Customs Department should be entered in a register and the month in which the Customs Bill is adjusted should be noted in the column provided for the purpose in the register. This register should be submitted to the Gazetted Officer through the Accountant for review on the last day of each month.

#### Audit of Schedules of Customs Duty

658. Each Head Post Office will submit to the Lahore Audit Office direct a schedule in form No. A. C. G. 90 called "Schedule of Customs Duty and other charges realised in cash on inward foreign parcels and articles of letter mail". All the schedules are due to be received on or before the 10th of every month. Even when there are no recoveries of Customs Duty, etc., in a month "nil" schedules will be received. The schedules when received will be transferred by the Record Section to the Customs Duty section through a transit register under receipt. In case the schedules are not received in time, the auditor, Schedule Check Group should issue telegraphic calls for the same.



659. The Schedule contains details of the date of the recovery of Customs duty, the local number, the name of the addressee, the amount of Customs duty, etc. The money columns of the Schedule are totalled daily and the total is transcribed in the Abstract of daily totals which accompanies the schedule. The parcel receipts and assessment memos. accompany the schedules arranged in the order of the entries in the schedules and according to the month of assessment to which they relate.

660. The examination of the Schedules is conducted in three stages, namely—

- (i) the arranging of parcel receipts and assessment memos. in suitable batches,
- (ii) the totalling, by machine, of the amount of Customs Duty as shown on the parcel receipts and assessment memos., and
- (iii) the reconciliation in lump of the totals of the schedules with total of parcel receipts and assessment means as obtained on the machine.

#### Arranging of Parcel receipts and assessment memos

661. On receipt in the section, the auditor will make over the schedule with bundles of Parcel receipts and assessment memos. and Abstracts to the arranger through a distribution register under receipt. The arranger should arrange the Schedules and the bundles of the Post Offices in a Postal Circle alphabetically and then separate the schedules and the bundle of receipts and memos. of the different months of assessment. He should in the course of arrangement issue calls for wanting schedules or bundles of receipts and memos. He should group the receipts and memos. in convenient batches of hundreds each, separating slips being used to prevent the different batches being mixed up. Any irregularities noticed by him in the preparation of schedules and receipts and memos. should be communicated to the Postmaster through the printed Half Margin in use—Form No. A. G. P. T.-479.

662. When the arranging of receipts and memos. is completed the arranger should place a slip (Form No. A. G. P. T.-489) showing the office of delivery, month of assessment, month of recovery and the number of receipts and memos. on the top of each bundle containing not more than 1,000 vouchers, the number of receipts and memos. in each bundle being ascertained by actual count. The schedules and abstracts should be made over to the auditor for safe custody so that the machine operator may not have access to them. The arranger should prepare a consolidated statement showing the number of Parcel receipts and Assessment memos. in each bundle for each circle. A separate statement should be prepared for each month of assessment. The entries in the memo. will be made from the details on the slips kept on the top of the bundles. The bundle of receipts and memos. should then be made over to the machinist.

#### Totalling by machine

663. On receipt of bundles of arranged receipts and memos. the machine operator will proceed to total the amount of Customs duty as shown on the receipts and memos. Whenever a separating slip is reached or the last batch in a bundle is finished the machine should be stopped and the totals as recorded therein should be noted on a piece of paper of convenient size. The local number borne by the first and last receipt or memo. should be noted against the total to facilitate reference by the reconciler.

664. The Machine operator should bring to the notice of the auditor all cases in which the month stamp of assessment is absent, memorandum of Customs Duty realised on outward foreign parcel has been misdirected, there is defective and incomplete preparation of duplicate receipts and memos. and disarrangement of receipts and memos. by the arranger.

665. The auditor should notice these irregularities to the offices concerned using the printed Half Margin Memoranda Form (No. A. G. P. T.-479)

The bundles of receipts and memos. with the slips containing the machine totals should then be made over to the reconciler.

### RECONCILIATION

666. On receipt of bundles of receipts and memos. together with the slips showing machine totals, the reconciler should first compare these totals with the totals shown by the Postmasters in the Abstracts and note the discrepancy, if any, in red ink in the slips prepared by the operator. The items that are reconciled should be ticked off in the Abstract in token of check.

667. The reconciler will then settle the discrepancies between the operator's total and the Abstract total which are generally due to the reasons noted below :—

- (i) Excess totals by the operator over the Postmaster's totals are due to—
  - (a) Payment of Customs Duty, etc., by affixing postage stamps instead of in cash: In these cases the operator will include the amounts in his totals while there will be no corresponding credit in the schedule.
  - (b) Inclusion in the machine total by the operator of certain receipts and memos. though received along with the schedules do not relate to the month of recovery under audit.
  - (c) Short credit in the schedules in respect of any particular receipt or memo.
  - (d) Mistakes in totals made by the Postmasters in the Schedules.
  - (e) Mistakes in the total made by the machine operator. This may be due to bad operation or to indistinct or illegible figures or to mistakes in singling out the amount of Customs Duty from other items of recoveries shown on the receipts and memos.
  - (f) Wrong posting by the Postmasters of the amount of Customs Duty in the column for postage, etc.
- (ii) Shortage in operator's totals are due to—
  - (a) Wanting receipts or memos.
  - (b) Adjustment of short realisation of Customs Duty in the Schedules instead of showing it as an item of unclassified receipt.
  - (c) Mistakes in totals made by the Postmasters.
  - (d) Mistakes in totals made by operator.
  - (e) Excess credit in the Schedules in respect of any particular receipt or memo.



- (f) Wrong posting by the Postmasters of the amount of postage, etc., in the column for Customs Duty recoveries.
- (iii) Discrepancies, short or excess, may also occur on account of mis-arrangement of receipts and memos. by the arranger. Such discrepancies are generally settled with the corresponding excess or short total in some other batch or batches.

668. After nothing the discrepancies the reconciler should locate the mistake, ascertain its nature and then compare the entries in the Schedules with the relevant receipts and memos. in respect of the batch in which there is a discrepancy. In this way the discrepancies should be settled. The short or excess totals by the Postmasters or by the machine operator can be settled by checking the totals of the schedules by mental process. The manner of settlement of each discrepancy should be noted on the reverse of the relevant manuscript slip prepared by the operator.

669. In addition to reconciling the discrepancies, the reconciler is required to—

- (a) prepare check slips for wanting receipts or memos. and issue calls for the same ;
- (b) notice erroneous addition of amount of Customs Duty in the Schedules of Customs Duty in adjustment of discrepancies ;
- (c) note in cases of excess or short credit on the parcel receipt or memo. concerned, the actual amount credited in the schedules for the guidance of the credit checker ; and
- (d) make over receipts and memos. bearing postage stamps in payment of Customs Duty to the auditor for purposes of making necessary account adjustment, receive them back and keep them in the bundle.

670. The auditor should fully review the work of reconciliation. He should also check in detail the discrepancies, if any, noted by the reconciler and record the result in the review register kept by him.

671. After the Abstracts have been agreed with the operator's slips as detailed above, the reconciler should consolidate the figures of all post offices in each Postal Circle in Form No. A. G. P. T.-486, classified according to different month of assessment. The auditor should record a certificate of agreement of the figures of each circle with the amount actually credited in the accounts. In the case of Home postal Circles, the Postal Accounts Sections of the office will send to the Customs Duty Section on the 25th of every month, statements showing the amount of Customs Duty and other charges credited in the cash Accounts. In the case of the Foreign Postal Circle, similar statements will be received from the Dacca Postal Audit Office by the 30th of the month following that to which the recoveries relate.

672. As all the transactions relating to the realisation of customs duty and other charges are adjusted in the books of the Punjab and N. W. F. Circle, the auditor should make the following clearing transfer entries monthly in regard to the recoveries effected in the Sind and Baluchistan Circle as communicated by the Postal Account Sections.

Dr.

Transfers within the Postal and Telegraphs Circles under the jurisdiction of the same Audit Office.

## (1) Posts and Telegraphs Remittances

To

Cr.

Advances Recoverable—Customs Duty on inward foreign Mail Articles.

He should make the following adjustments in respect of the statement of recoveries received from other audit offices.

Dr.

Transfers to Postal and Telegraphs Circles under the jurisdiction of other audit office.

Posts and Telegraphs Remittances (Dacca).

Cr.

To

Advances Recoverable Customs Duty on inward foreign Mail Articles.

The amount realised on delivery of parcels and Letter Mail articles not only represents Customs Duty but also includes other postal fees. It will therefore be necessary to transfer the credits on account of postal fees to the heads (i) "Abstract A—Postage and Message Revenue II—Postal Receipts (a)—Postage realised in Cash", in respect of Postage, Redirection and Insurance fees and (ii) Abstract B—Miscellaneous Revenues—II—Postal Receipts, (b) Fees and other receipt—other items" in respect of Postal fees, delivery fee, ware-housing and demurrage charges, etc., from the head "Advances Recoverable—customs duty, etc.", to which they were originally taken. These miscellaneous postal receipts are not audited but collected in the Register of classification of credits and accounted for separately.

673. Objection statements, where necessary, should be issued by the auditor, schedule check group in respect of discrepancies noticed between the audited Abstract figures and the amount credited in the cash Account.

674. The register showing the classification of recoveries of Customs Duty according to different months of assessment should be posted by the auditor, Schedule check Group from the agreed circle compilation sheet mentioned in Article 671. The register should be closed monthly and submitted to the Gazetted Officer in Charge for review through the Accountant on the 25th of the second month following that to which the recoveries relate.

#### Sorting of Postal Receipts and Assessment Memos.

675. The work of sorting receipts and memos. is done in five stages.

*First Stage.*—Counting receipts and memos.

*Second Stage.*—Sorting them according to offices of Exchange.

*Third Stage.*—Sorting according to thousand serials.

*Fourth Stage.*—Arranging according to serial Local Number of receipts and memos.

*Fifth Stage.*—Counting, bundling and labelling.



676. On receipt of the bundles of Parcel Receipts and Assessment memos, with the memo. showing the number made over to the Sorting Group the senior sorter should verify the number shown on the slip placed on the top of each bundle with the corresponding entry in the memo. Form No. A. G. P. T.-487. The sorter should verify by actual count the number of receipts and memos. noted on the slips. The sorter should then proceed to sort the receipts and memos. in the order mentioned above.

677. After the several stages of sorting indicated above have been gone through, the serially sorted receipts and memos. relating to each office of Exchange and for each month of assessment will finally be counted by hundreds, placed crosswise and bundled, the total number in each bundle being noted on a slip in Form (A. G. P. T.-490) placed at the top which (the Form) will show (i) the name of the office of Exchange, (ii) the month of assessment, (iii) the number of receipts or memos. (iv) the month of delivery, and (v) the initials of the sorter.

678. The total number of receipts or memos. relating to each office of Exchanges, as shown on the bundle slips, will then be posted by the Senior sorter in a broadsheet. A separate broadsheet should be used for each month of assessment.

The serially arranged bundles for each office of Exchange together with the respective broadsheets will then be made over to the credit checking Group for audit. The Sorting work should be completed by the 10th of the third month following that to which the receipts and memos. relate.

679. In order to ensure that all the receipts and memos. originally received in the Sorting Group have been made over to the Credit Checking Group, the auditor in charge of the Sorting group will compare the number of receipts transferred and entered in the Sorting Broadsheet with the number entered previously in the memo. received from the Schedule Check Group. The difference between the two figures will be explained in a separate sheet of paper and submitted to the Gazetted Officer in charge for review through the Accountant on the 12th of the third month following the month of account.

680. A progress Report in Form (A. G. P. T.-484) should be maintained for the work done by the sorters. The report should be filled in daily by them at the close of the day's work.

#### Audit of the Statement-of Write-back of Customs Duty

681. The Customs Duty assessed on Inward Foreign parcels and Letter Mail articles which have been redirected out of Pakistan or returned to the senders as undeliverable are written back by the Customs Department. For this purpose, the offices of Exchange prepare monthly statements showing details of such parcels and articles and forward them to the Collector of Customs for sanctioning the write-back of duty. The credits due to the Post Office on account of reassessment of duty before delivery of the articles to the addressees are also included in the above statements. The Collector of Customs after examining the statements sanctions the write-back of duty on the articles included in the statements and returns them to the Offices of Exchange. The Offices

of Exchange include the total amounts of these statements in the Register of Writes-Back of Customs Duty allowed on Postal Parcels and Letters and forward the same along with the statements and the write-back orders sanctioned by the Collector of Customs as vouchers in support of the claim of the Post Office against the Customs House for abatement of duty to the extent of the total "writes-back" granted in the month. The Collector of Customs affords credit for these amounts by deducting them from the total amount of the customs Bill (i.e.) writes-back the Customs Duty previously debited to the Post Office.

These statements are called "Statements of write-back of Customs Duty" and are received along with the Customs Bill by the 25th of the month following that to which the statements relate.

682. On receipt of the statement, the Auditor should check and mark the items in the respective Parcel Bills, Letter Mail Registers and the statement of detained articles or the Search Bill Registers (Register of Unchecked Items) with the letters "W. B. (month of the statement)" indicating thereby that credit has been afforded by write-back of the debit of Customs Duty. The corresponding entries in the statement should also be ticked off in coloured pencil. If in the course of check any discrepancy is noticed between the debit and the credit, it should be settled either by correspondence with the Office of Exchange concerned or by the issue of an audit memo. An abstract of the credits classified according to different months of assessment should be prepared on the back of the Statement relating to each Office of Exchange. When the statements of all the offices of Exchange are completely checked in the manner detailed above, the abstracts should be posted in a register showing the adjustment of write-back of Customs Duty classified according to months of assessment and totalled. The register should be closed and the following adjustment made to clear the amount which was originally credited to the head "Deposits—Refund of Customs Duty on Inward Foreign Mail Articles".

Dr.

Deposits.—Refund of Customs Duty on inward foreign mail articles.

Cr.

- (i) **Advances Recoverable.**—Customs Duty on Inward Foreign Mail Articles.
- (ii) **Advances Recoverable.**—Excess Debit or short recovery on account of Customs Duty Realisation.
- (iii) **Abstract J.V.**—Losses, etc., written off.
- (iv) **Abstract B.-II**—Fees and Other receipts—Other Items.

The register should be closed and submitted to the Gazetted Officer through the Accountant for review by the 25th of the second month following that to which the statements relate.

683. A register of deposits is maintained in Form No. A. G. P. T.-70 in which the credits are shown for each office of Exchange with sufficient particulars. The debits as subsequently adjusted should be posted against the items concerned in the columns for the months in which the debits were adjusted. A broadsheet should also be maintained through which the total credits and debits should be verified with the booked figures every month, the difference between the two sets of figures, if



any, being explained below. The register and the Broadsheet should be closed on the 7th of the second month following the month of account and submitted to the Gazetted Officer through the Accountant for review. The items outstanding in the register for more than three months should be shown with full particulars of action taken for their adjustment.

#### Check of Duty prepaid Parcel Bills and Detailed Statements

684. The offices of exchange prepare monthly separate Parcel Bills for Inward Foreign Parcels, the Customs Duty in respect of which has been prepaid in the United Kingdom and forward them to the Audit Office by the end of the month following that to which the bills relate. The total of these bills should be checked on the comptometer and compared with the amount shown in the abstracts and Customs Bills.

685. A detailed monthly statement showing among other particulars the local number, month of assessment, date of receipt of the parcel in Pakistan, the amount of customs Duty in rupee and sterling currency and the rate of conversion of the Duty Prepaid Parcels is prepared by each Office of Exchange and sent to the Superintendent, Foreign Post, Karachi, for claiming the amount shown therein the United Kingdom, General Account. The Superintendent, Foreign Post, Karachi, forwards these statements to the Audit Office after claiming the amount in United Kingdom General Account. On receipt of the statement in the Account Current Section with the General Account, the total of the sterling amounts of the statement is converted into rupee currency at the flat rate of 2s. 1 29/32d. a rupee and credited to the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" and the statement made over to the Customs Duty Section for totalling and audit.

686. On receipt of the statement in the Customs Duty Section the total of the amounts in rupee currency will be checked by the Comptometer Operator after which the Auditor of the Write-back Statement should see that the Customs Duty and Postal fee of each parcel shown in rupee currency have correctly been converted into sterling equivalent at the rate of exchange applicable to the payment of Inward Foreign money orders on the date of receipt of the parcels in Pakistan and that the amount claimed in the General Account is correct.

687. The amount of Customs Duty shown in the statement in rupee currency, in respect of each parcel, should be checked with the amount of Customs Duty shown in the Duty Prepaid Parcel Bill and the difference, if any, reconciled.

688. Any difference between the total amount of the Duty Prepaid Parcel Bill and the amount previously credited by the Account Current Section to the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" should be adjusted as follows:—

If short-credited, an adjustment should be made by debiting "Exchange on Remittance Account" and crediting "Advances Recoverable Customs Duty on Inward Foreign Mail Articles".

If excess-credited, the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" should be debited by deduction from credit and the head "Exchange on Remittance Account" credited.

With regard to the adjustment of Postal fees, the total of which has been credited to the head "Advances Recoverable—Customs Duty, etc.," the following transfer entry should be made in the Customs Duty Section.

Dr.

"Advances—Recoverable—Customs Duty, etc."  
(deduct from credit)

Cr.

"(I) Abstract A—Postage and Message Revenue—II—Postal Receipts (a) Postage realised in Cash" in respect of Postage, redirection and Insurance fees shown in column 10 of the form A.C.G.-90 and

"(II) Abstract B—Miscellaneous Revenue II—Postal receipts (b) Fees and other receipts—other items" in respect of Postal fee, delivery fee, warehousing and demurrage charges, etc., shown in column 9 of the form A.C.G. 90.

689. An abstract of the credits classified according to the different months of assessment should be prepared on the back of the statement relating to each Office of Exchange. When the audit of the statements relating to all the Offices of Exchange for a month is completed, the classified abstracts should be posted in a register showing the adjustment of the amount included in the Duty Prepaid statements. The register should be closed and submitted to the Gazetted Officer through the Accountant for review by the 25th of the second month following that to which it relates.

690. It sometimes happens that the credit for Customs Duty on a Duty Prepaid Parcel is erroneously afforded twice, i.e., it is included in the Duty Prepaid statement and again recovered in cash by the Post Office of delivery. In such cases, intimation of double recovery is sent to the Offices of Exchange for arranging the refund of Customs Duty erroneously recovered from the addressee, if after scrutiny, it is found admissible. If, however, the amount does not exceed Re. 1, it should be adjusted to the Revenue head "Abstract—B.II—Fees and Other receipts—Other items". There is, however, no bar to the payment of the amount when claimed subsequently.

Short or excess credit of Customs Duty not exceeding Re. 1 noticed in the course of check of these statements are waived in the Audit Office and taken to the head "Abstract J. V.—Losses, etc., written off" and "Fees and Petty receipts" respectively.

691. After completion of audit, these statements for a month are filed in a guard file.

#### Check of Recoveries against Debits

692. The checker will receive the bundles of parcel receipts and memos. from the Sorting Group after initialling the corresponding entries in the Sortings broadsheet in the column provided for the purpose.

693. In checking the receipts and memos., the checker should compare the local number of the article, the amount of Customs Duty and the month stamp of assessment as exhibited on the receipts or memos. with the corresponding entries in the Parcel Bill or Letter Mail Register



and mark against the amounts in the latter, the letter of the alphabet assigned to him with a coloured pencil in token of having credit-checked the receipts or memos. The entries in the Parcel Bills, etc., will be checked in different colours thus:—

*Blue.*—Indicating recoveries effected in the month of assessment.

*Red.*—Indicating recoveries effected in the first month following the month of assessment.

*Green.*—Indicating recoveries effected in the 2nd month following the month of assessment.

694. The checker should note any difference discovered by him between the receipts or memos. and the debit in the Parcel Bill, etc., in either of the two columns provided for the purpose, in the form of the Parcel Bill, etc., and settle the discrepancies in the manner indicated below:—

For differences in Customs Duty amounts exceeding Re. 1 on account of short or excess realisation of Customs Duty an objection statement should be issued to the offices of Exchange pointing out the discrepancies.

Objection statements need not be issued for differences in Customs Duty amounts not exceeding Re. 1. Short realisation of Customs Duty should be recorded in a register in form No. S. Y.-265 (Register of amounts under objection waived or written off) and the total amount adjusted monthly by debit to "Abstract J. V. Miscellaneous Postal Expenses—Losses, etc., written off—Irrecoverable overpayments" and credit to "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles". Excess realisations of Customs Duty should be entered in a register in Form No. A. G. P. T.-414 Register of items transferred to Fees and Other receipts. The total amount should be adjusted monthly by credit to the head "Abstract B—Miscellaneous Revenue—II Postal Receipts (b) Fees and Other receipts—Other items" and debit to "Advances recoverable Customs Duty on Inward Foreign Mail Articles" (by deduction from credit). The two registers should be submitted to the Gazetted Officer in charge through the Accountant on the 25th of every month.

695. Before issuing objections, the credit-checker should take into consideration any note previously made by the office against the entries either in the Parcel Bill or Letter Mail Register or on the receipts and memos. He should also refer to the latest Write-back statements, the Advance copies of write-back lists, the Register of Recoveries and Refunds (vide Article 721) and the statements of Adjustments to see whether an adjustment of the difference noticed by him has already been effected.

696. If the difference has not been adjusted in the documents referred to above an objection statement in Form (A. G. P. T.-491) should issue for each item of discrepancy, separately pointing out the difference between the debit in the Parcel Bill or Letter Mail Register and the recovery as shown on the Parcel receipt or the assessment memo. The Parcel receipt or the assessment memo. should be forwarded along with the objection statement, a check slip in Form (No. A. G. P. T.-488) being prepared and signed by the auditor and kept in the bundle.

### Misclassification of Recoveries

697. In the course of check of recoveries, the credit-checker may find receipts or memos. of a different month of assessment mixed up with the receipts or memos. under check. In such cases, the checker should remove the receipts or memos. from the bundle and note on them the month's bundle with which they were received. These receipts and memos. should be checked in the Parcel Bill and Letter Mail Register concerned and after check should be entered in a register showing the misclassification of recoveries of Customs Duty. The register should be totalled monthly and the totals incorporated in the Customs Ledger. The register should be submitted to the Gazetted Officer in charge through the Accountant for review on the last day of every month.

### Untraced Receipts and Memos.

698. In some cases, the particulars furnished on the receipts and memos. are either defective or incomplete. The checker will not therefore be in a position to trace the corresponding debits in the Parcel Bills and Letter Mail Register without a reference to the Office of delivery or to the offices of Exchange. Such receipts and memos. should be made over to the auditor for disposal. The auditor should issue references in all cases to elicit further information. On receipt of replies steps should be taken to trace the debits and remove the items from the register of untraced items through which their clearance is watched. The register should be closed monthly and submitted to the Gazetted Officer in Charge for review on the last day of every month.

699. The Broadsheets (received from the Sorting Group—vide Article 678) will be retained by the auditor, and filed according to the dates of their receipt after the credit check for the month is completed.

700. The work of each credit checker should be reviewed by the auditor daily. He should review the credit check of 5 sheets of parcel Bills or Letter Mail Register noting in his diary any mistakes detected by him and initial the sheets checked by him.

### Review of Unchecked Debits and Issue of Search Bills

701. By the end of the fourth month following the month of assessment of Customs Duty on inward foreign parcels and Letter Mail articles, the Parcel Bills, Letter Mail Register and the Statement of detained Parcels and Letter Mail articles relating thereto are examined with a view to picking out the entries which remain unchecked. The amounts of such entries are posted in the column provided in the Parcel Bills and Letter Mail Registers for "Unchecked Items". These entries will then be copied in the register of unchecked items in Form (A. G. P. T. 493). Any remark made in the Parcel Bills, Letter Mail Register, etc., against these items should also be copied in the register. These items are checked by a reference to the bundles of checked parcel receipts and assessment memos. If any receipt relating to the entries copied in the register is found in the bundles, the corresponding entry should be checked by coloured pencil representing the month of credit and then neatly scored out in red ink. Great care should be taken in copying the unchecked items in the register as subsequent to its preparation audit of recoveries and adjustment of Customs Duty in respect of these items will be conducted in this Register and not in the main Parcel Bills, Letter Mail Registers, etc.



702. Search Bills in Form (A.G.P.T.-494) will be issued to the offices of delivery or to the offices of Exchange, in case the office of delivery has not been shown in the Parcel Bills, etc., to intimate the disposal of the parcels or the Letter Mail articles included in the register. In order to reduce the number of Search Bills to be issued, the following documents should be examined and action taken accordingly before their issue.

(i) The latest write-back statement received in the Office should be audited to avoid the issue of Search Bills for the items shown in these statements.

(ii) Advance copies of statements showing details of parcels and Letter Mail Articles assessed to Customs Duty but redirected out of Pakistan, statements of undeliverable parcels, etc., and statements of reassessment of Customs Duty for which necessary writes-back have been applied for from the Customs Department are received from the offices of Exchange. These statements should be examined and Search Bills should not be issued for the items traceable therein, but a note "write-back applied for" should be made against the entry in the register of unchecked items as the amounts would eventually be adjusted on receipt of the "writes-back" statements of Customs Duty from the Customs Department.

(iii) The register of untraced items should be examined to see whether any credit can be traced in that register for the items for which search bills are to be issued.

(iv) The latest schedules of Customs Duty should be examined to see whether any credits are traceable for the items included in the register. Search Bills should not be issued for such items but a note of recovery should be made in the register against the items concerned.

703. Search Bills are not issued for items of Re. 1 and below. These items will be allowed to continue in the register for a period of 18 months on expiry of which, they will be written off the books, if remaining outstanding, under the orders of the Deputy Accountant General.

704. Search Bills should then be issued only for the remaining items in the register. The date of issue of the Search Bills should be shown in the column provided for the purpose. The despatcher should initial, in token of despatch, the items in the register, for which search Bills have been issued.

705. The register will then be totalled. The total will represent the amount of Customs Duty outstanding for that month.

706. The Search Bills as they are received back with the replies should be disposed of promptly and brief notes of, or references to, all correspondence or other action taken towards clearance of the items should be kept in the column "Note of subsequent reference" of the register when the items are adjusted, the amounts will be shown in the columns of the month in which they are adjusted. The adjustments in a month are totalled and compiled separately for each month at the end of the register.

707. A consolidation of the debits outstanding for each month of assessment should be worked out in the register and submitted to the Gazetted Officer for review through the Accountant on the 10th of the 5th month following the month of assessment.

708. Items outstanding in the Register of unchecked items for more than six months should be extracted and entered in a separate register. The auditor should take special action for their settlement. This register should be submitted to the Gazetted Officer-in-Charge for review through the Accountant on the 10th of each month.

709. The recorded cases should be filed serially and bundled.

#### Results of Audit

710. The general rules and principles laid down in Chapter 20 of the Posts and Telegraphs Audit Code, Volume I, should be followed in raising, communicating and watching audit objection. The more detailed procedure applicable in the case of Customs Duty objections is described below:—

711. In the course of audit of Customs Duty accounts the following discrepancies are noticed.

(i) Short or excess debit of Customs Duty due to errors in totalling of parcel Bills and Letter Mail Register.

(ii) Short or excess realisation of Customs Duty on delivery of articles.

(iii) Short or excess credits in writes-back granted by the Customs Department.

(iv) Short or excess adjustment of credits on account of Inward Foreign Duty prepaid Parcels in the United Kingdom General Account.

(v) Short or excess credits due to erroneous summation of details in the Schedules of Customs Duty.

712. Whenever a difference falling under any one of the classes referred to above is noticed an objection statement in Form (A. G. P. T.-491) should be prepared and issued in duplicate to the office of Exchange in the case of items (i) to (iv) and to the office of delivery in the case of item (v) in Form A. G. P. T.-492. The amount of difference should be shown in the appropriate column of the objection statement.

#### Objection Book

713. As the entire transactions relating to Customs accounts are brought to account in the Lahore Circle one Objection Book will be maintained in Form No. A. G. P. T.-433. The objection statement when ready for despatch should be copied into the Objection Book and despatched, the Objection Book itself serving as a despatch register as well. The record clerk should initial in the Objection Book in token of having despatched the objection Statement. A watch over the return of objection statements should be kept through the Objection Book and reminders issued whenever their return is delayed.

714. Items of objection on account of short or excess credits or debits of Customs Duty not exceeding Rs. 5 may be waived by the Deputy Accountant General when the correspondence thereon tends to become protracted and the recovery is not possible. Sanction of the Director General or the Postmaster-General will, however, be required for the write off of such items of objection exceeding Rs. 5 in each case.

715. After all the objection statements in a month have been copied, the Objection Book should be closed by pasting a closing Entry slip (Form No. A. G. P. T.-435) at the bottom of the last page for the month.



716. To close the Objection Book, two transfer entries should be prepared in respect of the totals of the first two money columns clearing the head "Advances Recoverable—Customs Duty on Inward Foreign Mail Articles" by debit and credit, respectively, to the heads "Advances Recoverable—Excess debit or short recovery on account of Customs Duty Realisation" and "Deposits—short debit or excess recovery on account of Customs Duty Realisation".

In addition to the objections mentioned above, calls are also issued to the offices of delivery for parcel receipts and assessment memos. not received with the "Schedules of Customs Duty, etc., realised in Cash". In these cases, an objection statement in Form (A. G. P. T.-192) should be issued.

#### Adjustment Register

717. Each entry of adjustment made in the Objection Book should also be posted in the corresponding column of the Adjustment Register (Form No. A. G. P. T.-434) and each entry in the Objection Book and in the Adjustment Register should be checked and attested by the Accountant. The total of the money columns of each month's Adjustment Register will be deducted from the total balance of the amounts under objection. It is, therefore, necessary that the Adjustment Register should be closed simultaneously with the Objection Book.

#### Abstract of Objections

718. An abstract of Objections will be kept in Form A.T.M.-131 in order to bring together the total amount:

- (1) Objected to during the month.
- (2) Adjusted during the month.
- (3) Balance under Objection.

719. The Objection Book together with the three monthly and six monthly registers should be submitted to the Gazetted Officer in charge for review through the Accountant on the 28th of every month.

#### Broadsheet of Balances

720. A broadsheet of the debits and credits booked under the head "Advances Recoverable—Excess debit or short recovery on account of Customs Duty realisations" and "Deposits—Short debit or excess recovery on account of Customs Duty realisations" should be maintained in Forms Nos. A.T.M.-129 and A.T.C.-64 respectively.

The amounts of credits and debits on account of "Advances recoverable" and "Deposits" shown in the Objection Book should be reconciled with the amounts appearing in the Detail Book, brief explanation of the difference being given in the broadsheets. The balances under these two heads are also worked out month by month in the broadsheets "Advances Recoverable" and "Deposits" which are submitted to the Gazetted Officer for review on the 25th of every month. A register in form No. S. Y. 285 showing the half-yearly analysis of the balances outstanding in the Broad sheet under the head "Advances Recoverable—Excess debit or short recovery on account of customs duty realisation" should be maintained and submitted to Gazetted Officer for review as laid down in Article 483 of the Posts and Telegraphs Audit Code, Volume I.

### Recoveries and Refunds

721. Recoveries and refunds effected by the Postmasters either on their own initiative or at the instance of the Offices of Exchange are shown by them in the Schedule of Unclassified Receipts and Payments. The Postal Account Section (Lahore Circle) will classify all such items to the head "Advances Recoverable—Excess debit or short recovery on account of Customs Duty Realisation" and "Deposits—Short debit or excess recovery on account of Customs Duty Realisation" on the assumption that they adjust outstanding under the above heads and furnish the Customs Duty Section with details of such items in a register in Form No. A. G. P. T.-436. In the case of Other Postal Circles, the credits and debits will be passed on through the head "Posts and Telegraphs Remittances", by the 1st week of the 2nd month following the month to which the recoveries or refund relate. The auditor, Objection Book should note the adjustments against the corresponding items in the Objection Book. If no such item exists in the Objection Book, the auditor should ascertain the reason of the credit or charge by a reference to the receipts or the memos, and the Parcel Bill or Letter Mail Register or by a reference to the office of Exchange and the office of delivery. The register should be closed monthly, detailing the items which have been outstanding for over three months and submitted to the Gazetted Officer in Charge for review on the 25th of every month.

### Consolidation of the Transfer Entries made in the Customs Duty Section

722. All adjustments in the Customs Duty Section should be recorded in the Adjustment Book (Form No. P. W. A.-54), with full particulars, initialled by the auditor and passed by the Accountant or the Gazetted Officer. The book should be closed on the 15th of each month by totalling the entries on both the debit and credit sides. Below the closing totals of the month, all items of adjustment should be abstracted under the respective heads of account and the abstract totalled. After the agreement of the totals of the debits and credits with the monthly totals already arrived at, a copy of the abstract should be made out in Form No. A. G. P. T.-519 duly signed by the Accountant and sent to the Book Section on the 16th of each month.

### Verification of Balances

723. The final stage of work connected with the audit and accounting of Customs Duty transactions is the monthly verification of balances under the head "Advances Recoverable—Customs Duty, etc".

724. After all the recoveries in cash effected by the Postmasters on delivery of the parcels and articles and the "writes back" of debit made by the Customs Department and the adjustments of credits on account of Duty prepaid items have been linked with the corresponding debits and the remaining outstanding debits in the Parcel Bills and Letter Mail register, etc., at the end of the fourth month following the month of assessment have been extracted, the process of verification of balances should then be taken up and completed by the end of the fifth month following the month of assessment.

725. The debits raised by the Civil Department on account of Customs Duty assessed on Inward Foreign Parcels and articles of Letter Mail are booked under the head "Advances Recoverable—Customs



Duty, etc." The recoveries of Customs Duty effected by the Postmasters on delivery of articles as accounted for in their schedules of Customs Duty, the 'writes back' of debit made by the Customs Department and the adjustment of credits appearing in the United Kingdom General Account on account of inward foreign Duty prepaid parcels are also brought to account under the same head. The agreement of this book balance with the total outstandings as extracted in the Register of unchecked debits is called the verification of balances.

726. As the proving of balances is done on a monthly basis according to months of assessment and as no heads of account for different months of assessment have been provided for in the books it will be necessary to classify the debits and credits booked in a particular month under the head "Advances Recoverable—Customs Duty, etc.", according to different months of assessment.

727. Before this, however, the auditor should verify the various compilations with reference to the Detail Book figures under the head "Advances Recoverable—Customs Duty, etc.", communicated by the Book Section.

728. The auditor should classify the debits and credits according to months of assessment. For this purpose two registers should be maintained in manuscript (i.e.) one for debit and the other for credit. The classified figures should be posted in these registers, totalled and agreed with the total Detail Book figures for the month.

729. The compiled and classified figures as per above registers should then be posted in a ledger called the Customs Duty Ledger and the balances for each month of assessment worked out therein.

730. Ordinarily the balances for a month of assessment as arrived at in the ledger should agree with the total amount of outstanding debits for that month. But invariably this is not so and a difference is the result. This difference will be mostly due to mistakes committed in the various stages of work. If the difference is large steps should be taken to overhaul the various adjustments with a view to reduce it as indicated below:—

- (a) The total amount of Customs Duty shown in the Parcel Bills and Letter Mail Registers, etc., and claimed in the Customs Bills, are posted in the Register showing the reconciliation of Parcel Bills, etc., with the customs bills. This register should be examined to see whether all the debits have been incorporated in the books.
- (b) The register showing the recoveries of Customs Duty classified according to months of assessment should be examined to see whether all the adjustments of credits have been carried out.
- (c) A statement of actual short and excess relation of Customs Duty, short or excess debits due to errors in totalling Parcel Bills and Letter Mail Registers and "Write back" posted in the bills and registers, should be prepared from the Parcel bills and Letter Mail Registers and verified with the objection book and other registers through which they have been adjusted.

- (d) The register showing the misclassification of recoveries of Customs Duty should also be scrutinised to see whether the entries of rectification have correctly been done.
- (e) The Parcel Bills and letter Mail Registers should be reviewed to see whether the work of picking of the unchecked items have been done properly.

731. The Ledger together with the two registers showing the classification of debits and credits according to months of assessment should be submitted to the Gazetted Officer for review on the last day of every month.

732. An extract from the ledger should also be prepared and forwarded to the Auditor General on the 7th of the sixth month following the month of assessment.

733. After all the debits on account of inward Customs Duty relating to a year have been cleared, the residual difference, if any, represents the amount of difference between the total debits and the total credits for that year which cannot be reconciled. If the difference is a plus figure, it indicates that the balance according to Books is more than that in the register of unchecked debit. If however, the difference is a minus one it means an excess adjustment of credits. Special and effective steps should be taken to keep down the difference to a minimum and a special investigation made when the difference is so large as to reflect laxity in the process of check.

734. Soon after the outstanding debits for which search bills were issued, have been completely adjusted, the net amount of unexplained difference for the year as it then stands should be reported to the Auditor General for the removal of the difference from the Books. The total amount of unexplained difference in the Customs duty ledger for a year as communicated by the Lahore Audit Office should, as an exception to the general principle enunciated in the second sentence of Article 22 of the Account Code, be transferred by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, under the orders of the Auditor General to the head "Losses etc. written off—Irrecoverable advances" in Abstract "J-V-Miscellaneous", if the difference represents a debit balance and to Abstract B—"Miscellaneous Revenue" of the Department, if it is a credit balance, in the books of the Lahore Postal Circle. The Director General of Posts and Telegraphs should, however, be asked by the Auditor General before authorising the adjustment, to make necessary provision of funds to cover the write off under "Losses etc. written off". A report should also be sent by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, to the Auditor General after the adjustment is completed.

735. Deleted.

#### Parcel Receipts and Assessment Memos. sent out

736. Requisitions for Parcel receipts and Assessment Memos. are received from Departmental Officers and Collectors of Customs. Such letters should be indexed in a separate register in Form No. A. G. P. T.-440 with suitable modifications and disposed of expeditiously. In respect of receipts or memos, called for, a reference should be made to the Parcel Bills or Letter Mail Register and the Schedule of Customs Duty to see if



they have been received in audit. If traced, a check slip in printed form No. A. G. P. T.-488 should be prepared and substituted in place of the receipt or memo. sent out. The despatch of these receipts and memos. should be noted in the index register itself. If the receipts or memos. have not been received in audit or are in the sorting stage and cannot therefore conveniently be isolated and removed or have been destroyed in the usual course a reply in printed Form No. A. G. P. T.-485 should be sent.

737. Parcel receipts and Assessment memos. sent to Departmental Officers will not be returned but will be filed by them along with the relative cases. In the case of receipts sent to the Collectors of Customs their return should be watched through the index register.

738. The register should be reviewed by the Accountant weekly and submitted to the Gazetted Officer on the last day of every month.

#### Progress and Review Reports

739. Each sub auditor of the Section should record the work or output done by him for each day in a progress report maintained for his group in the prescribed form. The auditor should check these reports and submit them to the Accountant daily for review. A consolidated report for the item work of the Section as a whole should also be prepared by the auditor Schedule Check Group and submitted to the Accountant daily. The Accountant should check these reports daily but will submit them to the Gazetted Officer on every Monday.

740. The auditors, Schedule and Credit Checking groups should maintain a separate diary in Form No. A. G. P. T.-444. They should record therein the result of the review conducted by them and submit the diary to the Accountant daily, and to Gazetted Officer on every Monday.

741. The Accountant should also maintain a diary in Form No. A. G. P. T.-444 showing the review done by him of the different kinds of work. He should check daily at least three sheets of Parcel Bills and Letter Mail Registers and examine in detail three items of discrepancies noted by the reconciler as mistakes in machine operator's totals. The review should not be confined merely to a check of the above but should extend to all other items of work done in the Section. The diaries should be submitted to the Gazetted Officer on every Monday.

#### Error Book

742. An error book will be kept in manuscript by the Accountant who should note therein all mistakes committed by the Checkers and other sub auditors.

#### Outward Parcels (duty prepaid)

743. On receipt of the memorandum of customs duty prepaid with the sender's agreements from the Post Office (*vide* Rules 149 to 151 of the Posts and Telegraphs Manual, Volume VI) it should be examined to see generally, (1) whether the parcel is intended for a country with which the duty-prepayment system is in vogue, (2) whether the amount shown in the memorandum agrees with that in the agreement, and (3) whether

ordinary stamps to the value of that amount have been affixed to the form of agreement, any discrepancy noticed being settled in communication with the Postmaster of the office of posting or the office of exchange, as the case may require.

The total amount of all the memoranda in respect of a Postal Circle should then be consolidated (Customs duty and Postal fee being shown separately) and adjusted by debit to the head "Deduct—value of stamps used for realising customs duty" and credit to the proper detailed head under "Deposits" in respect of the amount realised on account of customs duty and to the head "Fees and other receipts—other items" in respect of the amount realised on account of Postal fee.

NOTE.—The check of the defaced stamps affixed to the senders' agreements should be exercised to the extent of 50 per cent. every month, the selection of the agreements being so made that every office comes under audit in irregular rotation once in two months.

744. The statements of parcels despatched to Great Britain and Northern Ireland etc., received from the offices of exchange every week (or month) should be compared with the corresponding memoranda to see whether all the parcels specified in the latter have been despatched and incidentally, whether any parcels despatched were omitted to be entered in the memorandum. Such discrepancies should be settled in communication with the office of exchange or the office of posting, as the case may be.

745. When the Franking Notice showing the claim of the countries mentioned in Article 744, in respect of each parcel is received from the office of exchange, the sterling amount should be converted into rupee currency at the rate of Exchange for the issue of Foreign Sterling Money Orders in Pakistari currency on the date of posting of the parcel and the difference exceeding Re. 1. between the amount thus obtained and that originally realised by the Postmaster should be recovered from, or refunded to, the party concerned through a statement in Form No. A. G. P. T.-476. The amounts to be recovered or refunded should also be noted in the columns provided for the purpose in the memorandum of customs duty prepaid.

Recovery and refund orders need not be issued for differences in customs duty not exceeding Re. 1. Such short or excess deposits should be waived in the audit office by the gazetted officer in charge of the Section. Short deposit of customs duty should be recorded in the register in form No. SY. 265 (Register of amounts under objection waived or written off) and the total amount adjusted monthly by debit to "Abstract J.—V.—Miscellaneous Postal Expenses, Losses, etc. written off—Irrecoverable overpayments" and credit to "Deposit—Customs Duty on Foreign parcels despatched to United Kingdom, etc." Excess deposit of customs duty should be entered in a register in Form No. A. G. P. T.-414 (Register of items transferred to fees and other receipts). The total amount should be adjusted monthly by credit to the head "Abstract B-II—Postal receipts—Fees and other receipts—Other items" and debit to Deposit—Customs duty on foreign parcels despatched to United Kingdom, etc." The two registers should be submitted to the Gazetted Officer in Charge through the Accountant on the 25th of every month."

NOTE.—In the case of the Egyptian and other Postal Administrations with which the duty pre-payment system is in vogue, the Egyptian (or other) currency should first be converted into 'sterling' at the prescribed rate of exchange, before action as indicated above can be taken.



746. The memorandum of customs duty realised by the Post Office, Form No. R. P-13 (c), should be collected together for each Circle and be used in the Audit Office as the register of customs duty. The columns for use in the Audit Office should be filled in on receipt of the franking notices from the offices of exchange and the monthly statement from the Accountant General, Punjab, Posts and Telegraphs, Branch, Lahore, vide Article 749.

A register in Form No. A. G. P. T.-477 (Register of credits and debits under Deposits—Customs Duty—United Kingdom) should also be opened in which the total for each Head Office should be compiled and the total for each Circle arrived at. In this Register should be posted each month the total credits and debits as collected from the memorandum of customs duty (columns 6, 17, 18, 19 and 20 are concerned) and the figures agreed with the detail book figures including adjustments communicated by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, through the Remittance head. This register will thus include the debits and credits appearing in the cash accounts on account of recoveries and refunds of customs duty authorised by the Audit Office, which are taken to the Head "Deposits—customs duty" and will also serve the purpose of a broadsheet as opening and closing balances are entered therein.

The register should be maintained by the customs duty auditors who should note the particulars of each recovery and refund in the proper column of the memorandum of customs duty prepaid and institute further correspondence in respect of the items remaining unsettled. The register should be submitted to the Gazetted Officer for review on the 20th of the second month following that to which the accounts relate.

747. No separate objection book need be maintained by the customs duty auditor. Items of objection not exceeding Rs. 5 may be waived by the Deputy Accountant General when the correspondence thereon tends to become protracted and the recovery is not possible. Amounts exceeding Rs. 5 which cannot be recovered should be written off by the Director General or the Postmaster General as the case may be. A watch over the items to be recovered or refunded should be kept through the memorandum of customs duty prepaid, the number and date of the reference made being noted in the "remarks" column against the item concerned. The memorandum should be submitted (after objections have been entered in it) every month to the Accountant who should see that proper steps are taken in each case and bring to the notice of the Gazetted Officer all cases remaining unsettled for over six months.

NOTE.—In cases in which refunds cannot be made, the amount should be credited to "Abstract B—Miscellaneous Revenue—Fees and Other Receipts—Other items" by debit to the detailed head under "Deposits". In cases in which recovery cannot be made and the amounts are ultimately written off by the Deputy Accountant General, by the Director General or the Postmaster General, the amount should be adjusted by credit to the head "Deposits" and debit to "Losses, etc., written off" in "Abstract J."

748. On receipt of the monthly General Account from the Superintendent, Foreign Post, Karachi, through which credit is afforded to the United Kingdom, the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, should make an adjustment debiting the proper head under "Deposits" in respect of Customs Duty relating to the Lahore Audit office and Remittances—Posts and Telegraphs remittance in respect of Customs duty relating to the Dacca Postal Audit Office, and

crediting the head "Accounts with the High Commissioner for Pakistan in U.K.". In making this adjustment, the sterling amount claimed by the United Kingdom should be converted into rupee currency at the rate of Re. 1=2s. 1 29|32d.

The amount debited to other Postal Audit Offices through the head "Remittance—Post and Telegraphs remittance", should be communicated through an advice of transfer and the amount so transferred should be adjusted by debiting the proper head under "Deposits" and crediting the head "Remittances—Post and Telegraph Remittance", by the other Postal Audit Offices concerned.

NOTE.—Credits on this account due to the Egyptian and other Postal Administrations are also afforded through the General Account received from the Superintendent, Foreign Post, Karachi and the same adjustment as above should be made in those cases (See also Note to Article 745).

749. A monthly statement of customs duty adjusted through the General Account received from the Superintendent, Foreign Post, Karachi, should be forwarded by the Accountant General, Punjab, Posts and Telegraphs Branch, Lahore, to the Dacca Audit Office. Each item in the statement should be compared and verified in the Audit Office with the corresponding Franking Notice. The amount actually recoverable in rupees in respect of each item as worked out on the Franking Notice (vide Article 745), should also be noted against the item in the statement. The difference between the total sterling amount converted at the rate of Re. 1=2s. 1 29|32d. and the amount actually recoverable should then be adjusted by debit to the proper head under "Deposits" and per contra credit or debit to the head "Exchange on Remittance Account—Miscellaneous." The amount debited to "customs duty" should be noted in column 19 and the difference in column 20 of the Memorandum of customs duty realised by Post Offices on Foreign Parcels [Form No. R.P. 13(c)].

750. When a parcel, sent from Pakistan to any of the countries mentioned in Article 744, is returned undeliverable, or intimation is received that it has been lost in transit or destroyed in the country of its destination on sanitary grounds with the consent of the addressee, the office of exchange will communicate the fact to the Postal Audit Office concerned, citing the number and office of posting of the parcel and the date of the weekly statement in which its despatch to the foreign country was shown and in the case of return of the parcel, forward it with a Refund Notice (addressed to the sender) to the Postmaster of the office at which the parcel was posted. The order for refund to the sender of the amount deposited will then be issued by the Audit Office to the office of posting. The charge when traced should be classified to the proper head under "Deposits".

NOTE 1.—Should credit for the amount of the charges assessed in the country of destination have already been afforded, the Karachi Office will take credit for the amount in the next General Account, on receipt of which adjustments counter to those mentioned in Articles 748 and 749 should be made.

NOTE 2.—The postal fee of four annas will in no case be refunded. But when a mistake occurs through the fault of a Post Office official it is always open to the Postmasters General concerned to recover the amount of the fee from the official at fault and to refund the same to the sender.



751. The due dates for the completion of audit and adjustment work relating to customs duty prepaid on Foreign Outward parcels are as follows:—

Particulars of items of work	Reference to Rule	Approved due dates
(1) Audit of the memos. of customs duty prepaid and adjustment of the total amount thereof.	Art. 743, P. & T. Audit Code, Volume II.	20th of the month following the month of accounts to which the memos. relate.
(2) Selection of the memos. of customs duty by the Gazetted Officer for percentage audit.	Do.	15th of the month following the month of accounts to which the memos. relate.
(3) Audit of statements of parcels despatched to foreign countries.	Art. 744, P. & T. Audit Code, Volume II.	10th of the month following the month of receipt of the statements.
(4) Audit of Franking notices, issue of recovery and refund orders and adjustment of short and excess deposits of customs duty not exceeding Re. 1/-.	Art. 745, P. & T. Audit Code, Volume II.	18th of the month following the month of receipt of franking notices.
(5) Despatch of the monthly statement of customs duty by the Account Current Section of the Lahore Audit Office to—	Art. 749, P. & T. Audit Code, Volume II.	
(i) Customs Duty Section of the Lahore Audit Office.		(i) 10th of the month of receipt of the U. K. General Account.
(ii) Dacca Audit Office		(ii) 29th of the month of receipt of the U.K. General Account.
(6) Disposal of the monthly statements of customs duty and adjustment of the differences under the head "Exchange on Remittance Account—Miscellaneous".	Do.	
(i) By the customs duty section in the Lahore Audit Office.		(i) 15th of the month of receipt of U. K. General Account.
(ii) Dacca Audit Office		(ii) 29th of the month following the month of receipt of the monthly statements from the Lahore A.O.