

# FUNCTIONS OF ACCOUNTS DEPARTMENT

Every organization has some objectives and whether these are achieved or not is also monitored. It is also possible when all the transactions evaluated in terms of money and are recorded in a meaningful manner. The process of keeping these records are called “Accounting” and the department that does it is called as “accounts department”.

The main task of the railways accounts department is to advice management on the financial matters & maintain accounts in the prescribed Performa. A necessary part of this function is to scrutinize all transactions & bring to record only those transactions, which are legitimately chargeable to Railways revenues. This function is known as ‘internal check’. It is also the duty of the accounts department to settle all claims against the railways arising out of those transactions, which is found to be legitimate & regular.

The cost accounting is done particularly in the workshops of the Indian Railways where the costs are collected separately for each item of work done. It is essential to control each item of work done & also to decide the rates, at which the shop manufactured items, the expenses may be transferred to user department & credit taken into workshop manufacturing suspense.

Railway accounts department also render management accounting service while furnishing various information to the management & carrying out its function of tendering financial advice. All managerial decisions regarding new investments and other proposal for fresh expenditure are taken only in the light of the financial advice given by the account department.

The main functions of the account department are as under:

- 1) Internal checks with reference to extend rules/ orders of all the transactions affecting the Rlys receipt & expenditure.
- 2) Maintenance of account as per prescribed procedures.
- 3) Prompt disposal of all the claims against the railways.
- 4) Tender financial advice to the railway administration as and when required.
- 5) To ensure that there are no financial irregularities in the Rlys transactions.
- 6) To play the role of management accountant.

## Scrutiny of the receipts

In scrutinizing the receipts, it should be seen that

- 1) The amount due to railways for services rendered, supplies made or for any other reason are correctly & promptly assessed and recorded as soon as these become due.
- 2) All receipts are properly brought into accounts.
- 3) All receipts are correctly classified & if these pertain to more than one Railway the same are correctly apportioned among the Railways concerned.

## Scrutiny of expenditure

All the claims against the railways should be scrutinized with a view to ensure

- 1) The expenditure or remission of the revenue has been sanctioned by the competent authority and that the expenditure is incurred by the officer competent to incur the same.
- 2) All prescribed preliminaries to the expenditure have been observed such as framing proper estimate, approval by competent authority, provision of funds etc.
- 3) It is covered by the grant at the disposal of the officer incurring the same.
- 4) The expenditure does not contravene (against) any rules or orders in force.
- 5) The expenditure does not involve any breach of canons of a financial propriety.
- 6) The expenditure for a limited period is not admitted beyond that period without further sanction.
- 7) The expenditure has been properly & fully supported by vouchers & the payments has been so recorded as to render a second claim on the same account impossible.
- 8) In case of recurring charges payable on fulfillment of certain conditions, as certificate is forthcoming to the drawing officer to the effect of that necessary conditions have been fulfilled.
- 9) Departmental receipts are not utilized to meet any expenditure except where it has been specially authorized by the competent authority.

One of the important functions of accounts department is to see that the claims preferred against the railways are carefully checked & promptly settled. All the claims against the railways for services rendered are submitted in the form of bills by the concerned parties or by the departmental officers & the payments there of is arranged by the account officers by drawing requisite funds by the RBI/ SBI.

In order to enable the FA & CAO to carry out his functions successfully, he has a well organized office under his control divided into different branches consisting of units/ sections

and each such unit/ section is to look after some specific portion of the work relating to the railway finance & accounting etc.

## **FUNCTIONS OF VARIOUS SECTIONS OF ACCOUNTS OFFICE**

1) **Administration Section:**

All the staff matters of Accounts dept. such as appointment, posting, fixation of pay, preparation of seniority list and all the personal matters are dealt with by this section.

2) **Establishment section:**

Establishment matters of all the staff at HQ, cash & pay work in connection with proposals for GM's sanction, school subsidy, maintenance of suspense account, court attachments, passing of payment of pay/allowance in respect of gazetted / non-gazetted staff including advances & loans to the staff etc. are dealt with this section.

3) **Finance section:**

Scrutiny of all the proposals effecting railway finances & tendering financial advice to the executive concerned is one of the main functions of this section. Scrutiny of proposals for creation of new posts, extensions of the currency of temporary posts, upgradation of certain posts, critical examination of the tender documents including contract agreements etc. are few example of the work done in this section.

4) **Provident section:**

Maintenance of PF account of all the employees, settlement of PF at the tune of retirement, death etc. passing of various advances & withdrawals from PF, transfer of PF account, in case of transferred employees.

5) **Pension & Settlement section:**

This section deals with all the matters in connection with arranging the payments of final settlement due, DCRG (Death cum retirement Gratuity), pension, leave salary etc. in favour of the railway employees who have retired from the Rly service or ceased to be an Rly employee due to various reasons.

6) **Booking section:**

Maintenance general books of the Rlys i.e. cash book, journal, ledger etc. preparation of monthly & annual account current in respect of capital & revenue transactions, consolidation & submission of monthly & annual account current in respect of capital & revenue transactions, consolidation and submission of monthly & annual returns to the Rly Board, raising & accepting debits / Credits issued to any by various divisions / Rlys. Other Govt. Depts. Etc preparation of cheques & post Audit of all the paid vouchers are dealt with this section unpaid wages, pay orders are passed by this section.

7) **Budget section:**

Compilation of various information received from executive departments in respect of Budget & timely submission of the same to the Rly. Board Office is the main function of this section. Compilation of Budgetary information on the schedule dates / occasionally keeping informed all the executive departments as regards to their budgetary provisions, compilation of appropriation accounts after the closure of the financial year are also dealt with in this section. Preparation of Monthly, Quarterly financial reviews as a managerial tool of financial control is done by this section.

8) **Expenditure section:**

To book the expenditure on all the works & revenue, to prefer bills against the public & private bodies for services rendered & supplies made to make prompt payment of all the bills preferred against the railways including contractors bills for work done, check of estimates submitted by the executives, timely preparation of control over Expenditure statement etc. are the items works carried out in this section.

9) **Inspection section:**

This section is responsible to examine the initial books/records maintained by various executive dept. including accounts offices through the periodical inspection of these offices & ensure that no irregularities are committed by the executive officers in the initial records on the basis of which various statements/ returns/bills etc have been sent to the account office from time to time. Prompt disposal of all the audit objection including inspection reports / draft Para / audit notes is also to be done by this section.

10) **Receipts & Dispatch / record section:**

Receipts & Dispatch of all the communications in the account office, other departmental offices, sections in the offices, govt. dept & proper distribution of the concerned communication to the section concerned are the main functions of R & D section. Similarly systematic various types of paid vouchers making available the same as & when required, storing of the forms & stationary including various types of books & registers and supply of the same to the various sections when demanded for, are the main duty of record section.

### **TRAFFIC ACCOUNT BRANCH**

The Traffic Accounts branch primarily deals in the internal check & compilation of Traffic earnings from the station returns. In addition, It conducts inspection by its inspectional staff to check the primary document from which the station returns are prepared.

Broadly the sections are organized into the following:

1) **Coaching & other Coaching section:**

This section deals with the internal check on various coaching returns received from the stations in respect of various types of traffic passengers, classification, excess fare return, luggage return, parcel return, station balance sheet etc are some of the important returns checked in this section. Similarly, check of ticket indent received from the stations concerned generally through advice of internal check. Similarly any irregularities detected during the course of check are taken up with the staff concerned through respective executive officers. This work in connection with the computer print in respect of coaching returns is also done in this section.

2) **Goods section:**

This section deals with the internal check of all the returns received from the stations in respect of goods traffic such as check of invoice, goods balance sheet, MPA, handling bills etc the results of internal check are communicated to the station concerned by issuing error sheet & irregularities if any are reported to the executive concerned for necessary action.

3) **General section:**

Maintenance of traffic book, compilation of T.A/C's branch. Similarly provision of books, forms, stationary etc and maintenance of T.A/C's records are dealt by this section.

4) **Traffic inspection section:**

This section is entrusted with the job of inspecting through the agency of TIA, the initial books, records, vouchers etc at the railway stations where the traffic transactions are originally initiated and to ensure that the same are maintained correctly. Prompt disposal of the various communications including inspection reports received from the inspectorial staff of the account department is also done by this section.

5) **Receipt & Dispatch/ record section:**

Receipts & Dispatch of all the communications in the account office, other departmental offices, sections in the offices, govt. dept & proper distribution of the concerned communication to the section concerned are the main functions of

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## **CASH & PAY SECTION**

This section is responsible for the receipt of all the department cash receivable to the Rly Admn. On account of various services rendered by the Rlys, prompt deposit of the

same in the RBI/ SBI & disbursement of all the cash in respect of various types of bills passed for payment by the account officers from time to time.

### **STORES & WORKSHOP ACCOUNTS**

The major function of Store Account branch in Headquarters of Zonal Rlys. are as follows:

1. Advising to Controller of Stores in respect of procurement of Rly. Material & deciding the policies for effective inventory management.
2. Arranging prompt & correct payment to all suppliers & vendors.
3. Maintenance of accountal of material procured.
4. Watching of liabilities incurred against Budget Grant.
5. Accountal & arranging payment of Fuel i.e. Diesel & Lubricants purchased for the purpose of traffic operations.
6. Assistance in sale of Scrap material & accountal thereof.
7. Maintenance of Books & Ledgers as per the requirement of Govt. Accounting.
8. Periodical inspection of Livestock & Dead Stock of all over the Zonal Rlys. Offices.
9. Dealing with the proposal required for Rolling Stock & Workshops material and accountal thereof.

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