PUBLIC WORKS ACCOUNT RULES

CHAPTER I

EXTENT OF APPLICATION

NOTE—The expressions 'Government', 'Accountant General', 'Superintending Engineer' and 'charged' should be substituted for 'Local Government', 'Principal Auditor', 'Deputy Chief Engineer' and 'non-voted' respectively wherever they occur in this volume.

1. The rules contained in this volume describe the financial transactions of the Public Works Department, the procedure followed in connexion with the initiation and execution of works, maintenance of the stock of stores, materials and tools and plant, the initial accounts maintained in the department and the accounts submitted to the Principal Auditor. They are supplementary to the general rules contained in Volume V of the Financial Handbook which are applicable to the Public Works Department, unless there be something repugnant in the subject or context or except to the extent that they are modified by the rules in this volume.

2. As explained in paragraph 2 of Volume V of the Handbook, this volume contains the Subsidiary and Financial Rules of the Government and also the rules made by the Auditor General containing his directions issued under section 168 of the Act and under the rules made by the Governor General under paragraph 11(3) of the Government of India (Audit and Accounts) Order, 1936 (*see* Appendix I to Volume V of the Handbook), prescribing the methods or principles in accordance with which accounts are to be kept in the department and rendered to the Accountant General on prescribed dates and also the forms in which the accounts are to be maintained and rendered to the Accountant General. No rule of the Auditor General, included in the Handbook, should be amended without the concurrence of the Accountant General.

2A. The department is also occasionally entrusted with the execution or upkeep of buildings or works the charges on account of which are met from the revenues of the Central Government. Rules relating to such works or charges prescribed by the Auditor General, are included in the relevant chapters of this book, while

those made by the Governor General appear in Appendix IB to this volume.

3. The rules in this volume may be supplemented by orders and detailed instructions which may be issued by the administrative department of the local Government in consultation, where necessary, with the Finance Department. The orders and instructions so issued should be considered as authoritative in so far as they may not be in conflict or inconsistent with the rules in this volume.

CHAPTER II

DEFINITIONS

4. Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this volume in the sense here explained. These definitions are supplementary to those contained in Chapter II of Volume V of the Handbook. P.W.A.C. 9.

5. Administrative approval—*See* paragraph 316. P.W.AC. 11.

6. Advance Payment—Means a payment made on a running account to a contractor for work done by him but not measured. *See* also paragraph 457.

7. Appropriation—*See* paragraphs 113 and 114. P.W.A.C. 13.

8. Assets—In the accounts of works this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges. Examples: Recoveries of advances or recoverable payments and sale-proceeds or transfer value of surplus materials. P.W.A.C. 14.

9. Assistant Engineer(s)—Unless the contrary is evident from the context, this term includes assistant executive engineers also.

10. Commercial department—*See* appendix IX to Volume V of the Handbook. P.W.A.C. 17.

11. Completion and Completed—In this volume and in all the Public Works Account forms "Completion of a work" may be understood to include "Abandonment of a work" and "Completed" to include "Abandoned." P.W.A.C. 17A.

12. Contingencies (Works)—When used in respect of the accounts of works, the term "contingencies" indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub-head or sub-work, yet pertain to the work as a whole. P.W.A.C. 18

13. Contract and Contractor—The term contract, as used in this volume, means any kind of undertaking, written or verbal, express or implied, by a person, not being a government servant, or by a syndicate, or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials or for the P.W.A.C. 19.

performance of any service in connexion with the execution of works or the supply of materials. The term "Contractor" means a person, syndicate, or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for services in connexion therewith.

P.W.A.C. 21. **14. Department**—This term, when qualified by the prefix "The", is used to indicate the Public Works Department, unless the contrary is evident from the context.

P.W.A.C. 22. **15. Deposit Works**—This term is applied to works of construction or repair the cost of which is met not out of government funds but out of funds from non-government sources, which may either be deposited in cash or otherwise placed at the disposal of the divisional officer. Works executed for municipalities and other public bodies fall under this category when the cost is chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries. *See* also paragraph 629.

P.W.A.C. 23 **16. Detailed Head**—*See* paragraph 85.

P.W.A.C. 25 **17. Direct Charges and Direct Outlay**—These expressions, as distinguished from "Indirect charges" and "Indirect outlay" (*vide* paragraph 27) are applied to those charges pertaining to a work, project, or job, which are directly incurred for its execution and are included in the regular accounts of it.

P.W.A.C. 26. **18. Direction Office**—This term indicates the office of an administrative officer who has one or more divisional officers working under his orders and is not himself entrusted with the execution of works or with the receipt and disbursement of Government money, e.g. a chief, or a superintending engineer, or a superintendent of works; but if such an officer is also entrusted at any time with the receipt and disbursement of Government money, he is treated as a divisional officer for the purposes of this volume, even though some part of his emoluments may be treated as direction charges.

P.W.A.C. 27. **19. Direction Officer**—The head of a direction office is known by this designation.

Explanation—A government servant holding the rank of a superintending, or a chief engineer is not a direction officer, unless the direction of the business of one or more divisions is entrusted to him. Thus, a superintending engineer employed on special duty is not a direction officer.

20. Direct Receipts—These receipts, as distinguished from indirect receipts (*vide* paragraph 28), relate to items of revenue receipts which are realized in connexion with a work or project either by officers of the department or of other departments and are directly brought to account as appertaining to the work or project. P W.A.C. 28

21. Division and Divisional Office—Throughout this volume these terms are used to denote respectively the executive charge held by a divisional officer (paragraph 22 below) and the head office of such a charge. Thus, the office of an independent executive sub-division will be treated as a divisional office for the purposes of this volume, as also that of the superintendent of a workshop working independently of a divisional officer. P.W.A.C. 29

22. Divisional Officer—In this volume, this term is applied to an executive officer of the department who is in charge of the division and is usually of the rank of an executive engineer. It is also applicable to an officer of the department who is not subordinate to another executive or disbursing officer of the department, even though the executive charge held by him may not be recognized as a "division" by the local Government. Thus, the officer in charge of an independent sub-division will also be treated as a divisional officer for the purposes of these rules. *See* also paragraph 18. P.W.A.C. 30

Government servants of other departments who disburse money on behalf of the Public Works Department and are required to render their accounts direct to the Principal Auditor, are also referred to as divisional officers in this volume.

NOTE—In the absence of a specific delegation, the financial or administrative powers of an executive engineer may not be exercised by a divisional officer who does not belong to the grade of an executive engineer by reason merely of his being treated as a divisional officer under this paragraph.

23. Expenditure Sanction—*See* paragraph 317.

24. Final Payment—Means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account. P.W.A.C. 31

25. Grant—*See* paragraph 111.

26. Inclusive Rate of Cost—*See* paragraph 47. P.W.A.C. 33. P W.A.C. 34.

27. Indirect Charges and Indirect Outlay—These expressions are applied to those charges and capital P.W.A.C. 35.

outlay respectively which pertain, or are incidental to a work, project, workshop job, or manufacture job, but which are not incurred directly and solely in connexion therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

P.W.A.C. 36. **28. Indirect Receipts**—Receipts which pertain, or are incidental, to a scheme or work, but cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.

P.W.A.C. 37 **29. Intermediate Payment**—Is a term applied to a disbursement of any kind on a running account, not being the final payment. It includes an "advance payment", a "secured advance", and an "on account payment" (other than the final payment on a running account), or a combination of these.

PW.A.C. 38. **30. Issue Rate**—This term denotes the cost per unit fixed, in respect of an article borne on the stocks of the department at a valuation, for the purpose of calculating the amount creditable to the stock account by charge to the account or service concerned, when any quantity of that article is issued from stock.

P.W.C.A. 39. **31. Labour**—When a separate materials account is kept for one or more sub-heads of an estimate and the term "labour" is used in connexion with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct and (2) carriage and incidental charges in connexion with the materials.

P.W.A.C. 40] **32. Liabilities**—When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges but have not been paid, regardless of whether or not they have fallen due for payment, or, having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

P.W.A.C. 4? **33. Local Loan Works**—As used in this volume this expression indicates works executed by the department on behalf of an Indian state, municipality, or other corporation, when the cost of the works to form

part of a loan given to it by Government for the purpose.

34. Major Estimate—Is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs.20,000. This term is also applied, for the sake of convenience, to the work itself. *See* also paragraph 314. P.W.A.C. 43.

35. Major Head—*See* paragraph 85. P.W.A.C. 44.

36. Market Rate—Used in respect of an article borne on the stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time, from the public markets suitable to the division for obtaining a supply thereof. This cost should be inclusive of carriage and incidental charges, and may even include a reasonable provision for wastage and depreciation when these are inevitable. P.W.A.C.45

37. Minor Estimate—Is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs.5,000 but does not exceed Rs.20,000. This term is also applied, for the sake of convenience, to the work itself. *See* also paragraph 314. P. W.A.C. 46. PW.A.C. 479

38. Minor Head—*See* paragraph 85. PW.A.C. 48.

39. On Account Payment or Payment On Account—Means a payment made on a running account, to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of work or supplies: if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

40. Operation—Used in respect of the accounts of manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs. P.W.A.C.50.

41. Outturn—Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs. P.W.A.C. 51

P.W.A.C. 52. **42. Payment on Account**—*See* paragraph 39.

43. Petty Estimate—Is a term applied to the estimate for a work when the sanctioned amount of the works expenditure does not exceed Rs.5,000. This term is also applied, for the sake of convenience, to the work itself. *See* also paragraph 314.

P.W.A.C. 54. **44. Progress**—Means the up-to-date quantities of work done or supplies made.

P.W.A.C. 57 **45. Quantity**—In the accounts of works this expression is used to describe the extent of work done, supplies made, or services performed, when these can be measured, weighed, or counted.

P. W.A.C. 58. **46. Rate**—In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply, or other service. Except in the case of lump sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which payment is to be made.

P.W.A.C. 5. **47. Rate of Cost and Inclusive Rate of Cost**—Rate of cost means generally the total cost of a work or supply divided by its quantity. In the accounts it represents the recorded cost per unit, as arrived at by dividing up-to-date final charge on a sub-head by the up-to-date progress thereof. "Inclusive rate of cost" means the rate of cost of the entire work relating to a sub-head, including the cost of materials if recorded separately in the accounts.

P.W.A.C. 60. **48. Re-appropriation**—Means the transfer of funds from one unit of appropriation to another such unit. *See* also paragraph 113.

P.W.A.C. 61 **49. Recoverable Payment**—Means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done or supplies made by him, and has, therefore, to be made good to Government by an equivalent cash recovery or short payment of dues.

P.W.A.C. 63. **50. Running Account**—Is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals, subject to final settlement of the account on the completion or determination of his contract.

51. Sectional Officer—This designation is used in this volume to describe those officials, usually non-gazetted subordinates, who are placed in responsible executive charge of works or stores under the orders of the officer in charge of a recognized division or sub-division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the division or sub-division concerned. P.W.A.C.65

52. Secured Advance—Is a term applied specifically to an advance made, on the security of materials brought to site of work, to a contractor whose contract is for the completed items of work. *See* paragraph 456. P.W.A.C. 66

53. Special Office—The office of a special officer (*vide* paragraph 54). P.W.A.C. 67

54. Special Officer (or Specialist Officer)—This term is applied, in this volume, to such officials of the department as are neither divisional officers nor officials subordinate to a divisional officer, and have no divisional officers working under their control, e.g. the Consulting Architect, the Electric Inspector, etc. P.W.A.C. 68

55. Sub-divisional Officer—This designation is applied primarily to an official, whether a gazetted government servant or not, who holds the charge of a recognized sub-division in subordination to a divisional officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge but is held by the divisional officer himself, the latter is also treated as the sub-divisional officer in respect of such charge. When a divisional officer holds the immediate charge of a recognized sub-division in addition to his own duties as the executive head of the division, he is treated as the sub-divisional officer in respect of the charge of the sub-division. P.W.A.C. 69.

56. Sub-head—In the accounts of works and in working estimates this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of work that have to be executed in the course of construction or maintenance of a P.W.A.C.70.

work or sub-work, e.g. excavation, brickwork, concrete, woodwork, etc., are usually treated as the sub-heads of it.

NOTE—The term "sub-head" as used for puurposes of appropriation audit is explained in paragraph 111.

57. Subordinate(s)—Unless the contrary is clear from the context, this term includes members of the subordinate engineering service of the department, also upper and lower subordinates who have not been appointed to that service but hold the posts of overseers or sub-overseers.

P.W.A.C. 71. **58. Sub-work**—In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailor's quarters, etc. in the case of a large central jail. In the case of irrigation, navigation, embankment, drainage, and water storage projects, the headworks, main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the watercourse scheme, and special tools and plant, all form separate sub-works.

P.W.A.C. 72. **59. Supervision charges**—This term is ordinarily applied to the charges which are levied, in addition to book value, in respect of stock materials sold to the public or other departments, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value.

P.W.A.C. 73. **60. Suspense Accounts**—This term is applied primarily to certain heads of account, falling under the minor head "suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery, or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the

receipts in reduction thereof. For suspense accounts within the accounts of works, *see* paragraph 497.

61. Technical Sanction—*See* paragraph 318.

62. Watercourse—This name is given to a channel for the supply of water from an irrigation work, which falls under the definition of the term as given in the Canal Act applicable to the area concerned. The definition given in the Northern India Canal and Drainage Act of 1873 is as follows : P.W.A.C. 78

> "Watercourse means any channel which is supplied with water from a canal, but which is not maintained at the cost of Government, and all subsidiary works belonging to any such channel."

63. Work—The term "work", when by itself, is used in a comprehensive sense and applies not only to works of construction or repair but also to other individual objects of expenditure connected with the supply, repair, and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop. P.W.A.C. 79

64. Works Expenditure and Works Outlay—These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair, and maintenance of works. The charges falling under these categories may be met when, under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general services, tools and plant and establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts. P.W.A.C. 80

CHAPTER III

DUTIES OF THE DEPARTMENTAL OFFICERS

A—GENERAL

56. The duties of departmental officers are generally laid down in the rules of this chapter. In respect of particular matters, they are also laid down in the rules contained in other chapters of this volume.

B—CHIEF ENGINEER

66. The Chief Engineer will exercise a concurrent control, with the Principal Auditor, over the duties of the officers of the department in maintaining accounts and will give legitimate support to the Principal Auditor in enforcing strict compliance with the rules concerning the disbursement of money, the custody of stores and submission of accounts. He has a claim on the Principal Auditor for assistance and advice in matters relating to accounts and finance. He is also bound to arrange that the Principal Auditor is kept fully cognizant of all proceedings and proposals to enable the latter to fulfil his functions. P.W.D. C60,

67. He will prepare, annually, the portion of the budget estimates relating to the works under his control. It will be his duty to administer the grant, and, with this object, to keep a close watch over the progress of the expenditure against it, with a view to seeing that no excess is permitted to occur, and that, if additional appropriation is required, application for the same is made. The general supervision and control of the assessment of revenue from irrigation and navigation works within the limits of his charge will also rest with the Chief Engineer, who will frame the necessary estimates and watch carefully the progress of the realizations during the course of the year. PW-D.C 61

68. He will see that the grant of the year is fully expended, in so far as is consistent with general economy and the prevention of large expenditure in the closing months of the year for the sole purpose of avoiding lapses, and be responsible for ensuring that any money which is not likely to be needed during the year P.W.D.C.62.

is promptly surrendered, so as to allow of its appropriation for other purposes by the proper authority.

69. [*Omitted.*]

C—SUPERINTENDING ENGINEER

P. W.D.C. 65. **70.** The superintending engineer will inspect the state of the various works within his circle and satisfy himself that the system of management prevailing is efficient and economical, that different articles in stock are duly verified according to the rules laid down, and that there is no accumulation of stock in any division beyond its requirements.

P.W.D.C. 66. **71.** He will also inspect the divisional offices under him at least once a year, and will forward for the information of the Chief Engineer reports of his inspections in the prescribed form, detailing therein the results of his examination of initial accounts, accounts of stock, tools and plant and stock manufacture, register of works, and other divisional accounts and papers, mode of preparation of estimates, contract agreements, contractors' accounts, revenue registers and office work generally.

P.W.D.C. 67. **72.** He will further see that the authorized system of accounts is maintained throughout his circle and examine the books of divisional officers and their subordinates, and see that matters relating to the primary accounts are attended to personally by the divisional and sub-divisional officers, and that the accounts fairly represent the progress of each work. He will examine the register of works so as to keep a vigilant watch over the rates of work, and when he considers it necessary, he may require a divisional officer to report to him monthly or at longer intervals, on a works slip in form no. 39 the total expenditure to-date under each sub-head of a work, in contrast with the sanctioned estimate. It will thus be seen that it rests with the superintending engineer to investigate excesses over sub-heads with a view to decide whether or not a revised estimate will be required for the work. When a revised estimate is required it will also devolve on the superintending engineer to see that it is submitted in due time to the sanctioning authority, *vide* paragraphs 79 and 395. He is also responsible that no delay is allowed to occur in the submission of completion reports.

73. The supervision and control of the assessment of revenue from irrigation and navigation works within his circle will rest with the superintending engineer. P.W.D.C.69.

D—SUPERINTENDENT OF WORKS

74. For any particular work or series of works, too large to form a single executive charge, but requiring the entire energies of an engineer for their efficient supervision, a superintendent of works (with divisional officers under him) may be appointed, who may, subject to competent sanction, receive a special pay or allowance in addition to his pay. A superintendent of works will exercise the powers laid down for superintending engineers. P.W.D.C.71.

E—DIVISIONAL OFFICER

75. The divisional officer is responsible to the superintending engineer for the execution and management of all works within his division. He is strictly prohibited from commencing the construction of any work or incurring any expenditure without the sanction of the competent authority; also from making or permitting any, except trifling deviations from any sanctioned design in the course of execution except under specific authority, or in case of emergency, when the change should be forthwith reported to the superintending engineer. Immediately on a work being completed it will be the duty of the divisional officer to close the accounts and prepare the completion report, if required by the rules in paragraph 399. P.W.D.C. 77 and 78.

76. The divisional officer will take necessary steps for obtaining cash for the works under his control, keep his accounts and submit them punctually to the Principal Auditor, under the rules for the time being in force and exercise a thorough and efficient control and check over his divisional accountant. He will also before submitting the monthly accounts, carefully examine the books, returns and papers from which they are compiled. P.W.D C. 79

77. The divisional officer is responsible for the correctness, in all respects, of the original records of cash and stores, receipts and expenditure and for seeing that complete vouchers are obtained. He is also responsible to see that his accounts are regularly posted from day to day and that the accountant carries out his P.W.D.C. 80

duties regularly and punctually. The relative position of a divisional accountant to the divisional officer in respect of accounts is analogous to that of a sub-divisional officer to a divisional officer in respect of works, and the responsibilities of the latter for the work of the divisional accountant are similar to those which attach to him in respect of the execution of works in the charge of other subordinates.

P.W.D.C. 81.

78. The divisional officer is responsible for the detailed assessment of the revenue to be obtained from irrigation and navigation works within his division and will maintain such records and accounts for the purpose as may be prescribed.

P.W.D.C. 82.

79. The divisional officer is held primarily responsible for affording information in cases of probability of excess of actual over estimated cost of work, and is expected not to allow any delay to occur in reporting to the superintending engineer any such probability. Immediately on its becoming apparent that whether from excess of certain rates or from departure from a design or any other cause, the estimated cost of a work is likely to be exceeded, the divisional officer is bound to report the fact forthwith to the superintending engineer describing the nature and cause of the probable excess and asking for orders. This report should be made on works slip, form no. 39. The divisional officer must also submit the works slip, with such explanation as will enable the superintending engineer to pass orders on the case, on the occurrence, or the probability of the occurrence, of any irregularity in the rate or cost of a sub-head. All important liabilities not brought to account should also be noted on the works slip.

NOTE—It will not be necessary for the divisional officer to submit the works slip in cases in which he can pass finally excesses over estimates under his financial powers (*see* Volume I of the Handbook.).

CHAPTER IV

General Outlines of System of Accounts

A—CLASSIFICATION OF TRANSACTIONS

80. The department executes primarily works of all* classes under its control. It also executes civil works required for other departments of the Government, except such as are entrusted to the administration of the departments concerned, under the rules contained in Chapter XIII of Volume V, Part I of the Handbook. Civil works of the Central Government or units of the Federation or of the Defence Department or Railway works, may also be entrusted to the department, either occasionally or as a standing arrangement, and at times works for the public works or other departments of other administrations and non-government works may also have to be undertaken. P.W.A.C. 81

*Civil works (civil buildings and communications).
Irrigation works.
Navigation works.
Embankment works.
Drainage works.
Hydro-electric works.

NOTE—Besides the foregoing, petty services, such as the manufacture or supply of stores, are also undertaken by divisional officers.

1. The general principles followed in the classification of civil works expenditure are explained in paragraph 42 of Government of India, Public Works Department, circular letter No. 3—P.W., dated September 24, 1921. According to these principles the outlay on buildings, etc., is charged in the accounts as follows :

(*a*) As public works expenditure, if the administration of the works rests with officers of the Public Works Department.

(*b*) As expenditure of the civil department concerned, if the administration of the work is transferred by the Government from the Public Works Department to the department using or requiring it.

Works falling under class (*a*) are designed and estimated for by officers of the department (even though they are required for other departments) and are executed, either departmentally or through contractors under the supervision of officers of the Public Works Department.

In respect of works of class (*b*) both the administration and execution devolve upon the administrative department concerned though the Public Works Department may be consulted in case of difficulty.

The general principles outlined above are not inconsistent with the fundamental principle of classification laid down in Article 181 of the Audit Code viz., that the classification should follow administrative control. The term "administrative control" when applied to civil works implies *inter alia* the assumption of full responsibility for construction, upkeep and maintenance of buildings and other works and the provision of funds for their execution. This responsibility is not diminished if the execution of the work is entrusted to a different agency. Thus works, the administration of which is not transferred from the Public Works Department, may by mutual arrangement be executed by the Military Engineer Services, or by any other civil department but the charges in connexion with them are nevertheless classified as

Public Works expenditure. On the other hand, a civil department, to which a building has been assigned, may invoke the aid of the Public Works Department for technical advice or execution, but the charges relating thereto are to be provided for in the budget of the department concerned. The function of the Military Engineer Services in the former case and that of the Public Works Department in the latter is merely that of the contractor and the administration and the control of the expenditure rests with the Public Works Department in the former case and with the administrative department concerned in the latter.

The agency by which the work is executed is thus not the deciding factor in determining the question of classification.

P.W.A.C. 82. **81.** Transactions relating to the charges and receipts connected with the services pertaining to the Civil Works chargeable to the revenues of the province are adjusted finally in the accounts of divisional officers against the appropriations therefor placed at their disposal. Transactions connected with the services for other Government works including civil works for departments of the Central Government are not so adjusted finally, but pass eventually out of the accounts of divisional officers for incorporation in the accounts of the departments and administrations concerned. Outlay on non-Government works is charged against the deposits received therefor.

1. When a Public Works division undertakes a service on behalf of another division in the Province, the connected receipts and charges are passed on for adjustment finally in the account of the latter division.

2. Operations undertaken in the manufactories and workshops of a division on behalf of other divisions, departments, local bodies or individuals are treated as operations of the division in the first instance, but the entire cost is ultimately recovered from the party concerned.

P.W.A.C. 83 **82.** In all cases the primary accounts of these transactions should be kept in accordance with the rules in this volume, even though the ultimate cost of the transactions may not have to be brought to account finally in the books of the divisional officer.

P.W.A.C. 84 **83.** The performance of these services and the subsidiary proceedings gives rise to a number of other transactions with other departments, etc., which have also to be brought to account, e.g., funds have to be obtained from treasuries to meet liabilities incurred, receipts realized have to be lodged in treasuries, and stores have to be obtained from other divisions or departments or from England.

P.W.A.C. 85, **84.** The transactions of Public Works Officers may thus be grouped under the heads indicated below :

I.—Expenditure heads; for charges adjustable finally in the accounts of divisional officers.

II.—Revenue heads; for revenue receipts creditable finally to the revenues of the province in the accounts of divisional officers.

III.—Remittance heads—receipts as well as payments; for cash, stores or other values received from, or paid to or on behalf of, other divisions or departments.

IV.—Debt heads; for certain receipts and payments held in suspense pending clearance by payment or recovery (as the case may be) in cash or otherwise. The suspense accounts for transactions of this group are treated either as heads subordinate to the expenditure heads or as independent heads of accounts as will be explained in later chapters.

85. The transactions under each of the above are further sub-divided for purposes of accounts. In the case of expenditure and revenue heads, the main unit of classification is known as the major head, and the further divisions of it as minor heads, each of which has a number of subordinate heads, generally known as detailed heads. (*See* also paragraph 111). P.W.A.C. 86

1. For departmental purposes, Public Works officers usually divide a detailed head into a number of "service heads" and the latter into a number of "departmental heads"; but, for purposes of account, the single term "detailed head" is used for all divisions subordinate to a minor head.

2. In the case of irrigation, navigation, embankment, drainage and water storage works sanctioned under the new rules of 1929, the subdivisions into which the minor head "Works" is divided for departmental purposes are called "sub-works" and the further sub-division of the latter as "detailed heads".

86. The detailed classification of the account heads used in respect of Public Works Accounts is given in Appendix 1. P.W.A.C. 87

1. To meet local requirements, the Principal Auditor is authorized, under the rules in the Audit Code, to make necessary changes in the standard list of detailed heads.

2. In the case of works of other departments and governments undertaken by the Public Works Department as a standing arrangement, the prescribed classification applicable to the connected transactions is intimated by the Principal Auditor.

87. The revenue and expenditure classified under the prescribed major and minor heads of account fall under two main divisions: P.W.A.C. 88

(1) Central—revenue and expenditure administered by the Central Government.

(2) Provincial—revenue and expenditure entrusted to the control of the Local Governments.

P.W.A.C.89. **88.** Revenue is realized and credited to the revenues of the Province as it falls due under the statutory or other rules governing it, but expenditure can be incurred only against a grant voted by the Legislative Assembly or against the sum provided in the budget estimates of the Province to meet "the expenditure charged on the revenues of the Province" under the provisions of sections 78 and 79 of the Act. A list of items "*charged* on the revenues of the Province" (i.e. the items which are not subject to the vote of the Assembly) will be found in the Budget Manual.

NOTE—The term "expenditure" used in this paragraph includes also charges classified as *working expenses*, and taken in reduction of revenue receipts (*see* Appendix I, Heads XVIIA and XVIIB). It also includes expenditure on stores, sterling overseas pay, leave salary, etc. incurred in England (*see* paragraphs 117-18).

P.W.A.C 90. **89.** [*Omitted.*]

P.W.A.C. 91. **90.** Revenue and expenditure relating to works of the Central Government entrusted to the control of the Public Works Department, should be classified separately from the transactions relating to the revenues of the Province. [*See* paragraphs 747 and 749.]

The incidence of revenue and expenditure under the Central or Provincial Government is determined by the division of subjects as detailed in the 7th schedule to the Act. (*See* also paragraphs 445A to 445C of Volume V of the Handbook.)

P.W.A.C.92 **91.** [*Omitted.*]

B—SYSTEM OF ACCOUNTS

P.W.A.C. 93. **92.** The main features of the system of Public Works Accounts are—

(*a*) The divisional officer is the primary disbursing officer of the division who is permitted to obtain by cheques on the treasury the funds required for all disbursements in connexion with the execution of works. He also collects some of the departmental receipts of the division and pays them into the treasury.

(*b*) The accounts of these receipts and disbursements (including the transactions of subordinate officials acting on his behalf) are compiled under his supervision by an accountant posted to his office by the Principal Auditor, and are submitted monthly to the Principal Auditor who audits them

against sanctions and appropriation of funds and then incorporates them in the accounts of the Province.

(*c*) He is further required to maintain clear accounts of all stores received by him and to make these accounts available for audit by the Principal Auditor.

(*d*) Under each major head of expenditure, the charges on each project, work, or sub-work are recorded separately in the accounts of divisional officers. In the case of works of certain classes (*see* examples cited below), *pro forma* accounts of all transactions connected therewith are prepared annually by the Principal Auditor and for this purpose, the receipts pertaining to each work of this class are also shown separately in divisional accounts :

(*i*) Irrigation, navigation, embankment and drainage works for which both capital and revenue or only revenue accounts are kept.

(*ii*) *Quasi*-commercial undertakings, such as self-supporting workshops.

(*iii*) Residential buildings.

(*e*) Personal payments to all government servants of the department are made on bills presented at the treasury in accordance with the general rules in Volume V of the Handbook applicable to all civil departments and are therefore brought to account by the Principal Auditor himself from data furnished to him direct by treasury officers.

93. It is not sufficient that an officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not only himself, but also the Audit Department, that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the *bona fides* of the transactions. It is further essential that the records of payment, measurement P.W.A.C. 94

and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a court of law. All transactions involving the giving or taking of cash, stores, other properties, rights, privileges, and concessions which have money values should be brought to account. The record of a transaction of receipt or expenditure should always be made at once under the final or the debt or remittance head to which it pertains, if that be known; but if the exact head cannot be ascertained at once, then the transaction should be temporarily classified under the head "Deposits" if a receipt, or under Miscellaneous P. W. Advances, if a charge. (*See* Appendix I.)

CHAPTER V

Relations with Audit

A—GENERAL

94. The divisional officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force. *See* also paragraph 77. P.W.A.C. 95

95. The divisional officer is further required to submit his accounts to the Principal Auditor, who has to apply to them such audit checks as may, from time to time, be prescribed by the Auditor General under the rules in Appendix I of Volume V of the Handbook. *See* also paragraph 76. P.W.A.C. 96

The accounts returns which have ordinarily to be submitted for audit and compilation are enumerated in Chapter XXV, but the Principal Auditor is authorized to call for additional accounts, books, papers, and writings having relation thereto, should he consider them necessary for the elucidation thereof.

96. The divisional officer is responsible that the accounts of his division are not allowed to fall into arrears; but if arrears or confusion arise which in his opinion cannot be cleared without the assistance of the Principal Auditor he should at once apply for such assistance. P.W.A.C. 97

B—DIVISIONAL ACCOUNTANT

97. To assist divisional officers in the discharge of their responsibilities referred to in paragraphs 94 and 95 above, the Principal Auditor will post a divisional accountant to each divisional office. P.W.A.C. 98

1. Rules regarding the establishment of divisional accountants are given in Appendices II and III.

2. The employment, as an accountant in a divisional office, of any person who does not belong to the establishment of divisional accountants is not permissible. But when a regular accountant is not available, and, as a purely temporary arrangement, the Principal Auditor has to entrust to a clerk the duties of a divisional accountant, he will be appointed to officiate as a divisional accountant in the particular vacancy, even though he be not eligible for such appointment under the rules in Appendix II.

P.W.A.C. 99.

98. (*a*) The functions of the divisional accountant are three-fold :

(i) as accountant, i.e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him;

(ii) as primary auditor, i.e., as the representative of the Audit Department, charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (*See* Chapter XXV); and

(iii) as financial assistant, i.e., as the general assistant and adviser to the divisional officer in all matters relating to establishment, the accounts and budget estimates, or to the operation of financial rules generally.

(*b*) In the discharge of these duties he is expected to keep himself fully conversant with all sanctions and orders passing through the office and with other proceedings of the divisional officer and his subordinates which may affect the estimates or accounts of actual or anticipated receipts and charges. He should advise the divisional officer on the financial effect of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(*c*) The divisional officer should see that he is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently the divisional accountant is treated as the senior member of the office establishment of the division, though his position is analogous to that of a sub-divisional officer, *vide* paragraph 77.

P.W.A.C. 100.

99. The divisional accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the division. If he considers that any transactions or order affecting receipts or expenditure is such as would be challenged by the Principal Auditor if the primary audit entrusted to the accountant were applied by the former, it is his duty to bring this fact to the notice of the divisional officer with a statement of his reasons, and to obtain the orders of that officer. It will then be his duty to comply with the

orders of the divisional officer, but if he has been overruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the register of divisional accountant's audit objections, form no. 60, and lay the register before the divisional officer, so that the latter may have an opportunity either of accepting the divisional accountant's advice on reconsideration and ordering action accordingly, or of recording for the information of the Principal Auditor, his reasons for disregarding that advice. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Principal Auditor, for whose inspection the register should be available at all times.

If no audit inspection takes place in a year and entries have been made in the Register during the period since the last inspection, the Register, or, if the entries are few, an extract therefrom should be submitted to the Audit Office in the month of April for review.

100. (*a*) The divisional accountant should bring to the divisional officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the divisional officer or higher authority. P.W.A.C. 101.

For example, if the divisional officer is allowed a lump sum appropriation for expenditure on a group of works, and he has made out of it appropriations for individual works, expenditure should be watched against individual appropriations and excesses brought to the divisional officer's notice.

(*b*) He may further be required by the divisional officer to undertake, on his behalf, such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the divisional officer's own powers of sanction, as the latter may consider necessary.

(*c*) The divisional accountant should not as a rule be required to receive, or pay out, cash, but in the case of irrigation and hydel divisions, where the monetary transactions at the headquarters of the divisional office are not large, either in number or in amount, the divisional officer may, on his own responsibility and with the previous consent of the Principal Auditor, entrust the receipt and disbursement of cash to the divisional accountant. The divisional accountant should not however be normally authorized to issue final receipts

in the forms prescribed in paragraph 149 over his own signature. (*See* also rule 1 under paragraph 149).

P.W.A.C.102

101. The divisional accountant is further expected to inspect periodically at least once a year under the orders of the divisional officer, the accounts records of sub-divisional offices and to check a percentage of the initial accounts. The defects noticed should be reported to the divisional officer for orders, but the divisional accountant will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instructions thereon to the sub-divisional officers and their staff.

1. The results of these inspections should be placed on record for the inspection of the Principal Auditor, but serious financial irregularities should be reported at once for the information of that officer, even though set right under the orders of competent authority. *See* also paragraph 82 of Volume V of the Handbook, requiring a report to be made immediately to the Principal Auditor of all defalcations or losses of Government money, stores or other property.

2. The accounts of interest-bearing securities maintained by Sub-divisional officers should be examined to see that the rules relating to them are observed and that the register in form no. 85 is correctly maintained, and with this object a few transactions of the register should be compared with the entries in the cash-book or other account, and *vice versa*. The securities certified in the last annual account of interest-bearing securities, form no. 86 as being on hand should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgments of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgments of the authorized custodians, as the case may be.

102. Two sets of questions for the guidance of the divisional accountant are contained in Appendix IV. Part I of the questions contained the subjects which should necessarily be examined by the accountant, part II refers to matters about which the accountant should obtain, before commencing his inspection, the specific orders of the divisional officer in writing as to whether he should examine them or whether the divisional officer would take them up. The accountant will then take up those subjects in part II which the divisional officer has ordered him to do so. The remaining points therein should be examined by the divisional officer himself.

P.W.A.C. 103.

103. The divisional officer has a right to seek the advice of the Principal Auditor in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he should first obtain the advice of the

divisional accountant who is specially trained for this duty, and this should be done in writing in all cases of importance.

C—AUDIT INSPECTIONS

104. The Principal Auditor arranges for the periodical test audit and local inspection of the accounts of divisional and sub-divisional offices, and the divisional officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting officers are required, if possible, to discuss the drafts of their reports with the head of the office inspected before submitting them to the Principal Auditor, and, for this purpose, it is desirable that the head of the office should be present at the inspection unless his presence is urgently required elsewhere. P.W.A.C. 104.

D—COMMUNICATION OF SANCTIONS TO AUDIT

105. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted in the audit office are communicated to it. P.W.A.C. 105.

1. In the Buildings and Roads Branch sanctions to both estimates and appropriations are communicated by divisional officers to the Principal Auditor through monthly lists of sanctions in form no. 60A, while in the Irrigation Branch sanctions to estimates are communicated monthly through minor works returns. Sanctions to appropriations of divisional officers in the Irrigation Branch are communicated to the Principal Auditor monthly in a consolidated statement through the superintending engineer who includes therein his own sanctions also. Copies of all sanctions by the deputy chief engineers in the Buildings and Roads Branch and other higher officers in both the branches are forwarded from time to time as they are accorded. *See* also paragraphs 686 to 688.

2. Audit against sanctions accorded by the divisional officer is conducted in the audit office only in respect of technical sanctions to estimates and sanctions to write-off stores or losses of Government money. In respect of other sanctions of the divisional officer the divisional accountant is responsible for the necessary check, *vide* paragraph 100.

3. Sanctions to contract agreements accorded by officers higher than the divisional officer should be communicated by them to the Principal Auditor in such form as to enable that officer to audit the payments to contractors on the basis of rate sanctioned for each item of work or supply and other necessary terms and conditions. Duplication of agreements should in no case be required that is to say an authority who has concluded an agreement should not be required to draw up and sign again an agreement already executed.

4. All sanctions to works in connexion with Official residences of the Governor whether original works or special or ordinary repairs, should be referred to the Principal Auditor for pre-audit and must be accepted by him before any expenditure on the works is incurred. The Military Secretary to the Governor may however authorize the execution of urgent works in any of the residences up to a limit of 10 per cent. of the total annual provisions for original works. (*See* Appendix VI.)

E—RESULTS OF AUDIT

P.W.A.C. 106.

106. The results of audit are communicated to the divisional officer in the form of audit notes, objection statements, inspection reports, letter or memoranda. These should receive prompt attention, *vide* paragraph 79 of Volume V of the Handbook, and the replies of the divisional officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner have more than once, by lulling suspicion, led to greater irregularity afterwards.

P.W.A.C. 107.

107. Objection statements and inspection reports should be returned through the superintending engineer after the divisional officer has recorded his replies thereon. The superintending engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points, before returning the documents to the Principal Auditor.

P.W.A.C. 108.

108. Once a transaction has been entered in the objection statement, or otherwise challenged in one of the other documents referred to in paragraph 106, the responsibility for having the objection removed will devolve upon the divisional officer, and the Principal Auditor is required to report to the higher authorities cases in which objections are not cleared within a reasonable time.

An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher, by furnishing the necessary documents or information, or by otherwise securing compliance with the provisions of a specified rule. In cases in which a protest is made against an audit objection as being incorrect, the objection should be held to be in force unless a formal intimation of its withdrawal is received from the Accountant General.

P.W.A.C. 109.

109. The Principal Auditor is required to place under objection any transaction coming to his notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the divisional officer may have already taken action to regularize the transactions, or the excess (if any) over sanction, *plus* any further excess that may be anticipated, may be within his own powers of sanction without the need for preparing a revised estimate, and he may have accorded the necessary formal approval to it: yet, if the necessary intimation of sanction does not

reach him when the divisional accounts in which the irregular transaction appears are being audited, the Principal Auditor is bound to raise the objection, as he is not authorized to assume that the necessary sanction has been accorded. Divisional officers will, therefore, find it advisable to send to the Principal Auditor the earliest intimation of such of their sanctions and orders as are required to be communicated to him (*vide* paragraph 105), and to give it, without waiting for the receipt of the objection statement or audit note, all the necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single statement recorded monthly over the signature of the divisional officer in form no. 83, monthly list of accounts submitted to audit or in form no. 84, divisional officers' report of scrutiny of accounts, when form no. 83 has been signed by the divisional accountant, will ordinarily suffice in respect of transactions brought to account in the monthly account.

1. The object of this rule is to obviate the issue of unnecessary audit objections : but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions, and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rules has occurred.

2. The divisional accountant is responsible (i) for bringing prominently to the notice of the divisional officer, at least once a month, all irregular transactions on which action has not already been taken by the latter at the instance of sub-divisional officers or of his own motion, and (ii) for giving effect to the provisions of this paragraph in accordance with the procedure which the divisional officer may have desired to be observed in this connexion.

CHAPTER VII

CASH

A—INTRODUCTORY

125. The term "cash," as used in this chapter, includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of one-anna revenue stamps may, when necessary for use as receipt stamps, be kept as part of the cash balance. Government securities, deposit receipts of banks, debentures and bonds, accepted as security deposit under the provisions of paragraph 612 are not to be treated as cash. (*See* also paragraphs 23, 25 and 25A of Volume V of the Handbook.) P.W.A.C. 216.

126. Primarily the divisional officer is the responsible disbursing officer of the division, but he may delegate this function to his subordinate officers in certain cases, *vide* paragraph 427. P.W.A.C. 127.

127. Every government servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the prescribed account as well as for the correctness of the account in every respect. The private cash or accounts of members of the department may not be mixed up with the Government money or Government accounts. P.W.A.C. 128.

128. The instructions for the safe custody of cash contained in paragraph 28 of Volume V of the Handbook should be very carefully observed.

B—CASHIERS

129. Cashiers may be appointed whenever, in the opinion of the local Government, the cash transactions of a division or sub-division are sufficiently extensive to require it. P.W.D.C. 341 and P.W.A.C. 170-B.

130. One cashier may make the cash payments of two or more sub-divisions, or throughout the whole of a division, whenever such an arrangement is found to be practicable. P.W.D.C. 342 and P.W.A.C. 170-C.

P.W.D.C. 348 and P.W.A.C. 170D.

131. The divisional officer will count the cash in the hands of each cashier at least once a month; or in the case of out-stations, he or the assistant engineer will count it whenever he may visit them. He will on such occasions record a note in the cash book showing the date of examination and the amount (in words) found.

P.W.D.C. 161.

132. Cashiers, whether appointed permanently, or temporarily, must furnish security, the amount being regulated according to the circumstances of each case, under the sanction of the Chief Engineer (*vide* paragraph 69 of Volume V of the Handbook). Store-keepers, sub-store-keepers, lower subordinate, members of the subordinate engineering service and other members of the clerical, petty, plantation and revenue establishments, entrusted with the custody of cash or stores, may be required to furnish security at the option of the superintending engineer, who will determine whether the amount shall be paid in a lump sum or by instalments.

C—MODES OF OBTAINING CASH FROM TREASURIES

I—General

P.W.A.C. 29.

133. Disbursing officers of the department obtain cash for disbursement in two ways, *viz.*, directly by bills drawn on the treasury or by means of cheques. For payment of pay and allowances of government servants on the regular establishment not charged directly to works, heads of offices and other officers draw bills on treasuries in prescribed forms in accordance with the rules in Chapter XXI. All other disbursements are made by divisional officers, who may empower sub-divisional officers to make disbursements on their behalf. For this purpose, divisional officers are ordinarily placed by the Principal Auditor in account with one or more treasuries within their jurisdiction and they may either authorize sub-divisional officers to obtain money from the treasuries within the jurisdiction of the latter by drawing cheques or place them in funds by means of a fixed imprest or by transfer of cash from the divisional cash chest.

P.W.A.C. 130.

134. The appropriation of departmental receipts to expenditure in the department is strictly prohibited

except in the cases provided for in paragraph 152. *See* paragraph 21 of Volume V of the Handbook.

135. Sub-treasuries are collecting depots and not disbursing treasuries, but to meet the convenience of officers of the department it has been arranged that funds required for disbursement may be obtained by means of cheques drawn on sub-treasuries subordinate to a treasury with which a disbursing officer has been placed in account. *See* also paragraph 63 of Volume V of the Handbook. P.W.A.C. 131.

NOTE—The term "treasury" as used throughout this volume includes the sub-treasury, unless the contrary is evident from the context.

136. The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works is detailed in Chapter XXI. Undisbursed balances of cash thus obtained may be kept in departmental cash chests, but they should not be mixed up with the regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted for in accordance with the rules in the following paragraphs. P.W.A.C. 132.

137. Without making previous arrangements through the Principal Auditor no officer is authorized to draw cheques on a treasury situated outside the limits of the Province, even though his own jurisdiction may extend beyond those limits. P.W.A.C. 133.

138. When for the convenience of work, it is necessary that the divisional officer or any of his subordinate disbursing officers should be authorized, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Principal Auditor on the recommendation of the superintending engineer. Similarly, the divisional officer, may, if necessary, specially authorize any of his sub-divisional officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division. P.W.A.C. 134.

This rule is intended to be applied with special care and only to cases of real necessity. Payments to contractors should, as far as conveniently practicable, be made by cheques on the nearest treasury and a stipulation to the effect that payments shall be so made should be inserted in the contract agreement where necessary.

II—Limits on sub-divisional officers' drawings

P.W.A.C. 136.

139. If the divisional officer considers it necessary for the maintenance of efficient control over the disbursements of his division, to set a monthly limit on the drawings of any of his sub-divisional officers, he may do so, fixing either a standing limit or a fresh limit either every month or whenever necessary. All such limits may be raised or lowered subsequently. Intimation of every limit when fixed or changed should be sent both to the sub-divisional officer and to the treasury officers concerned.

1. For this purpose, the divisional officer may require the sub-divisional officer to submit, by a convenient date, an estimate of his probable requirements in a suitable form.

2. The limit when fixed should be for the account month of the sub-division and the dates of the commencement and termination of the month must be specified in the intimation to the treasury officer.

3. At the option of the divisional officer, the limitation may not be intimated to the treasury officer, if the check exercised by the divisional accountant over the sub-divisional cash accounts, after the expiry of the month, is considered sufficient for the purposes of the divisional officer. *See* paragraph 100.

III—Cheques

P.W.A.C. 137.

140. Petty sums under ten rupees should not be paid by cheques and for the disbursement of these and other charges which naturally are paid in cash, e.g., the wages of labourers and of establishment charged directly to works, and value-payable postage, it is permissible to draw money from time to time from the treasury by cheques to replenish the cash chest. Whether there be a guard or not, disbursers must draw cheques for the minimum of cash actually required to meet current disbursements, and if it is found at any time that the balance in hand, is larger than is required to meet the anticipated expenditure of the next month, or of the next fifteen days if the treasury is not situated at an inconvenient distance, the surplus should be returned into the nearest treasury.

P.W.A.C. 138.

141. In drawing cheques (Form No. 6) drawing officers should be guided by the general rules laid down in Chapter III of Volume V of the Handbook. The special rules applicable to the department are set forth in paragraphs 142 to 147.

P.W.A.C. 139.

142. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing officer

on any treasury should be distinguished by a different letter from those drawn by other disbursing officers of the division on that treasury and also from those drawn by himself on any other treasury.

143. In the case of sub-treasuries the advice of the number of the cheque book to be used (*vide* paragraph 56 of Volume V of the Handbook), should ordinarily be sent through the district treasury; but in cases of urgency, it may be sent direct to the sub-treasury, a copy being forwarded simultaneously to the district treasury. P.W.A.C. 140.

144. In the Buildings and Roads Branch of the department where sub-divisions have been abolished, a divisional officer may authorize one or more assistant executive engineers or assistant engineers or sub-engineers in charge of sections to sign cheques on his behalf subject to the following conditions :

(*i*) It is left entirely to the discretion of the divisional officer to make the delegation or not, to make it for an indefinite or a definite period, and to prescribe any limit on the drawing power of the authorized officer or not.

(*ii*) When a gazetted officer is given powers to sign cheques, specimen signatures and the notice of the delegation must be sent to the treasury officer concerned.

(*iii*) It must be remembered that the delegation shall not in any way lessen the responsibility placed upon the divisional officer by the standing rules and regulations.

145. If a limit has been set by the divisional officer on the drawings of a sub-divisional officer under the provisions of paragraph 139 the limit prescribed for the drawings on each treasury during a month should be entered on the reverse of the counterfoil of the cheque book for that treasury before any cheques are drawn during that month, and the sub-divisional officer should watch that the limit is not exceeded, by deducting from it, on the reverse of the counterfoils, the amount of each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month. P.W.A.C. 141.

In the absence of a monthly limit on his drawings, the drawing officer should record on the reverse of the counterfoil of each cheque the amount

of the next cheque drawn and the total of the drawings during the month, and carry forward their total to the next counterfoil, thus enabling himself, from time to time, to exercise an independent check on the postings in his book.

P.W.A.C. 142.

146. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the date of its issue (*vide* paragraph 62 of Volume V of the Handbook), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

For procedure relating to lost cheques, *see* paragraph 65, of Volume V of the Handbook.

P.W.A.C. 143.

147. When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil, and the cheque, if in the drawer's possession, should be destroyed. If the cheque is not in his possession, he should promptly request the treasury officer to stop payment of the cheque and, on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a *minus* figure on the payment side in the "Bank or treasury" column. A counter-reference should be given in the cash book, against the original, to the second entry of the cheque. A cheque remaining unpaid from any cause for twelve months from the date of its issue should be cancelled and its amount written back in a similar manner.

D—RECEIPT OF MONEY

I—Account Procedure

P.W.A.C. 144.

148. When money is received by a government servant on behalf of Government, it should at once be brought to account in the cash book and a receipt in form no. 1 of Volume V of the Handbook, should invariably be granted to the payer. If, however, the amount be realized by recovery from a payment made on a bill

or other voucher setting forth full particulars of the deduction a receipt should be granted only if specially desired by the payer but the fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt. *See* also rule 1 to paragraph 149.

1. Final acquittance for private cheques and drafts on local banks accepted under proper authority (*vide* paragraphs 25 and 26A, of volume V of the Handbook) should not be given to the payer until they have been cleared.

2. Before an officer signs a receipt in form no. 1 of volume V of the Handbook, for cash actually received by him, he should see that receipt of the money has been duly recorded in his cash-book, and in token of this check the entry in the cash book should be initialled and dated at the same time.

3. As an exception to the rule in this paragraph, earnest money received from and returned to contractors on the same day the tenders are opened, need not pass through the divisional accounts provided that the contractors concerned are required to give a stamped receipt for the money in the register of tenders maintained in the divisional office and that the register is to that extent treated as a subsidiary cash book and consequently as an accounts form.

NOTE—The total gross receipts and payments recorded in the subsidiary cash book in full detail in accordance with the above rule should be shown as single items without any details at the foot of Public Works Department form no. 78/79 to be sent to the Accountant General.

4. The procedure laid down in paragraph 439 of Manual of Orders, Buildings and Roads Branch, Public Works Department, Uttar Pradesh, will, however, be followed with regard to the accounting of sale-proceeds of tender forms in the Building and Roads Divisions.

149. Receipts in form no. 1 of Volume V of the Handbook, can be issued by divisional officers, sub-divisional officers, and other government servants specially authorized by Government. All persons regularly or frequently receiving money on behalf of Government should keep a cash book in form no. 1. P.W.A.C. 145.

1. In the Irrigation Branch divisional accountants are authorized to issue receipts in form no. 1 of volume V for amounts not exceeding Rs.500 in each case and ziladars in vernacular (I. B. form no. 69V) for amounts received by them in accordance with the rules contained in the Irrigation Manual of Orders.

2. In the Buildings and Roads Branch each cashier of a divisional office or a head clerk of a district office is provided with receipt books with foils in duplicate and he is authorized to grant receipts for the sums received by him. But he should have each receipt issued by him countersigned by a gazetted officer, who will also initial the entry in the cash book. But if no gazetted officer, is present in the headquarters, the cashier should on return of the first gazetted officer to headquarters, get the duplicates of his receipt book and the entries in his cash-book initialled by him. The divisional officer should at the time he verifies the cash chest balance ascertain that the entries of all receipts in the cash-book have been initialled by a gazetted officer.

3. The duplicate copies of receipts should be made out by using carbon paper of the double-sided variety in order that there may be carbon impressions on the reverse of the original receipt as well as on the obverse of the duplicate.

150. If a government servant who is not in charge of a cash book receives money on behalf of Government at exceptional times, he should not mix it up with the P.W.A.C. 146.

imprest or any other cash in his charge, but pay or remit it, at the earliest opportunity, to the nearest officer having a cash book or direct into a treasury, accompanied by a *chalan* in duplicate (*vide* paragraphs 31 to 33 of Volume V of the Handbook). The acknowledgment of the treasury (with an intimation of the full particulars of the receipt including the date of its realization) should be forwarded immediately to the next superior officer having a cash book, to enable him to make the necessary entries therein. The record of the transaction will be in the correspondence and not in the imprest account of the receiving officer.

151. In Buildings and Roads Branch of the department upper or lower subordinates or overseers of the subordinate engineering service are also authorized to issue receipts with foils in triplicate in form no. 3, whenever money is received by them on behalf of Government. The money thus received, should be deposited in the nearest treasury or the divisional or sub-divisional cash chest, whichever is nearer, within three days of its receipt. The subordinate granting the receipt should send with the treasury chalan or cash, as the case may be, the duplicate of that receipt to the cashier of the divisional office or the head clerk of the district office, who will in turn issue to the subordinate a receipt in form no. 1 of Volume V of the Handbook for each duplicate sent. The cashier or the head clerk will paste the subordinate's duplicate against the duplicate of each receipt granted to the subordinate and the subordinate will paste against the triplicate copy of each receipt issued by him the cashier's or head clerk's receipt. The triplicate copies of receipts issued by the subordinates will be examined and initialled by the assistant engineer on each visit. The divisional officer should see that this is regularly done and should in token of his examination initial the triplicate copy of the last receipt issued.

NOTE—The receipt books will be supplied with foils in triplicate. Copies will be made out by using carbon paper of the double-sided variety in order that there should be carbon impressions on the reverse of the original receipt as well as on the obverse of the duplicate and triplicate.

II—Disposal of Receipts

P.W.A.C. 147.

152. Cash realized by officers of the department should be paid, as soon as possible, into the nearest treasury, for credit as miscellaneous receipts of the department. Should a divisional officer or sub-divi-

sional officer, however, require to make use of cash receipts temporarily for current expenditure, he may do so instead of obtaining fresh cash by cheques; but before the end of the month he must send to the treasury a cheque for the amount thus utilized, drawn in his own favour and endorsed by himself with the words "Received payment by transfer credit to the Public Works Department."

NOTE—This rule does not apply to receipts realized by short payment on bills or other vouchers.

E—PAYMENTS

I—Manner of Payment

153. All payments which officers authorized to draw cheques have to make, should, as far as possible, be made by cheques; but see also paragraph 140. P.W.A.C. 148.

154. It is permissible to make payments to suppliers of stores by obtaining remittance transfer receipts from the district treasury in accordance with the rules in paragraph 323 of Volume V of the Handbook. Remittances for such purposes of amounts less than Rs.25, for which remittance transfer receipts cannot be issued by treasury officers, may be made by postal money order at Government cost. P.W.A.C. 149.

NOTE—Regarding the procedure for making payments for purchases made in the United Kingdom, see rule 8 of Appendix X of Volume V of the Handbook.

155. As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and others should be made over to them by the disburser direct; but the disburser may be assisted in making disbursements by a cashier appointed for the purpose under paragraph 129. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disburser. In such cases the subordinate should make no entry in any accounts which he keeps, as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque, and the subordinate's record will be in his correspondence. P.W.A.C. 150.

1. In the Buildings and Roads Branch of the department, divisional officers who are unable to hand over cheques directly to the contractors concerned may if so desired by the contractors send them by registered post.

2. It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilized.

3. For rules regarding prohibitory orders or injunctions of a court, see rule 4 under paragraph 50 of Volume V of the Handbook.

P.W.A.C. 150A.

156. Payments due to contractors may be made to financing banks instead of direct to contractors provided that (1) an authorization is obtained from the contractor in the form of a legally valid document like a power of attorney or transfer deed conferring authority on the bank to receive payment, and (2) the contractor furnishes his own acceptance of the correctness of the account made out as being due to him by Government, or his signature on the bill or other claims preferred against Government, before settlement of the account or claim by payment to the bank. While the receipt given by the bank holding a power-of-attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should wherever possible, be induced to present their bills duly receipted and discharged through their bankers.

II—Vouchers

P.W.A.C. 154.

157. General instructions regarding the preparation and completion of vouchers are given in Chapter III of Volume V of the Handbook. The following supplementary instruction should also be observed:

The disbursing officer is responsible that the full name of the work as given in the estimate (and other particulars specified in paragraph 423) or the head of account to which the charges admitted on a voucher are debitable, or to which the deductions or other credits shown in the voucher are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position.

F—REMITTANCES TO TREASURIES

P.W.A.C. 155.

158. The officer in charge of a cash book should keep a treasury remittance book in form no. 4, in which he should enter all his remittances to the treasury as they are made; *vide* paragraphs 150 and 152. This book should accompany the cash.

Remittances made to the Bank of cheques paid in as Public Works receipts should be entered in the remittance book, but in the place for the treasury receipt should be entered "By Bank cheques" and the book need not be sent with the remittance, provided that the cheques are always endorsed as prescribed in paragraph 152.

G—CASH ACCOUNTS

I—Cash Book

(*a*) UPKEEP

159. An account of their cash transactions should be maintained in the cash book, form no. 1, by all government servants authorized, as a regular arrangement, to receive money on behalf of Government, as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on the treasury. Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in imprest cash account, form no. 2. P.W.A.C 156.

160. The cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on form no. 1, and disbursing officers are required to observe them strictly in practice. P.W.A.C. 157.

(*b*) BALANCING

161. The cash book must be balanced on the date prescribed for closing the cash account of the month, but when the transactions are numerous, a weekly or even a daily balance is recommended, and it is advisable to count the cash whenever a balance is struck, or at convenient intervals, as this affords an independent check on the accuracy of the postings. The results of such intermediate counting should be recorded in the form of a note in the body of the cash book (column 8), so as not to interfere with the up-to-date totals: the actual balance of cash in the chest should invariably be stated in the note both in words and figures, and the outstanding balances of imprests and temporary advances should be taken into consideration when certifying to the accuracy of the cash chest balance. P.W.A.C. 158.

In divisions to which a cashier is attached, all entries in the cash-book whether relating to receipts or to expenditure, must be made by him, but they should be reviewed by the divisional accountant, before the accounts of the month have been closed to see that the classification has been correctly noted.

(*c*) RECTIFICATION OF ERRORS

162. An erasure of an entry once made in the cash book is strictly prohibited. If a mistake has been made and it is discovered before the copy of the cash book P.W.A.C 159.

has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the mistake is discovered too late for correction in this way, an intimation of the necessary corrections should at once be sent to the divisional office, accompanied by a proposed transfer entry if necessary. Except as indicated above, no correction of an entry once made in his cash book should be made by a sub-divisional officer, unless authorized by the divisional office to do so.

The same principles should be observed in correcting errors noticed in the divisional cash book. If the accounts of the month have been closed, no corrections of errors in amount, classification, or name of work, should be made in that book. A suitable remark in red ink (quoting reference to the correction in accounts) should, however, be recorded against the original erroneous entry.

(*d*) VERIFICATION

P.W.A.C. 160.

163. The disbursing officer is required to check all the entries in his cash book as soon as possible after the date of their occurrence, and he should initial the book, dating his initials after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all the entries of the month inclusive of the closing balance.

1. The following are the more important details of the verification to be made:

The disbursing officer should—

(1) compare each entry of payment with the gross amount chargeable as shown in the connected voucher, seeing, at the same time, that it bears (i) a payment order recorded by himself or the divisional officer, and (ii) the certificate of disbursement signed by himself or by an authorized subordinate, and ticking off each voucher as it is passed;

(2) see, whilst examining the postings of vouchers on the payment side, that all deductions shown in the vouchers (other than deductions creditable to the head of account or work to which the payment relates) are posted as receipts on the receipt side of the cash book;

(3) verify the totalling of the cash book or have this done by some principal subordinate (other than the writer of the cash book) who should initial (and date) it as correct; and

(4) verify the total of the postings in the "Bank or treasury" column on the payment side by reference to the memoranda recorded by himself on reverse of the counterfoils of cheques.

164. The actual balance of cash in each chest should be counted on the last working day of each month (i.e., immediately after closing the cash account of the

month under paragraph 161,) but where this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in form no. 5, and a certificate of the count of cash specifying both in words and figures the actual cash balance (exclusive of imprest and temporary advances), should be recorded below the closing entries in the previous month's cash book. This certificate should be signed by the disbursing officer who should invariably date his signature.

Should it not be possible for the disbursing officer, owing to his absence, to make the count on the dates prescribed in this paragraph, he should do so at the earliest opportunity, recording the reasons for the delay on the cash balance report.

165. Whenever, on the contents of the cash chest being counted the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 162, be rectified forthwith by making the necessary receipt or payment entry——"To cash found surplus in chest" under Deposits, or "By cash found deficient in chest" under Miscellaneous P. W. Advances, as the case may be. The administrative action to be taken on the occurrence of a deficiency must depend on the nature of each case. P.W.A.C. 162.

II—Imprest Account

166. An imprest is a standing advance of a fixed sum of money given to an individual to enable him to make certain classes of disbursements which may be entrusted to his charge by the divisional officer or the sub-divisional officer. The amount of an imprest should be kept down as far as possible to the amount actually required for current expenses and must not exceed Rs.1,000 in any case, without the special sanction of the local Government. P.W.A.C. 163.

167. It should be borne in mind that the imprest system is only suitable in cases where small payments have to be made by single individuals. In cases where heavy payments have to be made, the disburser should be furnished with a cash book and supplied by the divisional officer with such funds as may from time to time

be required and this course should invariably be followed where an imprest within the limit of Rs.1,000 is found to be insufficient.

168. Imprest should be entrusted to those members only of the temporary or work-charged establishment of whose character the divisional or sub-divisional officer has had opportunity of judging favourably. In the case of any irregularity, the divisional officer will be held responsible that all requisite precautions have been taken. Imprests can only be given with the express sanction of the divisional officer.

P.W.A.C. 164.

169. The account of imprest cash should be kept in duplicate in accordance with the instructions printed on form no. 2, imprest cash account. The counterfoil should be retained by the imprest-holder and the original, supported by the necessary vouchers, should be forwarded to the officer from whom the imprest is held, whenever the imprest-holder finds it necessary to have the account recouped, or it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be rendered so as to reach the officer from whom the imprest is held, in time to enable him to incorporate the account in his cash book before it is closed for the month on the date fixed for the purpose.

P.W.A.C. 165.

170. The recouping officer should examine the imprest cash account and the supporting vouchers, initial and date the vouchers in token of approval and by a formal pay order (*vide* paragraph 49 of Volume V of the Handbook) recorded on the account authorize the recoupment, enhancement, reduction or closing of the imprest, as the case may be. The account should then be abstracted and incorporated in the cash book in the manner prescribed in notes on form nos. 1 and 2.

Should any item in an imprest account appear to the recouping officer to be open to objection, the imprest should nevertheless be recouped in full, and the item under objection should be classified under the head "Miscellaneous P. W. Advances" for watch under that account until either the objection is removed or the amount is made good by the imprest-holder.

P. W.A.C. 166

171. The imprest-holder is responsible for the safe custody of imprest money and he must at all times be ready to produce the total amount of the imprest in vouchers or in cash.

III—Temporary Advance Account

172. When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a temporary advance and accounted for in the same way as an imprest. The account of a temporary advance should be closed as soon as possible. P.W.A.C. 167.

This rule applies also to cash taken out of the chest by the disbursing officer himself for making payments at a distance.

H—CHEQUE BOOKS AND RECEIPT BOOKS

173. Cheque books in the prescribed form required by divisional and sub-divisional officers authorized to draw on treasuries and sub-treasuries are obtained by them from the district treasury concerned, *vide* paragraph 54 of Volume V of the Handbook. Receipt Books in form no. 3 of this volume and form no. 1 of Volume V of the Handbook are similarly obtained by them from the treasury of the district within which their respective headquarters are situated. P.W.A.C 168.

174. Cheque (or receipt) books should on receipt be carefully examined by the divisional or the sub-divisional officer concerned who should count the number of forms contained in each and record a certificate of count on the fly-leaf. P.W.A.C. 169.

175. Counterfoils of used books should be returned promptly to the divisional office for record. P.W.A.C. 170.

CHAPTER VIII

STORES

A—INTRODUCTORY

I—General

176. The general administration of all the stores of a division is vested in the divisional officer on whom primarily devolves the duty of arranging in accordance with the rules in this chapter and with any general orders of the local Government for the acquisition, custody, distribution and disposal of stores. P.W.A.C. 171.

177. The stores of the department are divided into the following classes, viz. (i) Stock or general stores, (ii) Tools and plant, (iii) Road metal and (iv) Materials charged direct to works. The divisional officer is responsible that proper arrangements are made throughout his division for the custody of stores and for their protection from deterioration and fire, while, unless there are orders to the contrary, the officer in charge of a sub-division is responsible for the correctness of all the stores belonging to it. C.P.W.C. 121.

In the Buildings and Boards Branch where there are no sub-divisions, the responsibility rests with assistant engineers attached to divisions, who may be given charge of particular godowns.

178. Every government servant is bound to take charge of departmental stores which, from the death or departure of the person lately in charge, or from any other cause, may be left at or near his station without adequate protection. P.W.D.C. 346.

II—Acquisition of stores

(*a*) PURCHASE OF STORES

(i) *Stores (other than tools and plant)*

179. Stock, road metal and other materials required in the ordinary course for the execution of sanctioned works may, subject to the provisions of the rules for the supply of articles for the government use (*see* Appendix XVIII to Volume V of the Handbook), be procured on the responsibility of the divisional officer without special authority, though the superintending engineer's approval should be obtained to the measures proposed C.P.W.C. 122.

for the purchase of stock in large quantities. If the stores are to be manufactured, a separate estimate for their preparation may be required, as laid down in paragraph 181. The restrictions imposed by the rules for the supply of articles for the government use (*see* Appendix XVIII to Volume V of the Handbook) do not apply to purchases made by or on behalf of Indian States, municipalities or local funds, excepting when the stores purchased are paid for from revenues of the Province on behalf of the Government or from funds advanced by the Government; in the latter circumstances, however, the provisions of the rules in question need not apply, provided the Government so direct. When a Public Works Department officer carries out a work for any of the local bodies referred to above, the said rules shall apply, except when the local body specially desire to have the stores purchased otherwise, and the local Government have accorded their approval thereto. All purchases of stores should be made in accordance with the Stores Purchase Rules, issued by the local Government. (*See* Appendix XVIII, Volume V of the Handbook).

The purchase of stores or materials far in advance or in excess of requirements is likely to result both in direct and indirect losses to the Government and should be avoided.

(ii) Tools and plant

.W.D.C. 348.

180. The articles comprised under the head "Tools and plant" can only be purchased or manufactured on estimates sanctioned by competent authority, with the exception of purchases or manufactures not exceeding Rs.500, for which estimates are not required.

(*b*) MANUFACTURE

P.WD.C, 357.

181. The manufacture or collection of material involving an outlay of Rs.10,000 or upwards, must, in all cases, be covered by an estimate showing the proposed outlay and the material to be received.

182. If the material be for a work already duly sanctioned, or for reserve stock within the sanctioned limit for the division, the estimates will merely require the approval of the superintending engineer, but in all other cases the estimate must be duly sanctioned by competent authority, as though for an original work.

III—Reserve of stock

183. To avoid the delay that might occur in manufacturing and procuring various materials, stores may be collected and kept in reserve. As these stores cannot be debited at once to any specific work since it is not known on which work they may be used, they are accounted for in a suspense account of stock.

184. Ordinarily, materials should be purchased only for works in progress, and no reserve of stock should be kept except with the specific sanction of, and to the money limit prescribed by, the local Government. If such a reserve has been sanctioned, the divisional officer is authorized, subject to the approval or sanction of the estimate therefor where required by the provisions of paragraph 182 to purchase or manufacture stock to an extent sufficient to keep it up to that limit. The fixed money limit should be kept at the lowest point compatible with efficiency, and the stock returns of divisions should be carefully scrutinized by superintending engineers, from time to time with reference to this point.

IV—Disposal of stores

(*a*) Loss of stores

185. All losses of stock should be immediately investigated and steps taken to obtain the sanction of competent authority to their write-off, if necessary. See also paragraphs 82 and 82B of Volume V of the Handbook. C.P.W.C. 130.

Note—In the case of serious losses the divisional officer should hold a departmental enquiry and record the evidence and his findings thereon, including a finding as regards the responsibility and culpability of the persons concerned.

186. An immediate report of the loss of stores must also be made to the police, and all proper steps taken for the recovery of the property. When an inquiry is held either by the police authorities or others, the divisional officer must, in cases where he is not himself authorized to write-off the value of the property, obtain and forward, as soon as possible, to the superintending engineer, a copy of the proceedings. P.W.D.C. 366.

(*b*) SALE OF STORES

(*i*) *General*

C.P.W.C. 127.

187. When stock materials are sold to the public or other departments an addition of 10 per cent. must be made to cover charges on account of supervision, storage, and contingencies. This addition may, however, be waived by the officer empowered to sanction the sale in the case of surplus stock which, in his opinion, would otherwise be unsaleable. *See* also paragraph 608.

NOTE—(1) The overhead charges received under this paragraph should not be treated as receipts on account of stock, but as revenue receipts, or receipts on capital account, as the case may be.

NOTE—(2) Sale of any materials from P.W.D. stores to any employee of the P.W.D. or to any of his relatives or dependents without the specific sanction of Government is irregular.

(*ii*) *Surplus and unserviceable stores*

188. When any serviceable stores, including tools and plant except those instruments which are returnable to the Survey and Mathematical Instrument Office, have been declared as surplus to requirements by competent authority, they should at once be reported by the divisional officer to the Stores Purchase Officer, United Provinces, for notification in the Stores Purchase Supplement to the *United Provinces Gazette*. If the notification does not result in a sale to a member of the public or in transfer to another department within six months from the date of publication, the surplus stores shall be survey-reported and disposed of in accordance with departmental rules.

C.P.W.C. 129.

189. When stores of any kind become unserviceable, a report thereof should be made in form no. 18. This should be done at once on discovery of the fact.

C.P.W.C. 128.

190. Except as provided in paragraph 187, no stores may be sold otherwise than by public auction, without the permission of the superintending engineer. Commission, which should ordinarily not exceed 5 per cent., may be allowed to the auctioneer, not being a departmental subordinate, but no commission can be allowed on private sales.

NOTES—(1) When stores are sold by auction, a responsible officer or subordinate should attend and record the final bids, in order that the sale accounts rendered by the auctioneer may be checked.

(2) Only the net sum received from the auctioner for sale of stores after deduction of his commission should be credited as sale-proceeds to the revenues of the Province.

P.W.B.C. 371.

191. Ordnance stores not required by officers of the department must be returned by them into the nearest magazine.

V—Mathematical instruments

192. All new instruments required for the department, which have been provided for in a sanctioned scale, should be obtained by indent from the Mathematical Instrument Office, Calcutta. A normal scale of Mathematical instruments is sanctioned for each division or circle. Instruments must not be indented for in excess of that scale without the sanction of the superintending engineer if the excess is not more than Rs.100 or of the local Government if the excess is over Rs.100. An estimate is required if the cost of the instruments required exceeds Rs.500. All indents on the Mathematical Instrument Office should be countersigned by the superintending engineer accompanied, if the amount exceeds Rs.500, by a certificate to the effect that the supply of the article detailed therein is covered by a sanctioned estimate. The specific reference numbers of the instruments shown in the price list of that office should always be quoted on all indents. Instruments requiring repair should ordinarily be sent to the Mathematical Instrument Office, Calcutta, or to the depot from which they were supplied for the purpose, unless there is any government workshop more conveniently situated where the repairs can be properly executed, or in cases of urgency, when the work may be entrusted to a local firm. P.W.D.C. 372.

Surveying and mathematical instruments should not be stocked in excess of requirements and surplus instruments should be returned either to the Mathematical Instrument Office, Calcutta, or to the depot from which they were obtained.

The Stores Purchase Officer will make arrangements in accordance with the Stores Purchase Rules for the supply of mathematical and drawing instruments such as drawing boxes, levelling staves, chains, straight edges, set squares, etc. which are manufactured in India where the samples have been approved by the chief engineers of the two branches of the department.

193. The divisional officer is responsible that the surveying and mathematical instruments in his division are properly cared for. Any injury to the instruments due to neglect or carelessness should be made good at the expense of the officer or subordinate responsible for the damage. C.P.W.C. 133.

VI—Storekeepers

O.P.W.C. 134.

194. A storekeeper is appointed with the sanction of the competent authority if the charge of stores is sufficiently large. His duties will be confined to the custody, preservation, and issue of the stores under his charge, and to keeping the required returns relating to them and he will have nothing to do with the disbursement of cash, the supply of materials, or the preparation of bills.

VII—Accounts of stores—General

P.W.A.C. 172.

195. Government servants entrusted by the divisional officer with the care, use, or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

P.W.A.C. 173.

196. All transactions of receipts and issues should be recorded strictly in accordance with the rules, in the order of occurrence and as soon as they take place. Fictitious stock adjustments are strictly prohibited, such, for example, as (1) the debiting to a work of the cost of materials not required or in excess of actual requirements, (2) the debiting to a particular work for which funds are available of the value of materials intended to be utilized on another work for which no appropriation has been sanctioned (3) the writing back of the value of materials used on a work to avoid excess outlay over appropriation, etc. Any breach of this rule constitutes a serious irregularity, which will be brought prominently to the notice of the local Government by the Principal Auditor.

P.W.A.C. 174.

197. (*a*) The accounts of stores are based on the fundamental principle that the cost of their acquisition should be debited to the final head of account concerned or the particular work for which they are required, if either of these can be determined at once; otherwise it should be kept in a suspense account pending clearance, as the materials are actually issued, by charge to specific heads of account or works.

(*b*) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division, is debited at once to the minor head "Tools and plant", subordinate to the

major head under which such charges of the division are classified; and special items of tools and plant which are required not for general purposes but for a specific work are charged off to that work. *See* also paragraphs 1 and 4 of Appendix V.

(*c*) Similarly, all road-metal required for the maintenance of a road or section of a road is charged at once to the minor head "Repairs" (communications) under the major head concerned, against the estimate sanctioned for the collection of it, and when road-metal is acquired specially for use in the construction of a road or other work, its cost is debited to the estimate for such construction.

(*d*) In the case of other materials, when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head "Stock" (*vide* paragraph 184). Materials purchased specially for a work are, however, charged to that work.

198. The four classes of stores enumerated in paragraph 177 thus fall into two distinct categories as shown below : P.W.A.C 175..

(1) Stores charged to suspense—
(i) *Stock.*

(2) Stores finally charged off—
(ii) Tools and plant.
(iii) Road-metal.
(iv) Materials charged to works.

199. With certain exceptions [*vide* paragraphs 469 and 475(*c*)] a numercial or quantity account of receipts, issues, and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity account has further to be reconciled periodically with the value accounts, except in the case of tools and plant and road-metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of sub-divisional officers and assistant engineers should take account of quantities only, and that the value accounts should be maintained in the divisional office. P.W.A.C. 176.

Accounting for coaltar, pitch, and asphalt which are required for road surfacing for maintenance estimates and for minor estimates for renewal and also for proprietary road surfacings will be carried out in the same way as in the case of road metal, i.e. as in paragraph 197(*c*) and this paragraph.

B—STOCK

I—General

P.W.A.C. 179.

200. The stock of a division is sometimes kept in a single godown or yard in the charge of a storekeeper or other officer, or each sub-divisional officer or assistant engineer may have a separate stock in his charge, either at his headquarters or scattered over the division or sub-division in the direct custody of subordinates or other sectional officers. Again, the stock, although scattered over the entire division, may be in the general charge of a single official and the sub-divisional officers may merely indent upon him, the official concerned keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

In the Buildings and Roads Branch of the department, the functions of a sub-divisional officer as laid down in the following rules will generally be performed by the assistant engineer in charge of the godown.

P.W.A.C. 178.

201. Stock accounts may be maintained in a sub-divisional office, even though the officer in charge is not authorized to keep a cash account in form no. 1. A separate account should be kept in the divisional office of any stock which is directly under the charge of the divisional officer or of an officer under his orders and not under the orders of a Sub-divisional officer.

II—Quantity Accounts

(*a*) RECEIPTS

P.W.A.C. 179.

202. Materials may be received on stock from the following sources :

(*a*) Suppliers,

(*b*) India Store Department, London,

(*c*) Other sub-divisions, divisions, or departments (including government workshops),

(*d*) Manufacture, and

(*e*) Works, buildings, etc.

In all cases there should be proper authority for the receipt, by the storekeeper or the sectional officer concerned, of materials to be brought on stock. This authority should be given in writing by the divisional officer or, if so authorized, by the sub-divisional officer.

203. All materials received should be examined and counted, or measured, as the case may be, when delivery is taken. The record of the detailed count or measurement should be kept in the measurement book in the manner prescribed in paragraphs 434 and 435, and the total number or quantity received should be simultaneously entered in the register of stock receipts, form no. 8 or 8A as the case may be. Such acknowledgment as may have to be given to a supplier for stores received from him can be signed only by the divisional or the sub-divisional officer. Any certificate that the storekeeper or sectional officer concerned may be called upon to record in respect of the receipt of stores, for this or any other purpose (*vide* paragraph 214), should be in the following form :

Received on————and duly recorded in the register of stock receipts. *See* also page————of measurement book no.————.

(*Signature.*)

Date

(*b*) ISSUES

204. Materials may be issued from stock for the following purposes :

(*a*) for use on works either by issue to contractors or direct (paragraph 464).

(*b*) for despatch to other sub-divisions, divisions, or departments,

(*c*) for sale to contractors, employees, other persons or local bodies with the sanction of the authority competent to do so.

They should be issued only on receipt of an indent (form no. 7) signed by the divisional or the sub-divisional officer. But when a sectional officer has to issue stock materials for the requirements of works under himself, the use of this form is not obligatory, if the sectional officer has been empowered to draw such materials from his stock up to any assigned limit not exceeding the provision made for materials in sanctioned estimates.

1. When examining registers of stock issued and works abstracts sub-divisional officers should see that in practice this rule is observed strictly, and they should deal suitably with instances of unauthorized and excessive issues to works made by sectional officers without due cause.

2. The term "Works" includes manufacture operations (*vide* rule under paragraph 210).

P.W.A.C. 182.

205. Indents should be filled up carefully as all subsequent accounting depends upon it. In the column "Head of account, etc.", besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and offices to which stock is to be issued and of contractors, employees, other persons, or local bodies to whom it is authorized to be sold should be added in all cases in which stores are ordered to be issued otherwise than for the requirements of works within the division. The last column, headed "Name of work, etc.", should be filled in only when the stores are required for works within the division, and in such cases the full name of the work as given in the estimate should be entered, as well as the name of the contractor from whom the value is recoverable (*vide* paragraph 464).

NOTE—In the Irrigation Branch the instructions given on P. W. A Form No. 8A regarding the preparation of indent (P. W. A. Form No. 7) should be followed.

P.W.A.C. 183.

206. When issuing materials from stock, the storekeeper or sectional officer should examine the indent (form no. 7) and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply as actually made, and simultaneously make an entry in his register of stock issues, form no. 8 or 8A as the case may be. The indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained as soon as possible, on the invoice which should be treated as a voucher in support of the entry in the register.

1. It should be seen that the acknowledgment of materials is signed either by the person to whom they are ordered to be delivered or despatched, or by a duly authorized agent. This precaution is specially necessary in the case of issues to contractors and private persons whose acknowledgments should set forth all the particulars mentioned in paragraph 467.

2. Rule 1 applies also to issues made to contractors by the sectional officer himself without the production of an indent signed by higher authority (*vide* paragraph 204).

3. In the Irrigation Branch the instructions printed on P. W. A Form No. 8A regarding the preparation of indent (P. W. A. Form No. 7) should be followed.

P.W.A.C. 184.

207. When making entries in the register of stock issues the storekeeper or sectional officer should

pay particular attention to record in the columns headed "To whom issued" and "Head of account, etc.", the full particulars as given in the last two columns of the indent or as otherwise known to him.

1. If the materials are issued for use on a work, the particulars required to be entered in the column "Name of work," etc., of form no. 7 (*vide* paragraph 205) should invariably be given in the column "To whom issued."

2. In the Irrigation Branch the instructions printed on P. W. A Form No. 8A should be followed.

208. As an exception to the general rule in paragraph 196 that all stock transactions shall be shown in the accounts as soon as they occur, issues of petty stores by a sectional officer direct to works [*vide* paragraph 464(2)] under his supervision may be shown in the accounts collectively once a month when closing the accounts of the month. P.W.A.C 185.

1. In the case of the Irrigation Branch the issue of petty stores by a sectional officer direct to works under his supervision should be shown when the work done is measured up and entered in the measurement-book or monthly, whichever is earlier.

2. In the Irrigation Branch the instructions printed on P. W. A Form No. 8A should be followed.

(c) Monthly Abstracts of Receipts and Issues

209. The receipt and issue transactions of the entire sub-division should be abstracted monthly in a single "Abstract of stock receipts" (form no. 9) and in a single "Abstract of stock issues" (form no. 10). These forms should be posted from the registers of stock receipts and stock issues, form no. 8, entries being made only in respect of quantities. P.W.A.C. 186

1. The several transactions of the month need not be entered severally in the abstract, it being sufficient to show, as a single transaction, the total receipts from each source or the total issues to each account or work. The quantities received (or issued) in each transaction should be noted in the lower part of the abstract, against the entry of the transaction, in separate columns for each distinct article of stock, these columns being so written up as to group the articles by the prescribed heads of stock. After all transactions of the month have been posted, the total receipts (or issues) of each article should be computed and noted in the column headed "Quantities" in the upper part of the form. No entries need be made in the sub-divisional office in any of the money columns in either part of the form, as these will be filled up in the divisional office (*vide* paragraph 220).

2. In posting column 1 of the abstracts, those receipts and issues of the month which represent transactions, the value of which is brought to account in the same month through the cash book or transfer entries, should be separated from transactions not so brought to account within the month. *See* paragraph 757.

3. It is left to the sub-divisional officer to make the most suitable arrangements for collecting the information required to complete these abstracts. The registers of stock receipts and stock issues of subordinates stationed at the sub-divisional headquarters may be obtained in original, and storekeepers and sectional officers at out-stations may be required to furnish copies of their registers. Care should be taken to reconcile all

transfers of stock between subordinates of the same sub-division, and the reconciled transactions connected with such transfers within the sub-division should not appear in the abstracts of the sub-division.

4. The registers of stock receipts and stock issues maintained by sectional officers may, if necessary, be closed a little earlier than the date fixed for the closing of the sub-divisional accounts. *See* rule 1 to paragraph 721.

5. In the Irrigation Branch P. W. A Form Nos. 8A, 9A and 10A should be used in place of P. W. A Form Nos. 8, 9, and 10 respectively and detailed instructions printed on these forms should be followed.

P.W.A.C. 187.

210. When abstracting the transactions recorded in the registers of stock receipts and stock issues, care should be taken to observe strictly the prescribed account classification (*vide* Appendix I). It is not sufficient to enter the name of the major head affected, but the minor and sub-heads should also be stated, as well as the additional particulars mentioned in paragraph 207.

Although "manufacture" is a sub-head of the stock account, issues of stock to manufacture operations and receipts of outturn from manufacture should be accounted for in the same way as issues to or from any other distinct head of account, and each manufacture operation should be treated as a separate work. *See* also paragraph 63.

P.W.A.C. 188.

211. The quantity accounts of a particular month show all quantities received or issued in that month; but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreement between the quantity and value accounts, receipts and issues, the value of which cannot be adjusted in the accounts of the month in which the actual transactions take place, should be accounted for in the abstracts under the suspense heads "Purchases" and "Miscellaneous P. W. advances" respectively. *See* also rule 2 to paragraph 209.

(*d*) HALF-YEARLY BALANCE RETURN

P.W.A.C. 189.

212. (*a*) The total quantities of the receipts and issues of each article of stock, as recorded in the monthly abstracts, forms nos. 9 and 10, should, before the abstracts are transmitted to the divisional office (*vide* paragraph 724), be posted in the half-yearly balance return, form no. 11, in the columns provided for the month concerned both under "Receipts" and "Issues". As soon as the receipts and issues of the last month of the half year are posted, the closing balances should be worked out and entered both in column 21, "Closing balance carried forward," of the

return for that half year and in column 6, "Balance brought forward," of the return for the next half year.

(*b*) A separate return in this form should be prepared for each of the half years ending September and March, that for the September half year embracing only transactions up to the date on which the monthly accounts of the sub-division are closed. The return for each half year should embrace all articles in stock.

(*c*) Columns 22 and 23 of the form of the return are provided so as to give the sub-divisional and the divisional officers an opportunity of commenting on the condition of the stores or on the rates and of noticing cases in which the balances are in excess of requirements.

NOTE—In the Irrigation Branch P. W. A Form Nos. 9A, 10A and 11A should be used in place of P. W. A Forms Nos. 9, 10, and 11 respectively.

(*e*) CORRECTIONS

213. (*a*) Any errors that may be discovered in the registers of receipts and issues or in the monthly abstracts before the accounts for the month are closed may be set right by the sub-divisional or divisional officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials. P.W.A.C 190.

Storekeepers and sectional officers may similarly correct their respective registers of receipts and issues before submitting them to the sub-divisional or divisional office.

(*b*) Mistakes subsequently noticed should not be corrected, except in accordance with a formal transfer entry, or under instructions received from the divisional office.

(*c*) Erroneous entries noticed in a half-yearly balance return, which has not yet been submitted to the divisional office, may be corrected by the sub-divisional officer only if the corresponding entries in the monthly abstracts concerned, or in the previous half-yearly return, are correct or have been duly set right.

III—Value Accounts

(*a*) PAYMENT FOR STOCK RECEIVED

214. Bills of suppliers should, before payment, be examined and dealt with in the manner prescribed in paragraphs 428 and 440—452. P.W.AC. 191

Special attention is invited to the rule in paragraph 451, the object of which is to prevent erroneous or double claims being put forward successfully. Storekeepers and sectional officers may, if desired, be required to verify suppliers' bills before payment (*vide* paragraph 203), but the disbursing officer is responsible that no payment is made unless the precautions referred to above have been observed.

P.W.A.C. 192.

215. Cash payment should not be made for stock supplied by any government department, workshop or depot, except in accordance with the rules in Appendix IX of Volume V of the Handbook. When under those rules payment for supplies made by any department of the Government is made in cash, the claims of such department should be dealt with in the same way as those of suppliers. In other cases the necessary adjustment of the cost, through the remittance or other head concerned, should be made by the divisional office in accordance with the instructions in Chapters IX and XX, after obtaining a verification of the claim, which should not be certified without crossing off the connected measurement-book entries with a suitable remark.

(*b*) Recoveries for stock issued

(*i*) *Issue rates*

P.W.A.C. 193.

216. An issue rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials are to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide, beyond the original price paid and the cost of carriage, etc., for—

(1) the expenditure on work-charged establishment employed on handling and keeping the initial accounts,

(2) the expenditure on the custody of stock,

(3) the expenditure on the maintenance of the stores godown or yards, and

(4) losses from depreciation or wastage,

but should in no case be in excess of the market rate.

1. It is not necessary that the issue rate for an item should be the same in all sub-divisions, but a uniform rate should ordinarily be prescribed for all localities in a sub-division.

2. The issue rates should be worked out to the nearest anna, as far as possible.

3. In the Irrigation Branch the issue rates should be fixed in accordance with the instructions printed on P. W. A. Form No. 12A.

217. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched, and if these are appreciable, issue rates may, and in important cases shall, at once be raised or lowered, as may be necessary. Further, when closing the half-yearly register of stock (paragraph 226), all rates must be reviewed and revised, if necessary, to bring them within the market rates. P.W.A.C. 194.

218. If the issue rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issue outside the division which the divisional officer may prescribe : P.W.A.C 195.

(*a*) Issues to contractors and sales shall be made at market rates, but *see* paragraphs 465 and 466.

(*b*) Issues to other divisions and departments may be made at a rate higher than the issue rate

(ii) Mode of recovery

219. (*a*) The sub-divisional officer is responsible that the value of materials sold to municipalities, local funds, and the public, and of issues made to contractors for private use, is recovered in cash at the earliest opportunity. P.W.A.C. 196.

NOTE—A sale account in form no. 19 should be prepared in support of every such sale.

(*b*) All adjustments of the value of stock issued, except on sale, should be made by the divisional officer as in the case of receipts (*vide* paragraph 215). The sub-divisional officer is, however, responsible for the clearance from works accounts, of all outstandings against contractors on account of the recoverable value of materials issued to them by charge to works.

(*c*) VALUATION OF QUANTITY ACCOUNTS

220. The abstracts of receipts and issues, when received from the sub-divisional officer, will be incomplete in respect of (1) the values of quantities shown as received and issued, and (2) cash or adjustment charges on account of manufacture operations and incidental charges, such as those for carriage, loading, and unloading of stock materials. They should now be completed in the divisional offices in both these respects. P.W.A.C. 197.

1. The lower part of each abstract should first be taken up. In this part quantities of the several articles received or issued in connexion with

each transaction have already been entered separately in the columns provided for this purpose (*vide* rule 1 to paragraph 209). These quantities should now be valued by recording the amount of each just below it, and the total value of each transaction should be shown in the first money column (third column of form no. 9 or second column of form no. 10, as the case may be). Total should then be struck in the next money column "Total" separately for each head of account. The upper part of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column headed "Amount (separately for each article)" against that article, it being seen further, in the case of issues, that this total is equal to the rate for the article multiplied by the total quantity. Finally, the entries in the last money column should be totalled up, both for each sub-head of stock and for the whole abstract. The grand total should agree with the total of the second money column "Total" in the lower part of the form. The cash and transfer entry debits and credits to stock (*vide* rule 2 to paragraph 209) should be agreed with the transactions pertaining to stock brought to account in the cash-book and the transfer entry-book (*vide* paragraph 757).

2. Receipts should be valued on the basis of the prices paid or payable as per bills or other claims. Extra charges, when paid or adjusted, should be posted as separate items without quantities.

3. Issues should be valued at the issue rates fixed for the purpose (*vide* paragraphs 215 to 217).

4. All entries made in the divisional office should be in red ink to distinguish them from those made in the sub-divisional office.

5. In the Irrigation Branch P. W. A Form Nos. 9A and 10A should be used for P. W. A Form Nos. 9 and 10 respectively and the instructions printed on P. W. A Form Nos. 9A and 10A should be followed.

P.W.A.C. 198.

221. Carriage and other incidental charges should be debited to stock only when they are incurred in connexion with the general stock requirements. *See* also paragraph 548.

222. To classify and collect, by objects of expenditure, the charges debited to stock from time to time the same procedure should be observed as is adopted in respect of expenditure on works, that is, works abstracts and registers of works should be maintained. *See* also paragraph 751.

IV—Half-yearly register of stock

P.W.A.C. 200.

223. An account should be maintained in the divisional office to record, month by month, separately for each sub-division, the transactions relating to each item of stock. This account should be in form no. 12 or 12A as the case may be, half-yearly register of stock which is in three parts :

Part I—The register.

Part II—The summary.

Part III—The review.

P.W.A.C. 01.

224. Part I should as regards quantities be posted monthly from the sub-divisional abstracts, form nos. 9 or 9A and 10 or 10A as the case may be and balanced

half-yearly, in the same manner as the sub-divisional half-yearly balance returns (*vide* paragraph 212). The only values to be posted should ordinarily be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts; but if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to values being recorded, in red ink, immediately below the respective quantities.

The register should be laid before the divisional officer within a week after the submission of the monthly account to the Principal Auditor.

225. At the end of the half year, the closing balances of quantities should be reconciled with those shown in the half-yearly balance returns received from sub-divisional officers (*vide* paragraph 725). The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II (*vide* paragraph 227). P.W.A.C. 102.

226. The register should then be closed, the following instructions being observed in respect of money columns 20 to 24: P.W.A.C. 103.

(*a*) *Market rates* (*column* 24)—This column should be filled up, in respect of each item, under the orders of the divisional officer by a person other than a ministerial subordinate. It should be written up at or about the close of the half year, but before any entries are made in the column for future issue rates.

(*b*) *Current issue rates* (*column* 20)—This column will have been filled up at the commencement of the half year in respect of items brought forward from the previous half year, and subsequently, from time to time, in respect of new items and items the rates of which are revised during the half year.

(*c*) *Value at current issue rates* (*column* 21)—This column should be written up at the close of the half year and should represent the value of the closing balance at the issue rates current during the last month of the half year.

(*d*) *Future issue rates* (*column* 22)—This column should show the rate for issues during the following half year which should be fixed, separately for each item, in

accordance with the principles laid down in paragraph 216. When opening the register for the following half year, the rates as shown in this column should be transcribed into the column for current issue rates of that register.

(*e*) *Value at future issue rates* (*column* 23)—This column should show against each item the value of the closing balance at the future issue rate. The entries in this column should be totalled by sub-heads of stock for each sub-division and if the total of any sub-head does not agree with the corresponding book balance as brought out in column 19 (*vide* paragraph 225), an adjusting entry (*plus* or *minus*, as the case may be) should be made, and a further total struck, which should agree with the correct balance.

NOTE—In the Irrigation Branch these instructions will apply to column Nos. 20, 21, 22, 23, 24 and 25 of P. W. A. Form No. 12A in place of column Nos. 19, 20, 21, 22, 23 and 24 respectively of P. W. A. Form No. 12 and the instructions printed on P. W. A Form No. 12A should be followed.

P.W.A.C. 204.

227. Part II, summary, is intended to serve two purposes: (1) to prove the value balances brought out in column 19 of part I (*vide* paragraph 225), and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision of rates, and (2) to abstract the value balances, so as to bring out, by sub-heads of stock, for the entire division, the aggregate value at current issue rates side by side with the balances as shown in the accounts.

NOTE—In the case of Irrigation Branch Part II should be prepared as per P. W. A. Form No. 12A.

P.W.A.C. 205.

228. When part II is completed, the divisional acountant should write up his report in part III and submit it to the divisional officer.

P.W.A.C. 206.

229. The divisional officer will then review the register of stock and record his remarks and orders in Part III.

1. This review should be directed to see specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past. The object to secure is that the stock on the register shall consist only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

2. In the Irrigation Branch the instructions printed on P. W. A. Form No. 12A should be followed.

V—Stock-taking

230. Divisional officers are to have stock taken throughout their divisions at least once a year. P. W.D.C. 361.

231. It is not necessary that all the stores of a division, or even of a sub-division, should be checked and counted at the same time; and the stock-taking may be arranged so as to go on gradually in the manner most convenient to the officers concerned. It is, however, essential that the greatest possible precision and accuracy should be maintained in the store returns, and the divisional officer should make such arrangements as are calculated to secure this result, and superintending engineers are responsible that this is done. The dates on which articles are taken stock of are to be entered in the store returns. P.W.D.C. 362.

1. A certificate of check specifying clearly the issues personally checked by each government servant should be recorded under his dated signature.

2. In the Irrigation Branch the instructions printed on P. W. A Form No. 12A should be followed.

232. Important stores should, as a rule, be counted by a member of the Indian or United Provinces Engineering Service, but this duty may, at the discretion of the local Government, be entrusted to a senior member of the subordinate engineering service when holding charge of a sub-division. The superintending engineer, when he thinks proper, may depute an officer from one division to aid in the stock-taking of another. P.W.D.C. 363.

233. All articles of stock (not including tools and plant) which are not likely to be required during the following twelve months, should be reported to the divisional officer who will, if necessary, take the superintending engineer's orders as to their disposal. P.W.D.C. 364.

234. The results of all verifications of stock should be reported to the divisional officer for orders, but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer, a surplus being treated as a receipt and a deficit as an issue, with a suitable remark. P. W.A.C. 208.

235. (*a*) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be. P.W.A.C. 209.

(*b*) The value of a deficit should, however, not be charged off finally, but kept under "Miscellaneous

P. W. advances" pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its write-off ordered, a transfer entry should be prepared clearing the head "Miscellaneous P. W. advances" by debit to—

(i) the works for which the stores were specially collected, if the accounts thereof are still open, or

(ii) the general head "Losses on stock" under one or more major heads as may be decided by competent authority, on a consideration of the objects for which the stores were stocked.

P.W.A.C. 210.

236. Under paragraph 231, the stock-taking of a sub-division may go on gradually throughout the year. The stocks of an article in a sub-division may, however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate book balance of any article for the sub-division by an actual verification of all the stocks of it at the same time. Where such conditions prevail, the following expedients should be adopted :

(*a*) Sectional officers may be required to maintain quantity accounts of receipts, issues, and balances (in a form similar to the half-yearly balance return) of stock materials in their charge. These accounts should be posted monthly from the registers of stock receipts and stock issues before the latter are submitted to the sub-divisional or divisional officer.

(*b*) These accounts should be submitted to the sub-divisional or divisional office at the close of each half year for record after reconciliation with the half-yearly balance return of the sub-division.

(*c*) As far as possible, the various stocks in charge of a sectional officer, of each article, should be verified at or about the same time, so that the difference between the sectional book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in paragraph 234 without waiting for the results of verification of stocks in other sections.

1. Before the adjustment of a difference is accepted finally by the sub-divisional or divisional officer, he should test the correctness of the sectional officer's book balance by reference to the records of his own office.

2. The sectional officers should be required, at the time of the stock-taking to bring to account all issues to works made since the closing of the previous month's accounts.

3. In the Irrigation Branch the Sectional Officer shall maintain the quantities account in P. W. A Form No. 8B in accordance with the instructions printed on that Form and submit it monthly to the Sub-Divisional Officer with a copy of P. W. A. Form No. 8A.

237. The procedure of verification outlined in the foregoing paragraph is suitable primarily for divisions executing ordinary works. In the cases of special stores depots or divisions, or of construction divisions where there may be large concentration of stores, their physical verification should be the duty of the executive authorities and should be performed by such agency and in such detail as may be decided by the local Government in consultation with the Principal Auditor. P.W.A.C. 11.

VI—Rectification of Accounts

238. Clerical errors in value accounts of stock should be dealt with generally under paragraph 162. *See* also paragraph 213. Corrections of errors discovered after closing the accounts of the month, should, when permissible, be made (i) by making entries of values (without quantities) in the stock accounts of the current month when no change is to be made in the head of account affected, and (ii) by preparing transfer entries in other cases. P.W.A.C. 212.

239. Other corrections in stock accounts may be necessary in the following cases : P.W.A.C. 213.

(i) When quantities are found surplus or short, either as a result of stock-taking, or otherwise (*vide* paragraphs 230, 231, 185 and 186).

(ii) When issue rates have to be raised or lowered (*vide* paragraph 217).

(iii) When stores of any description become unserviceable (*vide* paragraph 189) and have, therefore, to be removed from stock.

240. These corrections should be effected in the following manner : P.W.A.C. 214.

(*a*) Both in quantity and value accounts, all additions to quantities should be treated as receipts and reductions therein as issues, a suitable remark being made in the entries in form nos. 8, 9, and 10. *See* also paragraphs 234 and 235. These entries must be made as soon as differences in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should

be made until receipt of orders of competent authority, which should be obtained on a survey report in form no. 18.

(*b*) Alterations in rates made when closing the register of stock should be carried out as indicated in paragraph 226(*d*). Those made on other occasions should be noted at once in part I of the register of stock by making a fresh entry (with the month of change) in column 20. The resultant rectification of the value of the stock balances should in all cases be made only when the register of stock is closed [*vide* paragraph 226(*e*)]. The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the abstracts of receipts and issues form nos. 9 and 10, as the case may be, the value being classified in accordance with the principle enunciated in paragraph 235.

NOTE—In the Irrigation Branch these corrections will be carried out in P. W. A. Form Nos. 8A, 8B, 9A and 10A.

P.W.A.C. 215.

241. No correction will be made in the accounts in respect of stores declared to be in excess of requirements, *vide* paragraph 233. Such stores will continue to be borne on the stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

C—TOOLS AND PLANT

I—General

P.W.A.C. 216.

242. The tools and plant of a division are of two kinds :

(*a*) General or ordinary tools and plant, i.e., those required for the general use of the division.

(*b*) Special tools and plant, i.e., those required not for general purposes, but for a specific work.

The cost of the supply, repairs and carriage of articles of class (*a*) is charged to the minor head "Tools and plant", whereas similar charges of class (*b*) are borne by the work concerned. In both cases, the cost is charged in the accounts against sanctioned estimates, in the same way as expenditure on works, though for purposes of sanction it is treated as expenditure on tools and plant.

243. Numerical accounts of articles of both classes should be kept in accordance with the following rules, in each sub-division or for the division as a whole in cases where sub-divisions have been abolished. P.W.A.C. 217.

The rules relating to numerical accounts of tools and plant apply also to imperishable articles, *e.g.*, type-writers, furniture of rest houses, surgical instruments and hospital furniture of canal dispensaries, etc., etc., whether acquired by charge to heads of account other than "Tools and plant" or received free of cost.

244. The accounts of tools and plant issued for use by subordinates of the sub-division, or temporarily lent to contractors, as well as those of articles lent to local bodies and others with the sanction of competent authority, should be specially reviewed periodically, and it should be seen that the articles are returned without unnecessary delay and in good condition. P.W.A.C. 18.

This paragraph also applies to tools and plants sent out for repairs.

II—Numerical Accounts

(*a*) Receipts

245. All articles received should be examined and counted when delivery is taken and the transaction should be posted in the account of receipts of tools and plant, form no. 13 or 13A as the case may be. Such acknowledgment as may have to be given to the person from whom the articles are received can be signed only by the divisional or sub-divisinal officer. An acknowledgment should invariably be given when articles lent are received back. P.W.A.C. 219.

1. The record of the detailed account should, in the case of purchases from suppliers, be kept in the measurement book in the manner prescribed in paragraphs 434 and 435.

2. The entries in form no. 13 or 13A as the case may be, in respect of the receipt back of articles lent or sent out (*vide* paragraph 244) should be made in red ink, with a reference to the original entries in the account of issues of tools and plant.

(*b*) Issues

246. All transactions of issues (including those of articles referred to in paragraph 244) should be posted in the account of issues of tools and plant, form no. 14 or 14A as the case may be. Except in the case of cash sales, unstamped but dated acknowledgments must be obtained in support of all issues, and in the case of tools, etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent, as P.W.A.C. 220.

determined by the sub-divisional officer. *See* also rule 1 to paragraph 206.

1. Entries of articles referred to in paragraph 244 should be made in red ink.

(*c*) REGISTER OF TOOLS AND PLANT

P.W.A.C. 221.

247. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the sub-divisional office in form no. 15, register of tools and plant. This account should be for the twelve months ending September, that is, it should embrace transactions up to the date on which the accounts of the sub-division for that month are closed. It should be kept in three parts :

Part I—For articles in hand.

Part II—For articles temporarily lent or sent out, *vide* paragraph 244.

Part III—For shortages awaiting adjustment.

In part I articles should be grouped under the prescribed sub-heads, which are—(1) Scientific instruments and drawing materials, (2) Plant and machinery, (3) Tools, (4) Navigation plant, (5) Camp equipage, (6) Livestock, and (7) Office furniture. In part II the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent out for repairs, etc. Part III is brought into use only if any shortages come to notice, and the instructions relating to it are given in paragraph 260.

NOTE—In the Irrigation Branch P. W. A Forms Nos. 8A, 15A and 15B should be used and the detailed instructions printed thereon should be followed.

P.W.A.C. 222.

248. Parts I and II of the register should be posted thus :

(*a*) The accounts of receipts and issues, form nos. 13 or 13A and 14 or 14A as the case may be, should first be totalled up monthly when closing the accounts of the month.

(*b*) The total receipts and issues of each article thus arrived at should be posted in part I of the register, form nos. 15 or 15B and 15C as the case may be, in the columns for receipts and issues respectively.

(*c*) Each separate transaction connected with articles lent or sent out (*vide* paragraph 244) should

further be posted in part II in the section reserved for the contractor or person concerned, articles lent, etc., being shown under "Debts" and those received back under "Credits."

249. As soon as the transactions for the month of September have been posted, the account should be closed and balanced, and the closing balances should be carried forward to the next year's return. P.W.A.C. 223.

250. It is not necessary to maintain separate tools and plant registers in the divisional office for each sub-division. The check of the registers received from sub-divisions [*vide* paragraph 725(*c*)] should be effected by comparing the opening balances with the closing balances of the previous registers which are kept in the divisional office. The receipts and issues should be checked with form nos. 13 and 14 submitted by sub-divisional officers monthly. P.W.A.C. 224.

NOTE—In the Irrigation Branch Divisions T. and P. Register should be maintained in P. W. A. Form No. 15C in accordance with the instructions printed thereon.

III—Payment for Supplies

251. Payment for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts in paragraphs 214 and 215. But when the Mathematical Instrument Office is unable to supply any instruments indented for and arranges for their purchase, the supplier's bill will, if that office so desires, be paid in cash or by a remittance transfer receipt. P.W.A.C. 225.

IV—Recoveries

(*a*) FOR USE OF TOOLS AND PLANT

252. The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments, etc. and on certain works of the division itself, is described in Appendix V. P.W.A.C. 226.

253. When tools and plant are lent to local bodies, contractors or others, *vide* paragraph 244, the hire and other charges should be determined by the orders issued P.W.A.C. 272.

by the local Government on the subject and should be recovered regularly.

To avoid disputes about the levy of hire charges on particular articles lent to contractors, contracts should invariably specify what tools and plant, if any, are to be supplied free of charge to the contractor.

P.W.A.C. 228. **254.** The whole cost of carriage of all government tents belonging to executive and revenue officers should be debited to "Tools and plant". Any charges incurred in excess of the scale laid down in the Manual of Government Orders, Volume II, or the Irrigation Manual of Orders should be recovered and treated as reduction of expenditure under the same head.

(*b*) FOR SALES AND TRANSFERS

P.W.A.C. 229. **255.** The sub-divisional officer is responsible that when tools and plant are disposed of by sale or otherwise, with the sanction of competent authority, the amount recoverable from the parties concerned is realized at the earliest opportunity. If the amount is not recovered within the month in which the articles are delivered, it should be charged to "Miscellaneous P. W. advances" as a sale transaction by the issue of a transfer entry.

A sale account in form no. 19 should be prepared in support of every transaction.

P.W.A.C. 230. **256.** When tools and plant are transferred to other divisions or departments, the sub-divisional officer should note in form no. 14 or 14A as the case may be. in red ink, just below the entries of quantities, the values thereof if recoverable under the rules in Chapter XX. The necessary adjustment will be effected by the divisional office.

P.W.A.C. 231. **257.** The foregoing rules regarding the adjustment or transfer of the cost of tools and plant apply equally to special tools and plant (paragraph 242) the cost of which was charged to a work or project, provided—

(1) that the articles are actually disposed of by sale, or transferred on a valuation, to another department or government;

(2) that when the articles are transferred to another work or project in the same division, or to another division within these provinces, they are actually required for immediate use on a work or project which has already been sanctioned by competent authority, and the transfer value has

been determined by competent authority in accordance with any rules prescribed by the local Government.

It is not permissible to write-back the cost of special tools and plant in anticipation of the possibility of the articles being utilized on another work or project at some distant date.

No articles can be removed from the numerical accounts on the plea that the accounts of the work to which the cost of the articles was charged have been closed until they are actually sold or transferred, or they having become unserviceable their write-off is sanctioned.

V—Verification

258. The rule in paragraph 234 regarding verification of stock applies also to verification of tools and plant with the exception that when any articles are found deficient, the note of the deficiency should be made in red ink in the account of issues, form no. 14 or 14A as the case may be, without making any entries in the quantity columns, so that the articles may continue to be borne on the accounts of tools and plant, until the loss is adjusted by recovery or a sanctioned write-off. [illegible] also paragraph 260. P.W.A.C. 232.

VI—Rectification of Accounts

259. Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 213 for stock accounts except that no transfer entries will be necessary. P.W.A.C. 233.

260. Discrepancies in quantities and losses should be dealt with as under: P.W.A.C. 234.

(*a*) When they are noticed, action should be taken as indicated in paragraph 258, losses being treated as deficiencies.

(*b*) When writing up the register, form no. 15, the deficiencies should be registered in part III under "Debits" and their clearance should be watched. Articles found surplus will be treated as receipts in part I, and will, therefore, require no further action.

(*c*) If the deficiencies are made good in kind, the receipt or recovery should be shown in the account of receipts, form no. 13, without making any entry in the quantity columns, and, when posting the account into the register, form no. 15, the articles received should not be entered in part I.

but taken (with a suitable remark) direct to part III, under "Credits", in clearance of the debit outstanding therein.

(*d*) If the deficiencies are made good by recovery of cost or their write-off is sanctioned, the articles should be shown as issued, in the account of issues, form no. 14, with a suitable remark, and when this entry is transcribed into the register, form no. 15, it should not only be entered in part I in the ordinary way, but also entered with a suitable remark in part III, as in case (*c*), thus clearing the debit outstanding therein.

1. The authority to write-off should be obtained on a survey report in form no. 18.

2. This rule does not apply to the Irrigation Branch.

D—ROAD METAL

I—Quantity Accounts

W.A.C. 35.

261. Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, *vide* Chapter [illegible].

W.A.C. 35.

262. As, however, metal is often kept in store at the road side before being laid down, a quantity account of it should be maintained in the divisional and sub-divisional offices in form no. 16. "Statements of receipts, issues and balance of road metal," copies of loose sheets being submitted monthly where necessary to the divisional office by the sub-divisional offices within a fortnight of the submission of the monthly accounts.

1. In the case of metal collection for petty repairs, a quantity account known as road metal return is maintained in the divisional and sub-divisional offices under the rules issued by the Local Government. The data required for the maintenance of this return should be supplied monthly by the sectional officers on the prescribed road metal return slips.

2. The authority to write-off should be obtained on a survey report in form no. 18.

3. This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, kankar, etc.). The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

4. Separate statements should ordinarily be kept for metal collected for annual repairs for renewals and for petty repairs.

5. Surfacing materials, such as coaltar, pitch, asphalt, and proprietary road surfacings stocked for maintenance estimates and for minor estimates for renewal at the roadside will be accounted for in the same way and at the same time as road metal and will also be entered up in the road metal return in form no. 16A (*see* also the rule under paragraph 199).

II—Rectification of Accounts

263. Metal found surplus, as the result of check measurement (*vide* paragraph 438) or otherwise, should at once be brought on to the quantity accounts. Deficits should, however, not be removed from the quantity accounts until recovery of their value or receipt of sanction to write-off; but a red ink remark should be recorded at once and carried forward, from month to month, until the discrepancy is set right. P.W.A.C. 237.

III—Schedule of Rates

264. A rate-book or schedule of rates showing the lowest rate at which metal can be supplied to the road-side throughout the division should be kept in the divisional office, in form no. 17. The rates should be revised from time to time, as old quarries are exhausted or new ones opened, or as other circumstances affect the rates. *See* also paragraph 523. P.W.A.C. 238.

IV—Charges for quarries

265. When land is acquired for [illegible] road metal primarily [illegible] P.W.A.C. 239.

(*i*) the maintenance of an existing road, or

(*ii*) the construction of a new road or the raising in class of an existing road,

the following principles of accounting should be followed in adjusting the charges connected with the land and quarries :

(*a*) When the charges do not exceed Rs.1,000, the amount should be debited direct to "Repairs" or to "Original Works", according as the quarry is intended to serve the purpose specified in clause (*i*) or (*ii*) above.

(*b*) When the charges exceed Rs.1,000, and the road metal is required to maintain an existing road or roads for a series of years, the total initial outlay should be debited to the sub-head "Land, kilns, etc." of the stock account, and this sub-head should be gradually relieved, by debit to the collection estimates of each year, in the manner prescribed in paragraph 559 for similar charges connected with manufacture operations.

(*c*) When the charges exceed Rs.1,000 and the road metal is required for the purpose specified in clause (*ii*)

above, the divisional officer should charge direct to the original work concerned such portion of the cost as is proper. The balance, if any, should be debited to the sub-head "Land and kilns," etc. of the stock account, and this sub-head should eventually be cleared by debit to "Repairs" in the manner described in paragraph 559(*b*).

E—MATERIALS CHARGED TO WORKS

P.W.A.C. 240.

266. The account procedure relating to materials obtained specially for a work is described in Chapter XV. Special tools and plant charged to works do not fall under the category of "materials charged to works," *vide* paragraphs 242 and 243.

CHAPTER IX

TRANSFER ENTRIES

267. Transfer entries, that is entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account of another work or head, are necessary— P.W.A.C. 241.

(*a*) In order to correct an error of classification in the original accounts.

Sometimes it is more convenient to classify items pertaining to several heads (or works) under a single head in first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transactions relating to it are taken to the account of a single party in the first instance, and before closing the accounts of a month, the necessary distribution over all the accounts is effected by transfer entry.

(*b*) In order to adjust, by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debt head.

NOTE—The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock accounts at the end of the month, *vide* paragraphs 469 and 474(*a*).

(*c*) In order to bring to account certain classes of transactions which do not pass through the cash or stock account, *e.g.*—

(i) for credit to "Purchase" or "London stores", as the case may be, on account of materials received for works from sources other than stock, *vide* paragraphs 469 and 474;

(ii) for credit to "P. W. deposits" on account of balances due to contractors on closed accounts, *vide* paragraph 504;

(iii) for credit to revenue heads on account of revenue not recovered in cash;

(iv) for original debits or credits to remittance heads based on transactions not appearing in cash or stock accounts;

(v) for credit to the heads concerned of the several percentages leviable under the rules, *e.g.*, those on account of storage (when not recovered in cash), establishment, tools and plant and workshop charges, *vide* paragraph 187 and Appendix VII and paragraph 608;

(*vi*) For debits to "London stores" on account of the value of English stores, *vide* paragraph 588;

(*d*) In order to respond to a remittance transaction advised by the Principal Auditor or direct by the division or department concerned, if the corresponding debit or credit to the remittance head has not already appeared in the accounts;

(*e*) In order to relieve the account of a work in progress of—

(*i*) items which have ceased to be chargeable against the estimate for the work, and

(*ii*) suspense charges which can no longer be kept within the accounts of the work (*vide* paragraph 497). Such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries (otherwise than in cash) have become due, *e.g.*, by the transfer of stores to any other work or account.

NOTE—For the identification of errors in a accounts see paragraphs 162, 213, 522 and 769.

P.W.A.C. 242.

268. For every transfer entry there must either be an authority in form no. 53, transfer entry order, or an order recorded on another document (*e.g.*, survey report, form no. 18, and final bill of a contractor's closed account placed under P. W. deposits) which sets forth all the necessary particulars; see also paragraphs 729 and 746.

1. In cases in which the transfer entry order is not required to be submitted to audit with the monthly account, *vide* paragraph 760, the necessary order, if not initiated by a sub-divisional officer, may be signified by the divisional officer's initials against the entry in the transfer entry book (paragraph 272).

2. There is no objection to a transfer entry covering a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

P.W.A.C. 243.

269. A transfer entry order may be initiated by the sub-divisional officer or an assistant engineer in the Buildings and Roads divisions where sub-divisions have been abolished, and should be so initiated by him in all cases falling within clauses (*a*), (*b*), (*c*) and (*e*) of paragraph 267, which come within his cognizance.

P.W.A.C. 244.

270. The divisional officer is responsible that no transfer entry is made in the accounts unless admissible

under the rules, that a transfer entry is made as soon as it becomes necessary, and that transfer entry orders in respect of transactions falling under clauses (*a*), (*b*) and (*c*) of paragraph 267, proposed by sub-divisional officers or assistant engineers are countersigned by himself in token of acceptance.

Transfer entries should receive the special attention of divisional officers so that habitual errors and misclassifications in the accounts of subordinate officers may not remain unnoticed.

271. All transfer entry orders should set forth such explanation of the correction or adjustment proposed to be made as would establish clearly the correctness and necessity of the entry. P.W.A.C. 245.

In cases of corrections involving a reduction in the charges against the estimate of a work, it is essential not only that full particulars of the vouchers and accounts in which the erroneous charges originally appeared are specified, but also that the circumstances in which the charges were wrongly allocated under the estimate for the work are clearly set forth. It is not sufficient to state that the charges were erroneously classified previously.

272. All transfer entries ordered to be made should be registered in the transfer entry book, form no. 54, maintained in the divisional office. Entries should be numbered in separate groups for each month in the accounts of which they are to be incorporated, Roman figures being used in lieu of Article figures. Before the book is closed monthly, the divisional accountant should see that no adjustments which are required to be made under any rule are omitted. P.W.A.C. 246.

273. No transfer should be made from one subhead to another in the accounts of a work except on the authority of a formal transfer entry order prepared in accordance with the procedure prescribed in this chapter and approved by the divisional officer. The order should be filed with the works abstract for the month in which the transfer is effected and it should not be entered in the transfer entry book. P.W.A.C. 247.

CHAPTER X

GOVERNMENT BUILDINGS

I—General

274. In addition to the departmental buildings the Public Works Department executes or controls the construction and maintenance of buildings of other administrative departments, the responsibility for the construction and maintenance of which has not been transferred by the local Government to those departments. *See* paragraph 264 of the Volume V of the Handbook.

II—Insurance of Government Buildings

275. Insurance of Government buildings is not to be effected, except in the case of specially valuable property liable to special risks, for which the special sanction of the local Government should be obtained. P.W.D.C. 300

III—Fixtures and furniture

(*a*) FIXTURES

276. Every government building should be provided with all necessary fixtures, and the repair of these should be carried out periodically as part of the repair to the building. All petty repairs of fixtures and the replacement of broken glass in doors and windows required during the intervals between periodical repairs will, however, ordinarily be carried out by the officer using the building. (*See* rule 10 of Appendix X of Volume V of the Handbook). C.P.W.C. 112.

NOTE—Punkah includes its suspending ropes, tubes pulleys and its pole or board and the flap attached thereto. It does not include covering for the flap, frills or pulling rope.

(*b*) FURNITURE

(*i*) *General*

277. The divisional officer will not supply nor repair furniture, screens, purdahs or tatties; nor will he perform any of the duties specified above as devolving on the departmental officer in charge. Furniture for new offices may, however, be supplied by the divisional officer and charged in his accounts, provided the P. W. D. C. 302.

special sanction of the local Government has been obtained to the inclusion of the cost of such furniture in the estimates of the offices concerned. This rule does not apply to the case of furniture for travellers' rest-houses, staging bungalows or circuit-houses, the outlay on the supply and repair of which will be treated as charges of the civil department. In the case of Public Works inspection bungalows, the furniture should be supplied and repaired at the cost of the department.

(ii) Official Residences of the Governor

P.W.D.C. **278.** The Military Secretary to the Governor is responsible for the administration of the furniture funds of the official residences of the Governor of the United Provinces, and for the upkeep of a stock list and the purchase, repair and maintenance of furniture. He shall submit to the Accountant General an annual certificate in the annexed form. During the second and fourth year of the incumbency of Governor, and at least once in every three years the certificate of verification should be countersigned by the divisional officer of the Public Works Department in token of his joint responsibility for the actual verification.

Form of certificate

Certified that all furniture in . . . . has been inspected and checked with the stock lists maintained. I am satisfied (i) that all new supplies up to date have been correctly brought on to the inventories, (ii) that the inventories are correct in all respects, (iii) that the articles in stock agree with the inventories, (iv) that sale-proceeds have been properly accounted for, and (v) that sanctions of competent authority exist for writing off all articles taken off the inventory.

IV—Purchase and sale of Government Buildings

(*a*) PURCHASE OF BUILDINGS

P.W.D.C. 304. **279.** No building may be purchased without the orders of the local Government, to whom a survey and valuation report by the divisional officer, approved by the superintending engineer, should, in all cases, be submitted.

(*b*) SALE AND DISMANTLEMENT OF BUILDINGS

P W.D.C. 805. **280.** Permanent government buildings may be sold or dismantled under the orders of the local Government

or any subordinate authority to whom power has been delegated.

Temporary buildings erected during the construction of a work may, under the sanction, previously obtained, of the superintending engineer, be sold or dismantled on the completion of the work or when the purpose for which they were erected has been served. It is the duty of the divisional officer to report when, in his opinion, any building or other property of the Government in his charge ought to be sold or dismantled.

V—Hire of office accommodation for officers

281. (1) The superintending engineers may fix the amount of rent for their office accommodation within the following limits, any higher rent being fixed by the local Government : P.W.D.C 306.

When the accommodation is provided in a separate building	Rs.100 a month.
When the accommodation provided in a building partly used as a private residence ..	One half the total rent subject to a maximum of Rs.45 a month.

(2) When it is necessary to hire a separate building for the accommodation of offices of superintendents of works or divisional officers, the amount of office rent to be paid by Government will be fixed by the superintending engineer, up to a maximum of Rs.100 per mensem, any higher rent being fixed by the local Government.

(3) When divisional officers and superintendents of works provide accommodation for their offices in the building (not being a government building) in which they reside, they may, under the orders of the superintending engineer, be allowed to draw office rent up to Rs.30 a month, chargeable in the monthly contingent bill. In special cases the office rent may, at the discretion of the superintending engineer, be increased to a maximum of Rs.45 a month; but in no case should it exceed half the rent of the whole house subject to the same maximum.

(4) When a sub-divisional office is necessarily accommodated in the sub-divisional officer's residence (not being a Government building), the sub-divisional officer may, under the sanction of the superintending engineer, be allowed a fair proportion of the rent actually paid for

the house he occupies on account of the accommodation which he necessarily has to provide for the office establishment attached to his sub-division, up to a maximum of Rs.20 per mensem. The superintending engineer may fix a higher rent up to one-half total rent subject to a maximum of Rs.45 on the following conditions :

(i) In calculating the accommodation set apart for office purposes, no allowance should be made for a separate room, apart from the office, to be occupied by the sub-divisional officer.

(ii) The sub-divisional officer's immediate superior must certify both as to the amount of necessary accommodation and that it is actually available and suitable in the house in question.

(iii) He must also certify that no Government building is available, and that no suitable separate building can be hired for the purpose at a less cost.

If the building is a private one, the rent to be paid by Government should be limited to one-third its actual rent and to Rs.20 per mensem. In the case of a building hired specially as a sub-divisional office, the rent to be paid will be fixed by the superintending engineer up to a maximum of Rs.20 per mensem. In special cases the superintending engineer may fix a higher rent not exceeding Rs.100 per mensem, any higher rent being fixed by the Government.

NOTE—When it is found necessary to hire a private building for use as an office, or combined office and residence, a lease should invariably be executed. The lease should be executed on the standard form drawn up by government conveyancer, or where such a standard form does exist, the draft of the lease should be drawn up in consultation with that officer.

VI—Renting of buildings

P.W.D.C. 309

282. No government building in charge of the department may be occupied as a private residence without the consent of the divisional officer except under the orders of superior officers or of the local Government. *See* also paragraphs 290 and 290A of this Volume.

P.W.D. 310

283. On no account is a church, chapel, mosque, temple, tomb or other building devoted to religious use, to be occupied as a dwelling house or for any other pur-

pose without the consent of the principal civil or political authority on the spot, *see* also paragraph 384.

VII—Taxes

284. Municipal taxes on Public Works buildings or buildings occupied as residences are payable by the department occupying them and are debitable to that department. In the case of buildings occupied as residences, taxes which are by local rule or custom ordinarily leviable on tenants should be paid, subject to note 1 below, by the occupant during the term of his occupancy, even though he be entitled to quarters rent-free. If by local rule or custom the tax is chargeable to the owner it will be payable by the Government and will be ordinarily adjusted as part of the cost of maintenance. [*See* Fundamental Rules 45A-III (*a*) and (*b*) and 45B-III (*a*) and (*b*).] The responsibility for the acceptance of the assessment rests with the divisional officer in charge of the building, and, on the divisional officer recording his acceptance, the payment will be arranged for by the department concerned. If the assessment appears unduly high, proceedings should be taken to obtain redress under the ordinary municipal law, and recourse should not ordinarily be had to the special provisions of Act XI of 1881. No municipal cantonment taxable on government buildings situated in Volume V of the Handbook of Appendix X to

P.W.D.C. 311.

Note 1—(*a*) Taxes which are levied by local rule or custom are treated by the Government as part of the rent. Thus, if the building is occupied by a government servant who pays rent for the same, the amount due from him for rent *plus* owner's taxes is limited to 10 per cent. of his emoluments. If the building is occupied by a government servant rent-free, no part of the owner's taxes is recovered from him.

(*b*) As regards taxes which by local rule or custom are recoverable from tenants and may thus be considered as service taxes, the following rules apply:

(*i*) Such taxes must be paid by the government servant occupying a government building without payment of rent.

(*ii*) Exemptions from the payment of such taxes or reduction on the amount of the taxes in cases in which government servants, who by reason of the nature of their duties occupy more expensive residences than they would if they were left to make their own arrangements, require the sanctions of the local Government. If owing to changes of government servants there is likely to be difficulty in recovery, the local Government may fix a lump sum for recovery in the case of each residence. But charges which are levied not on the basis of rental but as payment for a definite amount of service rendered, *e.g.*, the quantity of water or electric light supplied, must be paid in full by the occupants.

(*c*) In cases in which the amount of tax payable to the municipality in respect of a building has to be borne partly by the government servant

occupying the building and partly by the Government, the tax will be paid in full by the Government in the first instance and the amount payable by the government servant will be recovered from him.

NOTE 2—For further instructions regarding the payment of municipal taxes *see* Appendix 46 of the Buildings and Roads Branch Manual of Orders.

NOTE 3—Recourse to the special provisions of Act XI of 1881 should be had only when an amicable (though possibly arbitrary) settlement with the local authority has failed in cases when the property to be assessed is, from its nature, such as not to admit of the application of ordinary principles in assessing the payment thereon of any particular tax, *e.g.*, when the assessment is on the letting value, and the property is of such a nature that it is difficult to conceive its being let and impossible to form any estimate of the rent that would be obtained for it if the Government offered to let it.

P.W.D.C 312. **285.** In the case of official residences of the Governor the taxes are paid by the Public Works Department and not from the Governor's contract grant.

VIII—Sanitary, water-supply and electrical installations

P.W.D.C. 313. **286.** All works and repairs in connexion with sanitary, water-supply and electrical installations to government buildings under the control of the department should be carried out by, or through the agency of, the deparment, except in special cases under the orders of the local Government. (*See* also paragraphs 276 and 277 of Volume V of the Handbook.)

IX—Buildings of hist[illegible] (1) of Appendix I-B.

P.W.D.C [illegible] X—Registers and plans of buildings

(*a*) REGISTER OF BUILDINGS

P.W.D.C. 315. **288.** Each superintending engineer will keep a register (in form no. 28 of Volume V of the Handbook) of all buildings in charge of the department within his cricle, and each divisional officer a similar register of all the buildings within his division. In these registers the value of the land comprised in a property will be shown separately from the value of the building or buildings thereon the value of each separate structure being also shown separately. In the case of a purchased property the price paid will be apportioned between the various items comprising the property, *e.g.*, land, main building, servants' quarters, compound wall, well, etc.

(*b*) PLANS OF BUILDINGS

289. In case of buildings and works borne on the returns of the department the divisional officer will be held responsible that plans of such buildings are corrected on completion of any alterations. P. W.D.C. 31 9.

XI—Terms of Occupation of Government Residences

290. The rules regarding the occupation of government residences contained in paragraph 291B and 291C of Volume V of the Handbook should be strictly followed.

XII—Renting of non-residential buildings

290A. Rules contained in paragraph 291D of Volume V of the Handbook, should be followed when a non-residential building is let to a private person for residential or business purposes or is allotted to a government servant as a residence. If a lease of the building is granted under paragraph 291D of Volume V, it will be sanctioned by the Superintending Engineer, while the rent will be sanctioned by the Executive Engineer.

CHAPTER XI

Revenue Receipts

A—GENERAL

P.W.A.C. 248.

291. Departmental revenue is assessed and realized in accordance with rules prescribed by the Local Government in the Irrigation and the Buildings and Roads Manuals of Orders. When collected, it should be correctly brought to account in accordance with the classification prescribed in Appendix I.

P.W.A.C. 249.

292. Consistently with the provisions of the rule in this chapter, the detailed rules of account procedure relating to revenue receipts have been prescribed by the authorities of the department and will be found in the Manuals of Orders above referred to. *See* also paragraphs 67, 73 and 78.

P.W.A.C. 250.

293. Distinction must be made between receipts which are finally creditable to the revenues of the Province as departmental revenue and transactions which represent merely such cash or other value received as has either to be eventually repaid or to be utilized to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipts of the latter class are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter ; *see* also statement E of Appendix I.

1. For appropriation of unclaimed balances lying in the deposit accounts, *see* paragraph 622.

2. Receipts in connexion with municipal and district fund works which are realized by officers of the department are creditable to the head "Deposits of local funds" under the local ledger head concerned.

P.W.A.C. 251

294. (*a*) It is not permissible, except in the case of storage on sales of stock on credit, to credit revenue to the head concerned until it is realized, but divisional officers are responsible that demands are made as revenue falls due, that steps are taken with a view to effect prompt realization of all revenue, regular or occasional, and that proper records are kept to show, in respect of all items

of revenue, recurring or non-recurring, the assessments made, the progress of recovery and the outstandings debts.

The object of this rule is that all classes of revenue, whether accruing from property of any kind, from leases of rights and concessions (e.g., rights for fishing, grazing, etc., and use of water-power) or from any other source are properly watched.

(*b*) The recovery of all debts should receive the special attention of the divisional officer and no debts should be remitted or written off except under the orders of competent authority.

B—IRRIGATION REVENUE COLLECTED IN THE CIVIL DEPARTMENT

P.W.A.C. 252.

295. When revenue from irrigation works is realized in the civil department, the procedure described below should be observed :

(*a*) The collections made in the civil department are paid direct into treasuries. They are brought to account to the credit of the revenue heads concerned in the Principal Auditors' office without being passed on to the divisional officer for adjustment.

(*b*) The divisional officer receives from the collector a monthly statement of the amounts realized, to enable him to watch the progress of recovery against demands or assessments.

(*c*) The divisional officer should submit to the Principal Auditor half-yearly statements as prescribed in the Irrigation Manual of Orders showing, separately for each civil district, the monthly realizations, as compared with the assessments, in respect of each canal or other work.

(*d*) The Principal Auditor should maintain a register showing, separately for each canal or other work, the monthly realizations pertaining to the different divisions.

(*e*) The Principal Auditor should bring to the notice of the Chief Engineer any marked shortcoming of revenue realizations, as compared with the budget estimate and the assessment of the year, but this will not relieve the authorities of the department of their responsibilities as prescribed in the local rules referred to in paragraph 292.

C—RENTS OF BUILDINGS AND LANDS

I—Demands and Recoveries

(*a*) FROM PRIVATE PERSONS

296. When a public building, land or other property is let to a person not in the service of the Crown, the full assessed rent must be recovered in advance. In the case of public buildings rent will be assessed in the manner laid down in paras. 291B and 291D of volume V of the Handbook. *See* also paras. 290 and 290A of this volume. P.W.A.C. 253.

(*b*) FROM GOVERNMENT SERVANTS AND PENSIONERS

297. The recovery of rents from government servants occupying rentable buildings may be made by deduction from pay bills or in cash as laid down in chapter IV of volume V of the Handbook. The instructions contained in those rules should be carefully observed by the Public Works officers. P.W.A.C. 254.

298. Where rent is recoverable in cash, a bill in suitable form should be sent to the tenant on or before the last day of each month and he should be required to pay in the rent before the expiry of the following month. P.W.A.C. 255.

299. Amounts recovered by treasury officers in the Province will not be passed on to the divisional officer, for adjustment in his accounts, as the Principal Auditor will credit the revenue heads (and canal, etc.,) concerned, direct in his own books. The divisional officer should, however, credit the accounts of the tenants in the register of rents of buildings and lands, form no. 49 (paragraph 308), with the recoveries as certified by the treasury officer. P.W.A.C. 257.

1. The Principal Auditor will forward to the divisional office for verification the statements in form no. 3 of volume V of the Handbook received during a month, in his office with the accounts of ten per cent. of the treasuries selected by him. The divisional accountant should compare these statements with the corresponding entries in the register of rents of buildings and lands (form no. 49), see that no statement pertaining to that treasury has been omitted to be sent by the Principal Auditor and take steps to revise the assessment of rents of government servants whose rates of emoluments have been altered by the Principal Auditor.

300. Recoveries made by other treasury officers and disbursing officers should be credited to the accounts P.W.A.C. 258.

of tenants in the register of rents of buildings and lands, form no. 49, and adjusted in the divisional accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them, without waiting for the intimation of the corresponding credit from the Principal Auditor, *vide* rule 1 to paragraph 654.

Statements received from disbursing officers and submitted to the Principal Auditor along with the divisional accounts will be sent periodically to the audit officers of the circles or departments concerned for verification, and the procedure indicated in rule 1 under paragraph 299 will then be followed in respect of the verified statements.

P.W.A.C. 259.

301. A tenant who is a government pensioner, should be treated as a private individual for the purpose of these rules. But if he desires to make payments by deductions from his pension, recoveries from him may be made through the treasury officer or other disbursing officer concerned, on the pensioner furnishing the divisional officer with a written request authorizing such deduction. This authority should be transmitted to the treasury or disbursing officer with the first demand.

D—REFUNDS AND REMISSIONS

P.W.A.C. 262.

302. Remissions of irrigation revenue allowed before collection should be treated as reductions of demands. Cash repayments of such revenue after collection should be taken in reduction of receipts and debited to the sub-head '*Deduct*—Refunds' under the minor head 'Direct receipts'; *see* Appendix I.

P.W.A.C. 263.

303. Before a remission or refund of any kind, otherwise in order, is allowed, the original demand or realization, as the case may be, should be traced and a reference to the remission or repayment should be so recorded against the original entry in the cash book and other accounts as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should be taken back if possible and destroyed, a note of the repayment being, in any case, recorded on the counterfoil of the receipt.

303A. All proposals involving the remission or write off of rents of residential buildings should be dealt with in the manner laid down in paras. 291 and 291-A of the Financial Handbook, Volume V.

(*d*) APPROPRIATION AND RE-APPROPRIATION

319. *See paragraphs 113 and 114.*

C–LIMITATION OF SANCTION

P.W.D.C. 183.

320. The powers of departments of the Government and of subordinate authorities to sanction expenditure on works will be found in the Book of Financial Powers, Volume I of the Handbook.

C.P.W.C. 59.

321. A group of works which forms one project shall be considered as one work and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of a particular authority.

While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned, if the cost of all such works collectively exceeds his power of sanction, it is not the intention that two or more works should be regarded as forming part of a group of works merely because they are of the same nature, if they are otherwise mutually independent.

D–REQUISITION BY CIVIL OFFICERS

I—General

P.W.D.C. 184.

322. Applications for new buildings, and for additions or alterations to existing buildings required for the use of any department should be made by the officer of the department concerned, in communication with the divisional officer, *see* also paragraph 318 *et seq.*

P.W.D.C. 185.

323. The local head of a civil department may call upon the divisional officer to report on any proposals for additions or alterations to the buildings in his use, the execution of which is likely to be entrusted to the department and to state roughly the probable cost; but divisional officers cannot be required, except by their departmental superiors, to prepare the detailed drawings and estimates, required for the purpose of technical sanction, of projects which they consider likely to cost a sum greater than that which can be administratively approved by the local head of the department concerned, or those, however, small their probable cost, in the necessity for which they do not concur.

324. The divisional officer must in each case exercise his judgment on the demand made, giving all proper weight to the opinions of the officers of the departments concerned; but it is his duty to oppose any application of the funds at his disposal, to works of the real necessity for which he is not satisfied and in every case in which he thinks that he cannot recommend the execution of a work called for by a duly constituted authority, he should explain his objections to the officer concerned, and, if he fails to convince him, he should refer the matter for the orders of the superintending engineer. At the same time he is responsible that such references are not made unnecessarily. P.W.D.C. 186

325. The actual execution of works, asked for by civil officers, must in every case be dependent on the necessary funds being available. *See* also paragraph 294 of Volume V of Handbook. P.W.D.C. 187

II—Works relating to Official Residences of the Governor

326. The procedureto be followed in connexion with works relating to these residences are laid down in the rules reproduced in Part II of Appendix VI.

III—Procedure in regard to original petty works

327. Under paragraph 296 of Volume V of the Handbook an officer of a civil department may in special cases, arrange for the execution of petty works by the Public Works Department. In such cases the following procedure will be adopted : P.W.D.C. 188

I—The requisition will be made by the officer, for whose convenience the work is required, in form no. 32.

II—The divisional officer, or an assistant or subordinate empowered by him to act in such cases, will record on the requisition his opinion as to what work should be done, and give on the face of the requisition a rough estimate of the probable cost.

III—The acceptance by the responsible civil officer of the estimate as sanctioned by the divisional officer will be sufficient authority for the execution of the work.

IV—In case the civil officer is not satisfied with the report of the deputed subordinate of the department he should refer the matter to the divisional officer.

IV—Procedure in regard to original minor and major works

328. The following procedure will be adopted by the divisional officer for the execution of such civil works as are to be constructed by the department under the provisions of the rules in paragraphs 264 and 297 of Volume V of the Handbook :

I—The divisional officer, on receipt of sanction of the Local Government, will call for, from the local officer, all necessary data to enable him to prepare either a preliminary proposal or a detailed estimate as he may deem necessary and submit the same for administrative approval to the authority competent to accord such approval.

II—On receipt of the administrative approval, the divisional officer should take necessary steps for the preparation of a detailed estimate, if not already done, and for its technical sanction by the competent authority.

III—After the estimate is technically sanctioned, the divisional officer will execute the work under the provisions of paragraph 294 of Volume V of the Handbook.

E—PREPARATION OF PROJECTS

I—General

P.W.D.C. 192.

329. The papers to be submitted with the project for a work will consist of a report, a specification and a detailed statement of measurements, quantities and rates, with an abstract showing the total estimated cost of each item. These documents together form what is called "the estimate" in these rules. In the case of a project consisting of several works, the report may be a single document for all the works and likewise the specification; but details of measurements and abstracts may conveniently be prepared for each work, supplemented by a general abstract bringing the whole together. In the case of estimates for "Repairs" or "Maintenance," only the specification and the detailed statement of measurements and quantities with the abstracts will ordinarily be required. The report should state in clear terms he object to be gained by the execution of the

work estimated for, and explain the peculiarities which require elucidation, including, where necessary, the reasons for the adoption of the estimated project or design in preference to others.

330. The abstract of the estimate will show the total cost, in rupees only, of each kind of work, the only exception to this rule being the case of miscellaneous petty works which may be entered in the abstract without measurements, the estimated cost being alone given. P.W.D.C. 194.

331. The abstract of the estimate may, under instructions of the superintending engineer, be framed to show merely the quantity and cost of each completed item of artificer's work, e.g., brickwork, or it may be framed to show the cost of labour and materials separately. The adoption of either form of abstract should be determined with reference to the mode in which it is proposed to carry out the work. If it is proposed to contract for the completed item of artificer's work, such as masonry, etc., then the first mentioned form of abstract will suffice; if it is intended to purchase or procure materials and to employ labour for construction separately, then the second form of abstract will admit of a closer, easier and, earlier check on the outlay and it will therefore be preferable. P.W.D.C. 195.

332. In addition to the usual charge of 5 per cent. for unforeseen contingencies, all incidental expenditure which can be foreseen, such as compensation for or cost of land, sheds for workmen and stores, should be separately provided for in the estimate. The provision for contingencies may not be diverted to any new work or repair which is not provided for in the estimate, and of which the cost exceeds Rs. 2,500, without the sanction of the superintending engineer. P.W.D.C. 196.

333. The rules regulating the inclusion in estimates of the approximate cost of establishment and tools and plant will be found, in respect of irrigation projects, in paragraph 336, and in respect of other works in Appendix V. P.W.D.C. 197.

334. Estimates for works on which it is intended to use prison labour will, as in the case of free labour, provide for the full market, value of the work to be done, but a note of the reduction, if any, to be effected thereby should be made at the foot of the abstract of the estimate. P W.D.C. 198.

P.W.D.C. 209

335. The following procedure will be followed in preparing and submitting schemes for roads financed from the Central Road Fund which are sanctioned by the Central Government :

"(1) A brief memorandum should accompany the scheme giving a general description of the project and its position.

(2) A copy of the standard road map of the Province should be sent with the position of the scheme clearly marked thereon unless the memorandum or description of the project will enable the precise position to be identified in the standard road map already with the Central Government.

(3) The railway administration concerned with the scheme should be fully and freely consulted from the early stages and should be furnished with the full particulars of the scheme. The views of the railway administration and the provincial Board of Communications should accompany the proposals sent to the Central Government."

335-A. When the preparation of an estimate is entrusted to a firm of architects or consulting engineers the scale of fees laid down in Annexure A to paragraph 305 of the financial Handbook, Volume V, shall apply.

II—Estimates for Irrigation works

P.W.D.C. 215.

336. (i) The complete estimates for an irrigation project should include indirect as well as direct charges. The main headings are as follows:

Direct charges	1. Works. 2. Establishment. 3. Tools and plant (ordinary). 4. Provision for leave salary and pensionary charges—11 per cent.
Indirect charges	Capitalization of abatement of land revenue on area occupied by works.

(ii) The items included under the head "Works" should be classified under the prescribed main and subsidiary heads of account.

(iii) The cost of surveys, including expenditure incurred prior to the submission of the project, should be included in the estimate.

(iv) The provision to be made for establishment and tools and plant should ordinarily include 20 per cent. on the estimate of works outlay for establishment, $2\frac{1}{2}$

per cent. for tools and plant and 1 per cent. for audit and accounts. Other percentages for establishment and tools and plant may be adopted with the sanction of Government if found to approximate more nearly to actuals, provided that the percentages adopted are justified by comparison with past actuals.

1. This rule will not apply to any large irrigation project which it is known will constitute the sole charge of one or more superintending engineers. The estimate for such a project should provide for actual anticipated charges on account of superintending engineers and other establishment, *plus* a suitable charge on account of the cost of the Chief Engineer's establishment and the usual 1 per cent. on the estimate of works outlay for audit and accounts, as also the actual anticipated cost of tools and plant.

2. In the case of irrigation projects, for which neither capital nor revenue accounts are kept, it is unnecessary, except in the case of large surveys for new irrigation projects referred to in clause (v) below, to enter provision for establishment and tools and plant in the estimate unless, for any reasons, it may be deemed desirable to do so in order to forecast the ultimate result of the project.

NOTES 1. Auditor General has ruled that the method of allocation of establishment charges to Capital at 20 per cent. on the works outlay as laid down in clause (iv) above unnecessarily increases capital expenditure and makes schemes of new channels or extensions of channels, which are really remunerative appear unremunerative and consequently difficult of acceptance by the Finance Department. He has accordingly agreed to the procedure that, with effect from the year 1937-38, if such capital works are constructed in a revenue division, only the actual cost of additional establishment entertained for such works should be debited to capital and provided for in the construction estimates instead of the percentage charges on account of establishment as at present laid down.

2. Other overhead charges as indicated in the accompanying sample from (Form A) should continue to be provided in the estimates referred to in paragraph 1.

3. In order to enable the Accountant General, United Provinces, to allocate correctly the above establishment charges to Capital the following instructions are issued:

(*a*) Separate salary and travelling allowance bills should be prepared for the additional establishment employed. The name of the project the major head of account and authority should be entered in red ink on the top of the establishment bills.

(*b*) The contingent charges paid to such establishment should be billed for separately and charged to Capital.

(*c*) Provision for the additional establishment required for the construction of capital works should be made separately in the establishment budget under the primary units, salary, travelling allowance and contingencies.

The following information should be noted against such provision :
(1) Name of work.
(2) Name of project.
(3) Authority.

(v) Estimates for large surveys for new irrigation projects should, however, provide only for a charge of 5 per cent. on the cost of special establishment to cover the supervision charges thereon.

FORM A

(*Referred to in note* (2) *under para.* 336)

——Canal——Division

Project for the construction of——*Minor*

GENERAL ABSTRACT OF COST

68-A. Construction of Irrigation Works, the cost of which is met from Loan Funds— (1) Productive Works—1. Works— (3) Distributories.

Class	Main head	Sub-head	Details	Quantities	Rate		Amount	Total
					Rs.	Per	Rs.	Rs.
		A—Preliminary.	Levelling and setting out.	3 miles	10	mile	30	
			Jungle clearance	3 „	10	„	30	
			Contingencies ..	Rs. 60	5	%	3	63
		B—Land.	Permanent land	7 acres	250	acre	1,750	
			Contingencies ..	1,750	5	%	88	
								1,838
		C—Works.	As per schedule of masonry works.					3,000
				4 lakhs c.ft.	4	%	1,600	
		L—Earth work.	Earth work ..					
			Contingencies ..	1,600	5	5 %	80	
								1,680
		Miscellaneous.	Mile stones ..	3 nos.	10	each	30	
			Furlong and boundary stones ..	55 „	3	„	165	
			Bed bars ..	18 „	5	„	90	
			G. I. pipes ..	150	r. ft.	1/12	263	
			Contingencies ..	548	„	Rs. 5%	27	575
								7,156
			Total works ..					
			DIRECT CHARGES *Establishment charges*					
			Overseer for 6 months.	1	100	month	600	
			Travelling allowance.		Lump sum		200	
			Contingencies ..				50	
			Total ..				850	
			Leave and Pensionary charges	850	11	%	94	
			Tools and Plant ..	7,156	2 1/2	%	179	
			Total Direct charges.					1,123
			INDIRECT CHARGES					
			Audit and Accounts	7,156	1	%	72	
			Capitalized abatement of land revenue for 20 years at Rs. 5 per acre per year	7 acres	100	acre	700	
			Total, Indirect charges.					772
			GRAND TOTAL ..					9,051

III—Repairs

(*a*) General

337. Repairs are ordinarily of three kinds: *first,* those which as a matter of regulation are carried out periodically, and which are usually of the same quantity from time to time, such as the painting and whitewashing of a building or a new coating of metal on a road; *second,* those which are not done as a matter of regulation periodically, but which it is convenient to carry out, so far as may be necessary, at the time of periodical repairs; and *third,* such occasional or petty, repairs as become necessary from time to time, and which may have to be carried out between the times of periodical repair. P.W.D.C 220

338. Except in the cases contemplated in paragraph 349, provision for repairs of the first two kinds should be made in annual estimates, and for the third kind in separate requisitions as the occasion may require. P.W.D.C. 221.

339. A separate estimate should be prepared for the maintenance of each work, or of each class of building in each district, or of a portion of a work or group of works as detailed in the budget. Attention to this point is necessary, for in the principal accounts the total outlay against each estimate being alone posted, it is only by recording the outlay year after year on the maintenance of each particular set of buildings or works that useful comparisons can be made. P.W.D.C. 222.

340. Each ordinary annual maintenance or repair estimate should include the whole expenditure which it is anticipated will be incurred during the financial year on the maintenance of the work concerned. P.W.D.C. 223.

341. Repairs estimates should, like those for original works, provide for the removal of all rubbish which may have accumulated, filling in unsightly pits etc., round the buildings; all works establishment employed specially on the work ; and, under separate sub-heads, all watchmen sanctioned by competent authority for the care of vacant buildings, guarding works, working sluices, etc. P.W.D.C. 224.

NOTE 1. The pay of inspection house chowkidars of the department is charged to the repairs estimates of the buildings concerned and not to establishment contingencies.

NOTE 2. The duty of cleaning the compounds of residential buildings develves on the tenants. Such charges should not, therefore, be provided for in the repairs estimates of those buildings.

P.W.D.C. 225.

342. The sanction to an ordinary repair estimate lapses on the last day of the financial year. If, however, inconvenience would arise in any exceptional case from the stoppage of the work at the end of the year, the repairs may be carried on to completion, the expenditure incurred in the new year being treated as expenditure against a fresh estimate for the next financial year.

P.W.D.C. 226.

343. Estimates for special repairs remain current till the completion of the repairs in the same manner as estimates for original works.

Exception—In the Buildings and Roads Branch, estimate for special repairs to road communications, including bridges, culverts and inspection houses, shall remain current from October 1 to September 30, after which date they shall be definitely closed and the unspent balances reported as available for reappropriation.

NOTE—When an item of special repairs is of such a nature that the work cannot be completed within the specified period (October 1 to September 30) a separate estimate should be prepared for that item and the sanction of the Superintending Engineer obtained to keep the estimate open till the work has been completed. This sanction should be communicated to the Accountant General.

P.W.D.C. 227.

344. In cases of urgency, the superintending engineer may authorize the commencement of periodical repairs in anticipation of the formal sanction to the estimate; but in such cases an approximate sum must be fixed, to the expenditure of which sanction is provisionally given, and the divisional officer will be responsible that the regular estimate is submitted at the earliest possible date.

P.W.D.C. 228.

345. In the case of descriptions of work, for the renewal of which any specific period of time has been fixed, the estimate for its repair should show the date when such item of work was last executed.

(*b*) SPECIAL RULES

(*i*) *Buildings*

P.W.D.C. 230.

346. The method of arriving at the valuation of a building with reference to repairs, is prescribed by the Local Government in the Public Works Department, subject to the proviso that the value assigned to any given building should not exceed the sum that would be arrived at were the approximate rate per superficial foot of plinth area for that class of building applied to it.

347. Where municipal or other taxes on Government buildings are payable by the government, provision for such taxes should be made in the annual repair estimate. P.W.D.C. 232.

348. The cost of petty works, such as replacement of bulbs, shades, etc., and repairs to fans and other fittings required at occasional intervals in connexion with an electrical installation in a building is ordinarily chargeable to the annual repairs grant provided for that installation.

NOTE—Bulbs are not to be treated as part of electric fittings in the case of residential buildings. *see* subsidiary rule 19E in volume II of the Handbook.

349. In the case of any building the cost of the ordinary annual repairs (excluding municipal taxes) to which is less than Rs. 2,500, the superintending engineer may prescribe, subject to revision from time to time, a lump sum limited to Rs. 2,500 (*plus* the amount of the municipal taxes, if any, payable by the government under paragraph 284 of these rules) for any one building, to cover the cost of maintenance, and within this amount expenditure will be permissible without any detailed estimate being prepared. Such lump sum should be framed after consideration of the cost of maintenance in the past and, in the case of residential buildings, should further be limited to the amount included for this purpose in the rent assessment. If in any working year the estimated cost of maintenance is more than the permissible limit given above, or if the lump sum sanctioned by the superintending engineer is exceeded, a detailed estimate must be prepared in accordance with the ordinary rules and be sanctioned by competent authority. When submitting their detailed or lump sum estimates for residential buildings, the Executive Engineers should certify that the amount is not greater than the sum allowed in the rent statement. In cases where they demand more than the normal grant, they must give their reasons." On sanction being accorded to such an estimate, the sanction of the superintending engineer to the lump sum provision will automatically be superseded for the working year in question. P.W.D.C. 233.

1. The sanction accorded to the lump sum provision referred to in this paragraph shall be held to be a sanction to an estimate for the same amount for all purposes of these rules.

2. Divisional lists of buildings the annual repairs estimates for which are less than Rs. 2,500 each, should be submitted in quadruplicate for the sanction of the deputy chief engineer early in April each year. One copy of the sanctioned list will be returned to the divisional officer, one retained by the deputy chief engineer and the other two will be forwarded to the Principal Auditor.

(*ii*) *Roads*

P.W.D.C. 234.

350. Unless metal is to be obtained by purchase or contract, delivered on the road, the estimate should show the proposed cost, divided under "cost of collection" and "carriage"; if the metal is to be manufactured the probable outlay on each sub-head of the operation should be shown distinct from carriage.

F—CONTRACTS

I—General

P.W.D.C. 235.

351. The recognized systems for carrying out work, otherwise than by the employment of daily labour are "Piece-work" and "Contract work." Piece-work is that for which only a rate is agreed upon without reference to the total quantity of work to be done or the quantity to be done within a given period. The term "contract", as used in these rules, does not include agreements for the execution of work by piece-work, nor does it include mere ordinary purchases of materials or stores. All other work done under agreement is termed "Contract work", and in agreements for such work, which should invariably be in writing, there should generally be a stipulation as to the quantity of work to be done and the time within which it is to be completed.

352. In the Irrigation Branch of the department a system of execution of works on "work orders" is in force. Rules on the subject are contained in Appendix VII.

353. Rules regarding the execution of works in lump sum contracts, will be found in paragraphs 405, 406 and 533 to 547.

P.W.D.C. 236.

354. A manual for the guidance of officers of the department in their relations with contractors has been published for the general guidance and assistance of executive officers. The instructions contained in it must, however, be followed subject to a reference to competent authority before entering upon legal proceedings.

355. The general instruction contained in Appendix XIX to Vol. V of the Handbook for the guidance of departmental officers entering into contracts should also be carefully followed.

II—Contract documents

356. Before a work is given out on contract the divisional officer must prepare "contract documents" to include— P.W.D.C. 237.

(1) A complete set of drawings showing the general dimensions of the proposed work and, so far as necessary, details of the various parts.

(2) A complete specification of the work to be done and of the materials to be used unless reference can be made to some standard specification

(3) A schedule of the quantities of the various descriptions of work.

(4) A set of "conditions of contract" to be complied with by the person whose tender may be accepted.

357. If the amount of the tender is likely to be beyond the divisional officer's power of acceptance, or to be of an unusual character, he should, before publicly inviting tenders, submit the contract documents to the superintending engineer for his approval or remarks, together with a copy of the proposed advertisement for tenders, and the form in which tenders are to be submitted. If the amount of tender is likely to exceed the superintending engineer's power of acceptance, or to be of a very special nature, that officer should, in like manner, submit the contract documents to the Chief Engineer for approval. P.W.D.C. 238.

358. In works of great magnitude the contract deeds should be specially prepared by the government law officers, but for ordinary contracts, including all such as are based on tenders which a superintending engineer is competent to accept, such ordinary forms as may have been approved by the Local Government will generally suffice. P.W.D.C. 239.

359. Estimates and amounts of sanctions are to be treated as strictly confidential and officers of the department are forbidden from communicating them to any contractor, piece-worker or prospective tenderer.

NOTE—The restrictions imposed in this paragraph do not apply to percentage rate tenders.

III—Tenders

P.W.D.C. 240.

360. Tenders, which should always be sealed, should invariably be invited in the most open and public manner possible, whether by advertisement in the Government Gazette or local newspapers, or by notice in English and the Vernacular posted in public places, and tenderers should have free access to the contract documents. The notice should in all cases state—

(1) The place where an dthe time when the contract documents can be seen, and the blank forms of tender obtained ; also the amount, if any, to be paid for such forms of tender.

(2) The place where, the date on which and the time when tenders are to be submitted and are to be opened (in the case of large contracts this should be at least one month after the date of first advertisement or notice).

(3) The amount of earnest money to be deposited and the amount and nature of the security deposit required in the case of the accepted tender.

(4) With whom or what authority the acceptance of the tender will rest.

Authority should always be reserved to reject any or all of the tenders so received without the assignment of a reason, and this should be expressly stated in the advertisement.

P.W.D.C. 241.

361. At the advertised time and place all tenders received for the same contract should be opened by the divisional officer or other officer in person, in the presence of such of the intending contractors or their agents as may choose to attend. No tender should be accepted from any person directly or indirectly connected with a service of the Crown.

P.W.D.C. 242.

362. As a rule no tender for the execution of works of any description should be entertained unless accompanied by earnest money paid to the extent which has been notified as necessary by the divisional or other officer. But in the case of works costing less than Rs.10,000, the divisional or other officer may, at his discretion, demand earnest money only from the contractor whose tender has been accepted.

Tenders for road metal collections costing less than Rs. 5,000 may be accepted without earnest money at the discretion of the divisional officer.

363. The amount of earnest money to be deposited should be sufficiently large to be a security against loss, in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case may be. P.W.D.C. 243.

364. Usually the lowest tender should be accepted, unless there be some objection to the capability of the contractor, the security offered by him, or his execution of former work. At the same time the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted, and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. In cases where the lowest tender is not accepted, reasons should, however, be recorded confidentially. In selecting the tender to be accepted the financial status of the individuals and firms tendering should be taken into consideration in addition to all other relevant factors. P.W.D.C. 244.

IV—Security for performance of contracts

365. Security for the due fulfilment of the contract should invariably be taken. The security may take the form of a cash deposit, a deposit of interest bearing securities, a deduction of 10 per cent. from the payments to be made on account of work done, or a personal bond of two persons of known probity and wealth. C.P.W.C. 89(*e*).

1. When earnest money tendered under paragraph 363 is converted into security deposit, it should be taken into account for the purpose of the deduction made under this rule, e.g., when 10 per cent. of the first monthly payment is less than the amount of earnest money no deduction will be made from it (the deduction will commence from the subsequent payment) but when it is more, only the differences between it and the earnest money will be deducted from the bill towards the security deposit.

2. Fixed deposit receipts of all the branches situated in the United Provinces of the following banks should, if offered, be accepted as security from contractors who are required to furnish security to ensure the proper execution of Government work that may be entrusted to them subject to the conditions laid down in para. 614(*e*):

(1) The Punjab National Bank Limited.
(2) The Bharat Bank Limited.
(3) The Calcutta Commercial Bank Limited.
(4) The Hindustan Commercial Bank Limited.
(5) The Calcutta National Bank Limited.
(6) The Bareilly Corporation (Bank) Limited,
(7) The New Bank of India Limited.
(8) The National Bank of Lahore Limited.
(9) The Oriental Bank of Commerce Limited, Lahore.
(10) The United Provinces Provincial Co-operative Bank Limited, Lucknow.
(11) The Comilla Banking Corporation Limited,

V—Provision in contracts for imported stores

P.W.D.C. 246. **366.** In framing contracts of any description it should be laid down that the supply of imported materials if required to any considerable extent, shall be arranged for by the Government. Such stores should either be supplied from the existing government stock or be obtained in accordance with the Stores Purchases Rules. In the case of important construction works let out on contract, such stores may be supplied by the contractor subject to the conditions given in the Stores Purchases Rules. *See* Appendix XVIII, Volume V of the Handbook.

VI—Enforcement of terms of contract

P.W.D.C. 247. **367.** Engineers and their subordinates are responsible that the terms of contracts are strictly enforced and that no act is done tending to nullify or vitiate a contract. All contract deeds must be executed on one or other of the standard forms, but they may be modified to suit local requirements after consultation with the legal advisers of the government. All agreements or security bonds entered into with the department by contractors for the execution of work or for securing the due performance of contracts are exempt from stamp duty.

VII—Officers empowered to execute contracts

P.W.D.C. 248. **368.** No authority lower than an assistant engineer or the officer in charge of a sub-division may accept any tender or make a contract for public works. The officers legally empowered to execute on behalf of the Governor, the different classes of deeds, contracts and other instruments are detailed in Appendix VIII. This power is, however, in each case subject to the departmental rules laying down the powers of officers to enter into contracts.

P.W.D.C. 249. **369.** It is not the intention to prevent the officers mentioned in the preceding paragraph from giving out to different contractors a number of contracts relating to one work, even though such work may be estimated to cost more than the amount up to which they are empowered to accept tenders. But no individual contractor may receive a contract amounting to more than this sum nor, if he has received one contract, may he receive a second in connexion with the same work or estimate

while the first is still in force, if the sum of the contracts exceeds the power of acceptance of the authority concerned.

370. Departures from the rules contained in paragraphs 351 to 369 will be permitted by the Local Government only in unavoidable circumstances. P.W.D.C. 249A.

The following points should be very carefully noted :

I—No authority may enter into a contract into which he is not empowered to enter under paragraph 368 and Appendix VIII, or which infringes the rule in paragraph 369.

II—No authority may accept any contract for a work until an assurance has been received from the authority competent to provide funds for the same, that such funds will be allotted before the liability matures [*vide* paragraph 375 (*a*)].

III—No authority subordinate to the Local Government may waive the provisions of paragraph 366 where the purchase of imported materials contravenes the provisions of the Stores Purchases Rules.

NOTE—Restriction I above does not apply to piece-work agreements which are not contracts within the meaning of these rules, *vide* paragraph 351.

G—SALE AND ACQUISITION OF LAND

I—Sale of Governmnet land and immovable property

371. All Government land and immovable property should ordinarily be sold through the revenue department. P.W.D.C. 250.

372. When any immovable Government property is made over to a local authority for public, religious, educational or any other purposes, the grant should be made expressly on the conditions, in addition to any others that may be settled, that the property shall be liable to be resumed by the Government if used for other than the specific purposes for which it is granted and that, should the property be at any time resumed by the Government, the compensation payable therefore shall in no case exceed the amount (if any) paid to the Government for the grant, together with the cost or their present value, whichever may be less, of any buildings erected or other works executed on the land by the local authority. P.W.D.C. 251.

II—Acquisition of land

C&P.W.C. 86.

373. When land is required for Government use the officer of the department should, in the first instance, consult the chief revenue officer of the district, and obtain from him the fullest possible information as to the probable cost of the land, together with the value of buildings, etc. situated on the property, for which compensation will have to be paid. Upon the information thus obtained, an estimate should be framed by the Public Works officer and submitted for sanction. When sanction to such an estimate has been obtained, the divisional officer or other Public Works officer concerned should refer the matter to the revenue officer who will take the necessary preliminary action for the appropriation of the land under the Land Acquisition Act, or for its acquisition by private negotiation. Should it subsequently be found impossible to obtain the land required without materially exceeding the estimate, or obtain some other plot of land in lieu of that originally proposed, the Public Works officer will submit a revised estimate for sanction. In cases where the amount claimed by the owner is largely in excess of the amount awarded by the revenue officer, possession should not be taken except under the specific orders of the authority sanctioning the work until the time has elapsed within which an appeal may be preferred.

C.P.W.C. 87.

374. All proposals for the occupation of land within cantonment limits, forming part of an encamping ground or otherwise held for the use of the Defence Department, should be submitted in the case of land within cantonment limits, to the cantonment authority and, in other cases, to the General Officer commanding the division or independent brigade. These officers will take the necessary steps to obtain the sanction of the Defence Department of the Central Government to the proposals.

H—Execution of works

I—Commencement of work

P.W.D.C. 258.

375. (*a*) It is a fundamental rule that no work shall be commenced unless a properly detailed design and estimate have been sanctioned, allotment of funds

made, and orders for its commencement issued by competent authority. Permission, granted by the Local Government in orders on a budget estimate, for the retention of an entry of proposed expenditure during the year on a work, conveys no authority for the commencement of outlay. Such permission is granted on the implied understanding that, before any expenditure is incurred, the above conditions will have been fulfilled. Excepting in regard to petty works, as defined in paragraphs 314 and 327, repairs of the nature contemplated in paragraph 349 and in cases of real emergency to be immediately reported and explained to the authorities competent to accord administrative approval and technical sanction, this injunction may not be infringed. On the other hand, the sanction of a design and estimate by the Local Government or any other authority conveys no permission for the commencement of expenditure on the work, unless such expenditure has been provided for in the budget estimate of the year, or provision has been made for the outlay within the financial year either by appropriation or re-appropriation. Similarly no liability may be incurred in connexion with any work until an assurance has been received from the authority competent to provide funds that such funds will be allotted before the liability matures.

(*b*) If in any case, whether on grounds of urgency or otherwise, an officer is required to carry out a work for which no estimates have been sanctioned or for which no appropriation exists (whether estimates have been sanctioned or not) the orders of the officer authorizing the work should be conveyed in writing. On receipt of such written orders the officer who is directed to carry out the work should immediately intimate to the Principal Auditor that he is incurring a liability for which no provision has been made in the budget or the appropriation made is adequate and should, at the same time, state approximately the amount of the liability which it is likely he will incur by compliance with the written orders which he has received. As the Principal Auditor will hold all such expenditure under objection, it is the duty of the officer incurring the expenditure to take immediate steps by addressing the appropriate competent authority to obtain orders either stoping the work or regularizing its execution.

376. In the absence of orders to the contrary from competent authority, a disbursing officer may continue to incur expenditure on the following classes of works from the commencement of a financial year :

I—All original works in progress at the end of the previous financial year.

II—Expenditure on repair works in progress and on ordinary regular repairs.

III—Maintenance of tools and plant and liabilities arising from the previous year in respect of any purchases.

P.W.D.C. 259. **377.** Verbal orders for the commencement work are to be deprecated as being liable to misapprehension, but in cases where such orders are given they should ordinarily be confirmed in writing as soon as possible thereafter.

P.W.D.C. 261. **378.** No work should be commenced on land which has not been duly made over by the responsible civil officers.

II—Scope of sanction

P.W.D.C. 262. **379.** The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

Exception—The above rule does not apply in the case of estimates for special repairs to monsoon damages.

III—Lapse of sanction

C.P.W.C. 77. **380.** The approval or sanction to an estimate for any public work other than annual repairs will unless such work has been commenced cease to operate after a period of five years from the date on which it was accorded (*see* paragraph 342).

The orders contained in this paragraph are special for the Public Works Department, and override, in so far as estimates for works are concerned, the general rule contained in Vol. I of the Handbook.

IV—Alterations in design during constructino

P.W.D.C. 264.

381. No material alteration in sanctioned (still less in standard) designs may be made by a divisional officer in carrying out any work, without the approval of the superintending engineer. Should any alteration of importance, involving additional expense, be considered necessary, a revised or supplementary estimate (*see* paragraphs 394 to 398) should be submitted for sanction. In urgent cases, where the delay thus caused would be inconvenient, an immediate report of the circumstances must be made to the superior authority and dealt with as the case may require. In the case of material modifications of or deviations from a sanctioned estimate it is the duty of the executive officers to see that sanction of the competent authority is obtained.

P.W.D.C. 265.

382. In the case of works, the estimates for which have been sanctioned by the Government in the Finance Department no alterations or additions likely to cause an excess should be permitted without the previous approval of the Government in the Finance Department. In case, the matter is of extreme urgency a telegraphic report of the circumstances should be sent for the orders of the Government in the Finance Department.

NOTE—For the powers of subordinate authorities to sanction emergent repair works, *see* Volume I of the Handbook.

P.W.D.C. 266.

383. Where important structural alterations are contemplated, though not necessarily involving an increased outlay, the orders of the original sanctioning authority should be obtained. A revised estimate should be submitted for technical sanction should the alterations involve any substantial change in the cost of the work.

V—Miscellaneous rules for the execution of works

P.W.D.C. 268.

384. No public edifice should be destroyed or injured in the execution of works without the full and free consent of the persons interested in it, nor without the concurrence of the principal civil or political authority on the spot, unless under the orders of the Local Government (*see* also paragraph 283).

P.W.D.C. 269.

385. All interruptions of large works in progress should be immediately reported to the superintending engineer, the causes and the probable duration of such interruptions being dully explained.

P.W.D.C. 270. **386.** All unusual losses in the manufacture of materials must, on their occurrence, be reported to the superintending engineer.

P.W.D.C. 274. **387.** The superintending engineer may, if he deems it necessary, direct the divisional officer to suspend the commencement or progress of any work pending the orders of the Local Government.

I—EXECUTION OF WORKS BY CIVIL OFFICERS

P.W.D.C. 279. **388.** Rules for the execution of works by officers of civil departments are contained in Chapter XIII of Volume V of the Handbook.

J—CONTRIBUTION WORKS

389. The department may occasionally, with the sanction of the Local Government or other subordinate authority to whom the power may have been delegated, undertake to execute contribution works for which the outlay is provided wholly or in part from—

(*a*) funds of a public nature, but not included in the budget estimates and accounts of the Province;

(*b*) contributions from the public or private individuals.

.C. **390.** Where a work is to be carried out partly from funds provided in the estimates of the department and partly from funds of the foregoing nature, the contribution will be considered as a lump sum in addition to the government grant, and the work executed in strict accordance with the procedure laid down for public works.

P.W.D.C. 282. **391.** The realization of contributions for churches is governed by the Ecclesiastical Rules, published by the Central Government. In other cases the contribution should be realized before any liability is incurred on account of the work. In cases where the Local Government are satisfied that the money will be forthcoming when required, they may authorize the recovery from the contributor by suitable instalments on fixed dates. No interest will be allowed on sums deposited as private contributions for public works.

AMENDMENT TO THE FINANCIAL HAND BOOK, VOLUME VI

~~[illegible]~~ Vide F.D (A-2) Gov. no. A-2/1757/दस-17(3)/54, dated 22/7/74

No. 404

[illegible]h 389 :

Insert the following as note below this paragraph :

[illegible]E--Chief Engineers of Public Works, Irrigation and Local Self-Government Engineering Departments have been delegated power to sanction execution of contribution/deposit work upto Rs.50,000.

(Correction slip no. 404, dated July 22, 1974)
[Vitta (Lekha) Anubhag-2, File no. 17(3)/74]

यू०पी०—एल० 45 सा० (वित्त) (874)—1974—7,000।

392. In cases where the department undertakes to design and construct a work wholly from the sources referred to in paragraph 389, such as a town hall or reservoir for a municipality, or a school or hospital for which funds have been raised by subscription, the following rules will be observed : C. P. W. C. 111

I—The design and estimate will, in the first instance, be drawn up in communication with the party or parties depositing or administering the funds, and must be submitted for the technical sanction of such departmental authority as the extent of the estimate would require in the case of technical sanction to an ordinary public work.

II—Provision must be made to cover the cost of establishment, tools and plant, accounts and audit and pensionary charges at such percentages as are prescribed in Appendix V.

III—Prior to the work being put in hand, a written approval to the estimate and design must be obtained from the authority depositing or administering the funds and an acknowledgment procured to the effect that in undertaking the work the department does not bind itself to complete the work within the amount of the estimate, and that the authority depositing or administering the funds agrees to finance any excess that may occur. Any material alteration in the design must be similarly dealt with.

IV—The necessary funds for the prosecution of the work must be realized and paid into the treasury either in a lump sum or in such instalments and by such dates at the Local Government may decide in each case. No advance from the revenues of the Province for such purpose will be permitted and in a case where the money is paid by instalments, the government will not be responsible for any increase in cost, or damage to the uncompleted work, caused by a temporary stoppage of the work pending receipt of further instalments.

V—It will be the duty of the officer in charge of the work to bring at once to the notice of his superiors and of the local body or individuals any

anticipated excess over the estimate, as well as to provide the fullest information in connexion with the progress of expenditure, so that no responsibility may attach to the government in the event of the work having to be stopped for want of funds.

VI—In undertaking such works it should be arranged that the extent to which the government are responsible in regard to the execution of the work is thoroughly understood both by the parties for whom the work is to be constructed and by the executive officers to whom its construction is to be entrusted.

VII—Where the work is of large magnitude, or there are any special circumstances which seem to render such a course desirable, an agreement should be drawn up under legal advice.

NOTE—For procedure to be followed in respect of ecclesiastical works for construction of which funds have been provided and are administered under the conditions stated in Ecclesiastical Rules, *see* rules (2) and (3) of Appendix IB.

P.W.D.C. 284.

393. It must be distinctly understood that contributions on account of one work can, in no circumstances, be utilized for meeting outlay on account of another work the contributions for which may be in arrears.

K—SUPPLEMENTARY AND REVISED ESTIMATES

I—Supplementary estimates

P.W.D.C. 287.

394. Any development of a project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, must be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the original estimate and the total of the sanction required including the supplementary amount.

II—Revised estimates

P.W.D.C. 288.

395. A revised estimate must be submitted when the sanctioned estimate (*vide* paragraph 379) is likely to be exceeded by more than 5 per cent., either from the rates being found insufficient, or from any cause whatever, except as mentioned in paragraph 394. (*See*, however, paragraph 383).

30)

ACCOUNT RULES [CHAP. XII

er the estimate, as well as to
formation in connexion with
liture, so that no responsibility
vernment in the event of the
pped for want of funds.

g such works it should be
ent to which the government
gard to the execution of the
nderstood both by the parties
to be constructed and by the
hom its construction is to be

rk is of large magnitude, or
circumstances which seem to
esirable, an agreement should
gal advice.

lowed in respect of ecclesiastical works
ve been provided and are administered
siastical Rules, *see* rules (2) and (3) of

nctly understood that contri-
work can, in no circumstances,
ay on account of another work
n may be in arrears.

ND REVISED ESTIMATES

ntary estimates

t of a project thought neces-
gress, which is not fairly con-
ecution of the work as first
ed by a supplementary esti-
ll report of the circumstances
The abstract must show the
stimate and the total of the
g the supplementary amount.

d estimates

te must be submitted when
vide paragraph 379) is likely
han 5 per cent., either from
sufficient, or from any cause
oned in paragraph 394. (*See,*

396. When a revised estimate is submited, it must be accompained by a comparative statement on the form prescribed, and by a report showing the progress made to date. It is the duty alike of the divisional officer and of the superintending engineer to watch carefully the progress of expenditure and to see that a revised estimate is submitted directly the necessity arises. P.W.D.C. 289.

III—Supplementary and revised estimates

397. (*a*) In cases where a substantial section of an original work sanctioned by himself or by a higher authority has been abandoned, or where material deviations from the original proposals are expected to result in substantial savings on the estimate, the superintending engineer must revise the amount of the estimate and intimate both to the Principal Auditor and to the divisional officer that the amount of the expenditure sanction should be reduced accordingly. In cases where the saving is due to material deviations of a structural nature from the design originally approved and the amount of the revised estimate is greater than that up to which the superintending engineer or deputy chief engineer is empowered to sanction estimates technically, a revised technical sanction must be applied for from competent authority. P.W.D.C. 290.

(*b*) If at any time, either before or during the execution of an original work, it is found that the original estimate for it is excessive for reasons other than those mentioned in clause (*a*) above, an officer of rank not lower than divisional officer may sanction a revised estimate for it, even though the amount of such revised estimate may exceed that to which he is ordinarily empowered to accord sanction. When according such sanction he should intimate to the Principal Auditor that the amount of the expenditure sanction should be reduced accordingly.

NOTE—For the purpose of clause (*a*) a substantial section of a project or work shall be considered to have been abandoned, if the estimated cost of the works, as revised, is less than 95 per cent. of the cost of the project or work as originally sanctioned.

IV—Utilization of completion report as revised estimate

398. When excesses occur at such an advanced stage in the construction of a work as to render the submission of a revised estimate purposeless, the excesses, P.W.D.C. 291.

if beyond the power of the divisional officer to pass, may be explained in a completion report, form no. 44, or completion statement prepared under the rules in paragraph 399.

L—COMPLETION REPORTS, CERTIFICATES AND PLANS

I—General

P.W.D.C. 292.

399. (*a*) A consolidated completion statement in form no. 45 should be prepared monthly of all completed works other than those referred to in clause (*b*), the actual expenditure on which is in excess of the sanctioned estimate (*vide* paragraph 379) by an amount greater than that which the divisional officer is empowered to pass. This statement should show for each work or group of works the estimated amount, the outlay and the excess. In cases in which the completion statement is utilized instead of a revised estimate under paragraph 398, sufficient details must be given, if the excess is more than 5 per cent., to satisfy the authority whose sanction is necessary.

(*b*) A detailed completion report in form no. 45 need only be prepared in respect of works on which the outlay has been recorded by sub-heads,

(1) when, if the work was sanctioned by higher authority, the total estimate has been exceeded by more than 5 per cent., and

(2) when, if the work was sanctioned by the divisional officer, the total estimate has been exceeded by an amount greater than that which he is empowered to pass.

This report should give a comparison and explanation of differences between the quantity, rate and cost of the work executed and those entered in the estimate. (*See* also paragraph 379.)

1. The superintending engineer may, if he so desires, require a detailed completion report to be prepared on the completion of any other work.

2. Special rules for the preparation of completion reports of irrigation projects are given in Appendix IX.

II—Works executed on behalf of other departments

P.W.D.C. 293.

400. On the completion of an original work executed on behalf of another department, a completion

certificate in Public Works Department form no. 45B should be forwarded by the divisional officer to the competent authority in the department concerned, who should, after signing it in the space provided for the purpose (*vide* also paragraph 402), return it to the divisional officer.

In the case of repairs, the sub-divisional officer should submit a completion certificate in Public Works Department form no. 45D to the officer of the department immediately interested in the work, who, should after endorsing it with the remark that the work is in "good" order or otherwise, forward it to his departmental superior (if he is not himself the officer competent to sign the certificate). The latter officer should then transmit it to the divisional officer for disposal.

The completion certificate in the case of petty works and repairs will be endorsed on the requisition (form no. 32) and no separate certificate is required.

NOTE—When original works or repairs are executed in respect of a building under the control of the Public Works Department, which is not allotted to any particular officer during the year, the completion certificate in respect of those works may be signed by the Executive Engineer.

401. Officers of the departments requiring the work are required to fill up and sign all authorized forms of requisition, completion report or other certificate of execution that may be required by the divisional officer, in consequence of the execution of any work on their application or order. **P.W.D.C. 294.**

402. The countersignature of an officer of the requisitioning department merely implies, in the case of an original work, that the work has been completed and taken over, and in the case of repairs, that the building or work generally is in proper order and involves no further responsibility. If the countersigning officer is not satisfied with the work and wishes to make any remarks, he can do so over his signature, but he should bear in mind that, in making remarks which are unnecessary or irrelevant he may occasion much trouble and delay. (*See* also paragraph 404.) **P.W.D.C. 295.**

III—Record drawings

403. Record drawings, showing the work as actually constructed should be completed as soon as possible by the officer in immediate charge of every new **P.W.D.C. 296.**

work or alteration of an existing work, for approval and record by the divisional officer (*vide* paragraph 289). Completion plans, consisting of copies of the record plans of the more important works and alterations, should, if required to elucidate the report or if otherwise so directed by the superintending engineer, be prepared in the divisional office to accompany the completion report.

IV—Office of record

P. W. D. C. 297.

404. On the completion of any work in respect of which a completion report or statement is required under rule, such report or statement should be forwarded by the divisional officer to the Principal Auditor who should, after verification of the figures, transmit it to the superintending engineer. That officer should forward it to the Chief Engineer or to the Government if he is not himself empowered to deal with the excess. After disposal by the authority concerned it should be returned to the divisional office.

NOTE—In the Irrigation Branch completion reports are recorded finally in the office of the authority by whom the final fair estimate was sanctioned.

Completion plans, if any, should not be sent to the Principal Auditor but should be forwarded direct to the superintending engineer, who should attach them to the completion report on its receipt.

Completion certificates which should not be submitted to the Accountant General should ordinarily be retained in the divisional office, but in the event of unfavourable remarks having been recorded upon such a certificate by any officer of the department on whose behalf the work is executed, it should be submitted for the orders of the superintending engineer with the explanation of the divisional officer and an account of any action he may have taken.

M—WORKS EXECUTED ON LUMP SUM CONTRACT

405. In a lump sum contract, the contractor agrees to execute a complete work with all its contingencies in accordance with the drawings and specification for a fixed sum, the following being the essential characteristics :

(i) A schedule of rates is specified in order to regulate the amount to be added to or deducted

from the fixed sum on account of additions and alterations not covered by the contract.

(ii) Except as provided in clause (i), no allusion is made in the contract to the departmental estimate of the work, schedule of rates or quantities of work to be done.

(iii) Detailed measurements of the work done are not required to be recorded except in respect of additions and alterations.

1. In the hill districts of the Kumaon Division the system of auctioning contracts of the work of slip clearance may be adopted subject to the conditions (1) that the auction will be held by the district or assistant engineer and (2) that it will be one of the conditions of the contract that no concession in rates, etc. will be allowed after a contract has been given out at the bid of the contractor.

406. Before a work is given out on contract on a lump sum basis, the procedure prescribed for ordinary works for inviting tenders and entering into agreement with the contractor, *vide* paragraphs 360 to 367, should *mutatis mutandis* be followed. Otherwise also the rules regulating ordinary works apply so long as they are not inconsistent with any special rules relating to lump sum contracts.

1. In drawing up a contract document, the essential conditions mentioned in paragraph 405 must be observed closely.

2. The form of contract is prescribed by the Local Government in consultation with their law officers. The special account rules for such works contained in section H of Chapter XIV, are based on the assumption that the essential conditions will be observed in drawing up contracts, it is therefore desirable that, before a form is finally determined, the advice of the Principal Auditor should be sought on the question whether the proposed form meets the requirements of audit.

3. Security deposits should be kept for not less than six months after the work is completed or for any longer period mentioned in the contract. During this period the divisional officer should adjust any expenditure to which the contractor may become liable under the conditions of his contract.

407. "[Omitted ; *see* rule (4) of Appendix IB.]"

N—AGENCY WORKS

CHAPTER XIII

Special Rules for Irrigation Works

I—General

408. The following rules define the procedure to be adopted in connexion with irrigation projects. Throughout these rules the term 'Irrigation project' or 'Irrigation work' should be held to include also navigation, embankment, drainage water-storage projects or works and hydro-electric schemes, for which power is obtained from falls on government canals.

II—Authorities for sanctioning expenditure on projects

409. The powers of the Local Government and authorities subordinate to them to incur capital expenditure on irrigation works will be found in the Book of Financial Powers, Volume I of the Handbook.

410. Sanction to the irrigation projects the estimated cost of which exceeds Rs.10,00,000 should be obtained in accordance with the procedure laid down in Appendix IX.

411. [Omitted; *see* rule (5) of Appendix IB.]

III—Classification of works

412. Irrigation works are divided into two main categories—those for which it is both desirable and possible to maintain accounts on a *quasi*-commercial basis, and those, the maintenance of such accounts for which is either impossible or unnecessary, either because they produce little or no revenue or because, owing to their restricted size, no useful purpose is secured in examining the returns paid by each individual work. For a *quasi*-commercial account, the maintenance of a capital account is essential, since it is only by reference to the amount of capital expended that the value of the results obtained can be determined. Irrigation works are thus broadly classified either as those for which capital accounts are kept or as those for which such accounts are not kept.

413. Irrigation works, for which capital accounts are kept, are classified as " Productive " or " Unproductive ". The criteria to be adopted in deciding the questions of classification are given in paragraphs 1 to 3 of Statement A to Appendix I. The classification of a work as " Productive " or " Unproductive," as it stands from year to year will be found in the administrative accounts, prepared by the Principal Auditor.

IV—Preparation of project

414. Rules regarding preparation of canal and storage projects, the estimated cost of which exceeds Rs.1,00,000, are contained in Appendix IX to this Handbook. Other rules of procedure regarding ordinary projects will be found in Chapter V of the Manual of Orders, Irrigation Branch (Fourth edition)."

415. A date for the completion of a work must be assigned before sanction is accorded, and the sanction unless extended, will lapse on that date.

416. In the case of new lines of embankment it is necessary that the report, accompanying the project, should show clearly the financial responsibilities of the government in connexion therewith, and the manner in which it is proposed that the outlay shall be recovered.

V—Accounting of Revenue and Expenditure

417. When the annual statement of estimated receipts and expenditure of the Province is prepared, the Local Government estimate on one side, the revenue likely to be realized from irrigation works during the year, and, on the other side, the expenditure which it is proposed to incur from the revenue. The account of this revenue and expenditure is known as the " Revenue account " and such expenditure is commonly described as " financed from revenue " which is synonymous with saying " charged within the revenue account ". Expenditure " not financed from revenue " is similarly synonymous with expenditure " charged outside the revenue account ". Resources outside the revenue account take the form of loans, accumulated balances of previous years, and certain other sources of income not classed as revenue.

418. The heads of account, under which the Irrigation receipts and expenditure are acounted for and the notes explaining the nature of transactions, pertaining to the different heads are given in Appendix I. The folowing procedure should be observed in classifying expenditure on capital works :

(i) All the estimates, pertaining to capital works should be classified under the head " 68—Construction of Irrigation, Navigation, Embankment and Drainage Works ". But as expenditure on capital works may be financed either from borrowed funds or ordinary revenues, a reference to the transfer heads 19B (1) Productive or (2) Unproductive, as the case may be, should be given in brackets after the major head " 68 " as shown below in case any expenditure is met from ordinary revenues :

(*a*) 68A (1) Productive—Financed from ordinary revenues [Transfer head 19B (1)].

(*b*) 68A (2) Unproductive—Financed from ordinary revenues [Transfer head 19B (2)].

(ii) All expenditure on capital works, the cost of which is met from borrowed Funds, should be booked under the major head 68A (1) Productive.

(iii) All expenditure on capital works, financed from ordinary revenues should be booked initially under the transfer heads 19B (1) or 19B (2) according as the work is productive or unproductive.

(iv) For purposes of preparation of the *pro forma* accounts, referred to in paragraph 773, as well as the Annual Consolidated accounts of the province, the Principal Auditor carries out, at the close of the financial year, an adjustment debiting the head '68' with the total expenditure of the year, recorded under the heads 19B (i) and (ii) and crediting the same major head with the same amount by means of a *deduct* entry against the total of the major head '68' in order to arrive at the entire capital expenditure of the year, financed from all sources.

VI—Closure of construction estimates

419. For rules regarding the closure of construction estimates, preparation and submission of completion reports and the authorities who are competent to pass them *see* Appendix IX.

VII—Open Capital Account

420. For expenditure on open capital works, see rule 39 of Appendix IX.

VIII—Expenditure on Unproductive works

421. For expenditure on unproductive works, see paragraph 8 of Statement-A in Appendix I.

CHAPTER XIV

Works Accounts

A—GENERAL PRINCIPLES

422. The initial records upon which the accounts of works are based are— **P.W.A.C. 271.**

(*a*) the muster roll, and

(*b*) the measurement-book.

For work done by daily labour, the subordinate in charge of the work will prepare a muster roll which will show the work done by this means and the amount payable on this account. For piece-work and for contract work generally, the measurement book will form the basis of account. From the muster rolls, the subordinate will prepare the labour reports (*see* paragraph 431), and from the measurement-book, he will check (or, if so arranged, prepare) the bills and accounts of contractors and suppliers.

423. Initial accounts and vouchers connected with charges relating to works must invariably specify— **P.W.A.C. 272.**

(1) the full name of the work as given in the estimate,

(2) the name of the component part (or "sub-head") of it, if separate accounts are kept up for the several component parts, and

(3) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

1. In the case of recoverable charges, it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entiled if they had themselves incurred the charges.

424. (*a*) Expenditure on the construction or maintenance of a work may be broadly divided into two classes, viz. (1) Cash and (2) Stock charges. As explained in Chapters VII and VIII these charges are recorded in the cash and stock accounts respectively. **P.W.A.C. 273.**

(*b*) In addition to the charges falling under these main classes there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, materials received from them, or services rendered by them, or there may be cash receipts, such as are taken in reduction of expenditure in accordance with the rules.

(*c*) All these transactions pass into the general accounts of the division in the manner described in Chapter XXV and are thence consolidated into the accounts of the province. As, however, the unit of classification adopted in the general accounts in respect of expenditure are certain heads of accounts and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in sub-divisional and divisional offices for recording (1) the cost of individual works and (2) the transactions of individual contractors. These are known as works accounts.

P.W.A.C. 274.

425. Although the primary object of the accounts of works is to exhibit simply, but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings, etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction is a prolonged one, it would not be possible for the divisional officer to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The divisional officer's personal knowledge of the executive arrangements for the execution of a work, and of the actual progress of work, must be supplemented by a comparison, monthly, of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible, unless the total cost is split up into convenient parts in such a way that, as far as possible, the cost of each distinct part may be compared with the work done thereon.

426. In recording the cost of an individual work in the accounts no attempt is made to include therein any charge on account of general services, like establishment and tools and plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimate for a work is rendered by another division or dempartment and the claim made by it includes an authorized charge on account of such general services, under paragraph 5 of Appendix V, such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor. P.W.A C 275.

1. When the cost of special tools and plant is included in the cost of a work under paragraph 242 the rules in Chapter VIII regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by the rules in paragraph 257.

2. The cost of special establishment employed on the acquisition of land when chargeable to the accounts of the works concerned under paragraph 203, of Volume V of the Handbook should be treated as a part of the works expenditure.

3. Lump sum charges of establishment and tools and plant recoverable from other governments and departments, for works executed for them as a standing arrangement should not be included in the accounts of the works, but dealt with under the rules in Appendix V.

427. Primarily the divisional officer is the responsible disbursing officer of the division. Rules detailing the authorities competent to prepare or examine contractors' bills or other demands for payment, and the authorities empowered to make payments theron, are laid down in the manuals of orders of the department. Subject to any such rules, the divisional officer may authorize a sub-divisional officer to make payments chargeable against the general sanctions of competent authority to expenditure on works. P.W.A.C. 275A.

B—CASH PAYMENTS

I—Introductory

428. Cash charges on works consist of payments (1) to labourers and members of the work-charged establishment, of their wages and (2) to contractors and others for work done or other services rendered. The cost of materials procured specially for works is charge to the P.W.A.C. 276.

426. In recording the cost of an individual work in the accounts no attempt is made to include therein any charge on account of general services, like establishment and tools and plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimate for a work is rendered by another division or dempartment and the claim made by it includes an authorized charge on account of such general services, under paragraph 5 of Appendix V, such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor. P.W.A C 275.

1. When the cost of special tools and plant is included in the cost of a work under paragraph 242 the rules in Chapter VIII regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by the rules in paragraph 257.

2. The cost of special establishment employed on the acquisition of land when chargeable to the accounts of the works concerned under paragraph 203, of Volume V of the Handbook should be treated as a part of the works expenditure.

3. Lump sum charges of establishment and tools and plant recoverable from other governments and departments, for works executed for them as a standing arrangement should not be included in the accounts of the works, but dealt with under the rules in Appendix V.

427. Primarily the divisional officer is the responsible disbursing officer of the division. Rules detailing the authorities competent to prepare or examine contractors' bills or other demands for payment, and the authorities empowered to make payments theron, are laid down in the manuals of orders of the department. Subject to any such rules, the divisional officer may authorize a sub-divisional officer to make payments chargeable against the general sanctions of competent authority to expenditure on works. P.W.A.C. 275A.

B—CASH PAYMENTS

I—Introductory

428. Cash charges on works consist of payments (1) to labourers and members of the work-charged establishment, of their wages and (2) to contractors and others for work done or other services rendered. The cost of materials procured specially for works is charge to the P.W.A.C. 276.

accounts of works by transfer credit to the " Purchases" account, but payments to suppliers are governed by the same rules as payments to contractors for work done.

The general rules relating to cash payments and vouchers in paragraphs 153 to 157 apply to all these classes of payments. Only special rules are, therefore, set forth in this chapter.

II—Payments to Labourers

(*a*) Departmental Labour

(*i*) *Muster Rolls*

P.W.A.C. 277.

429. With the following exceptions, all persons engaged departmentally for the execution of works are considered as day labourers and their wages should be drawn on muster rolls, form no. 21, and charged to the estimates of the works on which they are employed :

(1) Permanent and temporary employees of the division whose pay is charged to the head " Establishment."

(2) Members of the work charged establishment as defined in paragraph 667.

P.W.A.C. 278.

430. Muster rolls should be prepared and dealt with in accordance with the following rules, form no. 21 being used, except in the Buildings and Roads divisions for which a modified form of muster roll of daily labour (in form no. 21A) has been prescribed :

(*a*) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works, in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

(*b*) Labourers may be paid more than once a month and the period covered by each payment may be determined locally ; but separate rolls must be prepared for each period of payment.

(*c*) The daily attendances and absences of labourers and the fines inflicted on them should be recorded daily in part I of the muster roll in such a way as :

(i) to facilitate the correct calculation of the net wages of each person for the period of payment,

(ii) to render it difficult to tamper with, or to make unauthorized additions to, or alterations in, entries once made, and

(iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works where necessary.

(*d*) After a muster roll has been passed by the sub-divisional and divisional officers, payment thereon should be made as expeditiously as possible. Each payment should be made or witnessed by the official of highest standing available, who should certify to the payments individually or by groups, at the same time specifying, both in words and in figures, at the foot of the muster roll, the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in part II, the register of arrears, before the memorandum at the foot of the muster roll is completed by the person who made the payment.

NOTE 1.—In the Buildings and Roads Branch of the department, the musterrolls shall be prepared by the subordinate in direct charge of the work and, unless they do not exceed Rs.25 in amount and are to be paid from his permanent imprest, should be submitted to the Assistant Engineer, or Assistant Executive Engineer in charge of the Section or authorized sub-division. The latter officer will give the pay order only after the muster rolls have been pre-audited by the accountant, in the case of a divisional office, or checked by the head clerk in the case of a sub-divional office. The Assistant Eng ineer or Assistant Executive Engineer will be responsible for their correctness and for the disbursement of the wages of the labourers.

NOTE 2. (1) The following officials in the irrigation Branch may make payments on muster rolls, up to the extent mentioned against each, without obtaining the previous sanction of the sub-divisional and divisional officers, provided daily reports are despatched to the sub-divisional officer showing the number of labourers employed and the approximate quantity of work done.

(*i*) Canal sub-overseers, overseers, line inspectors, assistant line inspectors in charge of independent sections in hydro-electric divisions and unpaid stipendiary and work charged engineer students—Rs.25.

(*ii*) Work charged assistant mechanical engineers—Rs.50.

(2) Sub-divisional and divisional officers may—

(*i*) debit any portion of the expenditure so incurred, which they consider to be extravagent, to the disbursing officer concerned and recover it from the latter:

(*ii*) extend the limit of Rs. 25 fixed above, to Rs. 50 in the case of selected men holding one of the posts mentioned against item (1) in paragraph 1 above:

(*iii*) withdraw entirely the authority of a person holding one of the posts mentioned in items (1) and (2) in paragraph 1 above, to make payments on muster rolls in anticipation of sanction, if he is considered to be unreliable.

(*e*) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified to in part II in the same way as payments of current items. It is optional, however, with divisional officers to adopt any other alternative method of making payments of unpaid wages, provided that a systematic record of items remaining unpaid is maintained on the basis of the original entries made in part II of the muster roll under clause (*d*), that a systematic record of such payments is maintained and that suitable precautions are taken to prevent double payments. (*See* also paragraph 510.)

(*f*) Wages remaining unpaid for three months should be reported to the divisional officer, who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the sub-divisional record prescribed in clause (*e*).

NOTE—For action to be taken on the completion of the work, *see* paragraph 503.

(*g*) In part III of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases where such work is susceptible of measurement. If the work is not susceptible of measurement a remark to this effect should be recorded.

NOTE—It is not necessary to reproduce the details of measurement in part III, nor need part III be written up if progress is reported once a month or oftener in any other suitable form and such separate reports are considered sufficient.

(*h*) In exceptional and urgent cases, such as urgent silt-clearance of canals or closing breaches, where labourers are employed casually labour periods, payment may be made on a casual labour roll, form no. 22, in which the names of the

labourers need not be given, but such payments may not be made by an officer of lower rank than an overseer of the subordinate engineering service. Nor need muster rolls in form no. 21 be used in the case of work done on requisition, form no. 32, when the entries of daily labour are few ; in such cases the particulars can be endorsed on the form of requisition.

(*ii*) *Labour reports*

431. For all large works or groups of works labour reports, in the prescribed form, will be submitted either daily or periodically as may be directed by the divisional officer. They show the numebr of each class of labourers employed on each work or sub-head. Discrepancies between labour reports and muster rolls should be investigated as soon as the latter are received after the close of the month. P.W.D.C. 333.

(*b*) LABOUR ENGAGED THROUGH A CONTRACTOR

432. The payment of daily labour through a contractor instead of by muster roll in the usual way, is objectionable in principle. In a case of great emergency it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such a case, to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates, on the basis of work actually executed. But if, as in the case of urgent repair of canal breaches, this method of payment is not practicable, it is permissible to pay the contractor on the basis of the numbers of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in lump sum or at a percentage rate. When this course is adopted a report of the numbers of labourers of each class employed day by day should be made by the subordinate in charge of the work daily to the sub-divisional or divisional officer or to assistant engineer to enable him to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct. P.W.A.C. 279.

The use of the muster roll or the measurement-book (paragraph 434) is not permissible in such cases.

(*c*) TRAVELLING EXPENSES OF LABOURERS

P.W.A.C. 279A.

433. When it is necessary to bring labourers and artificers from a distance they may be allowed wages for the number of days occupied in the journey to and from the site of the work, if they join the work with proper despatch. At the discretion of the divisional officer, *bona fide* travelling expenses may also be allowed to them. The above charges must be borne by the estimate of the work.

III—Payments to Suppliers and Contractors

(*a*) RECORD OF MEASUREMENTS

(*i*) *Measurement Books*

P.W.A.C. 280.

434. Payments for all work done which is susceptible of measurement and for all supplies are made on the basis of measurements recorded in measurement-books, form no. 23, in accordance with the rules in paragraph 435. The measurement-books should, therefore, be considered as very important account records. All the books belonging to a division should be numbered serially and a register of them should be maintained in form no. 92 in the divisional office showing the serial number of each book, the names of the sub-divisions to which issued, the date of issue and the date of its return, so that its eventual return to the divisional office may be watched.

NOTE 1—A similar register should also be maintained in the sub-divisional office showing the names of the sub-divisional officer and sectional officers to whome measurement-books are issued. Books no longer in use should be withdrawn promptly even though not completely written up.

NOTE 2—Works or supplies costing below Rs. 10 and debitable to 'Establishment Contingencies' and 'Tools and Plant, Works and Repairs' need not be entered in the measurement books.

Explanation—Medicines and medical stores supplied to canal dispensaries should not be entered in measurement-books, but should be entered in Dispensary Form no. 38, referred to in paragraph 1019, Chapter XXIII, part III of the United Provinces Medical Manual.

(*ii*) *Detailed Measurements*

P.W.A.C. 281.

435. In recording detailed measurements, the following general instructions should be carefully observed :

(*a*) Detailed measurements should be recorded only by executive, assistant executive, or assistant

engineers or by executive subordinates in charge of works to whom measurement-books have been supplied for the purpose.

1. In the Irrigation Branch where the divisional headquarters are situated outside the sphere of action of the canals concerned, and at which there are no sub-divisional officers or executive subordinates actually stationed, the divisional head clerk and divisional draftsman may record entries in the measurement-books for articles debitable to contingencies and for articles of tools and plant respectively ordered by the divisional officer for petty works done at headquarters. In the Tarai and Bhaber Government Estates Division, the head draftsman of the division may record entries in the measurement books for articles debitable to contigencies as well as to tools and plant. In such cases, the divisiona officer must check the entries in the measurement-books on his return to headquarters from tour.

2. *See* also rule 1 under paragraph 447.

3. In the Tarai and Bhaber Estates Division, the head draftsman of the division may record measurements of annual repairs to—Estates buildings at Naini Tal subject to the condition that the measurements are checked by the Superintendent of the division.

(*b*) All measurements should be neatly taken down in a measurement-book, form no. 23, issued for the purpose, and nowhere else.

(*c*) Each set of measurements should commence with entries stating—

(i) In the case of bills for works done—

(*a*) full name of work as given in estimate, (*b*) situation of work, (*c*) agency by which executed, i.e. contract, piece-work or daily labour (number and date of contract, piece-work agreement or work order to be quoted), (*d*) name of contractor, (*e*) date of written order to commence work, (*f*) date of actual completion of work, (*g*) date of measurement, (*h*) name of subordinate in charge of daily labour and (*i*) reference to last measurement on account of the same contract (number and page of measurement-book) in the case of running bills.

(ii) In the case of bills for supply of materials—

(*a*) name of supplier, (*b*) number and date of his agreement or order, (*c*) purpose of supply in one of the following forms applicable to the case :—(i) "Stock" (for all supplies for stock purposes), (ii) "Purchases" for direct issue to (here enter full name of

work as given in estimate)..... (iii) "Purchases" for (here enter full name of work as given in estimate).....For issue to contractor....., on.....and (*d*) date of written order to commence supplies, (*e*) date of actual completion of supplies, (*f*) date of measurement, and should end with the dated signature of the person making the measurements ; *see* also paragraph 423. A suitable abstract should then be prepared which should collect, in the case of measurements for work done, the total quantities of each distinct item of work relating to each sanctioned sub-head.

(*d*) As all payments for work or supplies are based on the quantities recorded in the measurement-book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. If the measurements are taken in connexion with a running contract account on which work has been previously measured, he is further responsible (1) that reference to the last set of measurements is recorded and (2) that if the entire job or contract has been completed the date of completion is duly noted in the prescribed place, *vide* clause (*c*) above. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement-book and in the latter case, the actual date of completion noted in the prescribed place.

(*e*) The pages of the book should be machine-numbered. Entries should be recorded continuously, and no blank pages left or torn out. Any pages left blank inadvertently should be cancelled by diagonal lines, the cancellation being attested and dated.

(*f*) The entries should, if possible, be made in ink ; when this is not possible and entries have to be made in pencil, the pencil entries should not be inked over, but should be left untouched. The entries in the " Contents or area " column should, however, be made in ink in the first instance. No

entry may be erased. If a mistake is made, it should be corrected by crossing out the incorrect words or figures and inserting the corrections, the correction thus made being initialled and dated by the responsible officer. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialled by the officer who made the measurements, the reason for cancellation being also recorded. A reliable record is the object to be aimed at, as it may have to be produced as evidence in a court of law.

(*g*) Each measurement-book should be provided with an index which should be kept up to date.

436. (*a*) Detailed measurements may be dispensed with in the case of periodical repairs when the quantities are recorded in efficiently maintained standard measurement books, referred to in paragraph 437. P.W.D C. 334.

(*b*) Detailed measurements are also dispensed with in the case of works executed on lump sum contracts. *See* paragraphs 405, 406 and 534 to 547.

(iii) Standard Measurements

437. It is usual in the department to maintain standard measurement-books of buildings in order to facilitate the preparation of estimates for periodical repairs. Where such standard books are maintained, it is also permissible to utilize them for the purpose of preparing contractors' bill for such repairs, so that it may not be necessary to take detailed measurements on each occasion, *vide* paragraph 436. P.W.A.C. 282.

The following precautions should be observed in regard to the maintenance and use of standard measurement-books :

(i) The measurement-books used as standard books should be numbered in an alphabetical series, so that the numbers may be readily distinguished from those assigned to the ordinary books wherein detailed measurements are recorded whenever work is actually done.

(ii) The entries of measurements (and abstracts thereof) in the standard books should be recorded legibly in ink, and certified as correct by a responsible officer.

(iii) An assurance should be obtained periodically of the divisional officer that all the standard books of the division have been inspected by him, that the entries therein have not been tampered with, and that all corrections due to additions and alterations in the buildings have been made in the books and the later are reliable and up-to-date records.

(iv) When a payment is based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should be required to certify that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements has been done and that it has not previously been billed for in any shape.

(iv) Review of Measurements

P. W.A.C. 283. **438.** Sub-divisional officers should be required to submit the measurement-books in use to the divisional office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the divisional accountant under the supervision of the divisional officer. Detailed instructions on check of recorded measurements by the superior officers in the two branches of the department are contained in the respective departmental manuals of orders.

P. W.A.C. 337. **439.** The suprintending engineer is required to make it his special duty during his tours to see that measurement-books are carefully kept and measurements properly recorded, and that they are complete records of the actual measurements of each kind of work done for which certificates have been granted. He should also see that the instructions regarding check measurements are duly observed.

(b) BILLS AND VOUCHERS

(i) Forms of Bills and Vouchers

P.W.A.C. 284. **440.** The authorized forms of bills and vouchers are the following :

(*a*) First and final bill, form no. 24.
(*b*) Running account bill A, form no. 25.
(*c*) Running account bill B, form no. 26.
(*d*) Running account bill C, form no. 27.
(*e*) Hand receipt, form no. 28.

The use of the forms is explained in the following paragraphs and a few explanatory footnotes are printed on the forms.

NOTE—For special forms prescribed for works executed on lump sum contracts, *see* paragraph 537.

414. *First and final bill, form no.* 24—This form should be used for making payments both to contractors for work and to suppliers, when a single payment is made for a job or contract, i.e. on its completion. A single form may be used for making payments to several payees, if they relate to the same work (or to the same head of account in the case of supplies) and are billed for at the same time. P.W.A.C. 285.

442. *Running account bill A, form no.* 25—This form is intended for contractors for work only. It should be used (1) if it is proposed to make an advance payment, or (2) if an on account payment is to be made but an advance payment already made for the same work is outstanding. P.W.A.C. 286.

This form is not to be used if a secured advance is to be made or if such an advance is already outstanding against the contractor in respect of the same work.

443. *Running account bill B, form no.* 26—This form is also intended for contractors for work only. It should be used in all cases in which secured advances are to be made or are already outstanding, in respect of the same work, against the contractor. When this form is used it should also be utilized for making on account and advance payments, if any, in respect of the work. P.W.A.C. 287.

444. *Running account bill C, form no.* 27—This form is used both for contractors for work and for suppliers. It is intended to be used for contractors for work when only on account payments are made. It is not to be used if a secured advance or an advance payment is to be made or i tsuch an advance or advance payment in respect of the work is outstanding against the contractor. P.W.A.C. 288.

445. Form no. 27 is the only form of running account bills which is suited for transactions with suppliers. Form no. 26 is the only form which provides completely for all classes of running account transactions with contractors for work. If a secured advance is not outstanding, and if it is not proposed to make such an P.W.A.C. 289.

advance, the simpler form no. 25, will serve the purpose. Similarly, if no advance payment is outstanding and if it is not proposed to make such a payment, the still simpler form no. 27, can be used. The form to be used on each occasion should be the one most suitable for the correct exhibition of the state of the contractor's running account both before and after the transaction, regardless of the form or forms which may have been used for any previous payment or advance. *See* also paragraphs 453, 454 and 537.

P.W.A.C. 290.

446. *Hand receipt, form no.* 28—This is a simple form of voucher intended to be used for all miscellaneous payments and advances for which none of the special forms nos. 24, 25, 26 or 27 is suitable.

(ii) Preparation, Examination and payment of Bills

P.W.A.C. 292.

447. Before the bill of a contractor is prepared, the entries in the measurement-book relating to the description and quantities of work or supplies should be scrutinized by the sub-divisional officer and the calculations of " Contents or area " should be checked arithmetically under his supervision. The bill should then be prepared, from the measurement entries, in one of the forms prescribed in paragraphs 440 to 446 applicable to the case. The rates allowed should be entered by the sub-divisional officer, either in the abstract of measurements, *vide* paragraph 435 (*c*), or in the bill itself. Full rates as per agreement, catalogue, indent or other order should be allowed only if the quality of work done or supplies made is up to the stipulated specification. When the work or supplies fall short of that standard, and under the agreement it is permissible to make a final payment if the contract is determined, or an on account payment if the contract is to run on, only such a fraction of the full rate should be allowed as is considered reasonable, with due regard to the work remaining to be done and the geenral terms of the agreement.

1. In the Buildings and Roads Branch of the department measurements will be made by the subordinate in direct charge of the work and submitted to the assistant engineer or assistant executive engineer in whose control the work is placed . The latter officer will, after scrutinizing the entries in the measurement book relating to the description and quantities of work or supplies, issue the pay orders. It is open to the assistant engineer or assistant executive engineer to check any measurements about which he has any doubts and when he does so he should write the words 'Checked by me.' Divisional officers should encourage these check measurements to the fullest extent, but divisional officers, sub-divisional officers and assistant engineers will check as a minimum the percentage of measurements fixed by Government from time to time."

2. For rules relating to the payment of stores on production of railway receipt, *see* paragraph 260A of Volume V of the Handbook.

3. By a general or special order in writing, the sub-divisional officer may permit an executive subordinate, who has already been authorized to record measurements [paragraph 435 (*a*)] to enter, in the abstract of measurements or directly in the bill itself, the rates at which he recommends the payment for work done to be made, provided—

(*a*) that the use of this permission is confined to those works in charge of the subordinate himself, the contract rates for which have already been approved by a competent authority;

(*b*) that no increase in an authorized rate is suggested without the prior sanction in writing of the competent authority;

(*c*) that when the authorized rate has not been fully earned, a suitable reduction is made therein and the reasons thereof are recorded briefly for the consideration of the sub-divisional officer; and

(*d*) that it is made widely known to contractors that all entries of rates made by subordinates in the abstracts of measurements and bills are subject to the approval of the proper disbursing officer.

4. Extraordinary payments such as bonus or compensation to contractors and unauthorized departures from the sanctioned forms of contracts almost invariably raise questions which require the order of the Government in the Finance Department. All proposals by the department for such extraordinary payments are, therefore, required to be referred to the Government in the Finance Department before the payments are actually made. In exceptional cases when there is no time to obtain the previous sanction of the Government, the Chief Engineer may authorize an extraordinary payment, but is required to report at once the facts of the case to the Government.

5. F. O. R. contracts are permissible for supply of coal, and payments may be made on receipt of the railway receipt, provided that the consignments are checked as to quality and quantity at the time of despatch by a responsible officer of the Government, or by obtaining supplies through the Mining Engineer to the Railway Board. The consignments may be booked under railway risk or owner's risk whichever is found economical. In such cases, payments to suppliers should be accounted for as final and should be debited to a suspense estimate "Coal in transit" to be cleared by debit to "Coal" when actually received. Balance due to "Coal" short received, should be cleared by recovery from the railway or other transporting agencies if possible otherwise by a write-off to be sanctioned by competent authority. If the shortage is within 5 per cent. and the coal has been booked at owner's risk, the shortage should usually be written-off.

448. Before signing the bill, the sub-divisional officer or the assistant engineer should compare the quantities in the bill with those recorded in the measurement-book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts being shown therein. If the sub-divisional officer is empowered to pay the bill, he should then record a formal pay order specifying, both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill. P.W.A.C. 293.

NOTES—1. In the Buildings and Roads divisions where the assistant engineer or the assistant executive engineer has been declared as a disbursing officer the fair copies of all bills will be signed in accordance with the instructions printed on those forms. But in cases where the divisional officer has deemed it necessary to make measurements in person he should sign the fair bill as officer preparing the bill.

2. In calculating the value of each item of work the nearest anna should be taken, pies one to five being ignored, and pies six to eleven taken as one anna, but pies must not be omitted from the rates.

3. Whenever fractions of a rupee occur in the totals of contractors' bills, or in the case of supplies chargeable to more than one estimate, in the totals chargeable to each estimate, fractions less than half may be disregarded, and half a rupee and over taken as a rupee.

4. If the contract is for the completed items of work and, under the provisions of paragraph 465, the contractor is required to obtain materials of any description from government, it should be seen that this condition is being complied with and that necessary recoveries of the cost of the materials supplied to him are being made in accordance with paragraph 470. In such a case it is not permissible for the contractor to obtain the materials otherwise, unless, in a case of emergency, the supply has been entrusted by the divisional officer, for recorded reasons, to the contractor himself, at suitable rates.

5. Before signing, a first and final bill, or the first bill on a running account, the sub-divisional officer should see that the relevant measurement entries were marked, as pertaining to such bills by the person taking the measurements, *vide* paragraph 435 (*d*).

P.W.A.C. 294.

449. If the sub-divisional officer is not empowered to make the payment, the bill should be submitted (with or without the measurement-book as may be prescribed) to the divisional office where the payment will be authorized by the divisional officer after the necessary scrutiny. *See* also paragraph 427.

450. In the Buildings and Roads Branch the memorandum of work done and materials supplied (unless the previous payment is final) with the heading on page 1 and columns 2, 5 and 8 thereof duly posted, shall be furnished in advance to the officer or subordinate in direct charge of the work. When a fresh payment has to be made he shall only fill in quantities and rates therein for items entered in the contract papers and, after obtaining the contractor's signature on page 3, shall submit the memorandum along with the measurements to the disbursing officer except where payments are to be made by the divisional engineer when the memorandum shall be submitted through the assistant engineer who has assumed responsibility for the measurements. In the case of payments made by the sub-divisional officer the memorandum shall be checked and completed (as regards outstanding charges, etc.) and submitted by the head clerk for pay order. In those cases, however, where

payments are made by the divisional engineer the memorandum shall be completely prepared in the divisional office and thereafter examined by the accountant who shall pre-audit it just in the same manner as he would carry out the audit if the bill came to him after payment, i.e., he shall cause arithmetical calculations to be checked and verify the rates with the contract documents and see that all items are within the power of the divisional engineer to pass, or that if the items included are such as are not within the power of the divisional engineer to pass, the sanction of the Superintending Engineer or the Government as the case may be, has been obtained. The bill will then be prepared from the work memorandum by the accounts clerk.

In no case shall the divisional accountant originally prepare a work memorandum or examine any work memorandum unless it has been either signed by the assistant engineer or the divisional engineer nor shall he examine any work memorandum unless he sees these signatures on it.

451. From the measurement book all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for the work or supplies measured every page containing the detailed measurements must be invariably scored out by a diagonal red ink line and when the payment is made an endorsement must be made, in red ink, on the abstract of measurements, giving a reference to the number and date of the voucher of payment. P.W.A.C. 295.

The document on which payment is made should invariably show, in the space provided for the purpose, the number and page of the measurement book in which the detailed measurements are recorded, and the date on which the measurement was made.

452. (*a*) Payments for work done or supplies made on a running account should ordinarily be made monthly. Both the "quantities" and "amount" of each distinct item of work or supply should be shown separately in the bill, except in the case of advance payments when quantities need not be specified. P.W.A.C. 296.

(*b*) Such payments should be treated as payments on account, subject to adjustment in the final bill which should be drawn, in the appropriate form but printed on yellow paper, when the work or supply is completed

or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write should add in his own handwriting that the payment is "in full settlement of all demands." If the payee is illiterate, or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

The addition of the words "in full settlement of all demands" does no preclude the disbursing officer from entertaining a further *bona fide* claim which may have been omitted from the final bill by mistake or through inadvertence. If, despite this explanation, the contractor objects to the addition of the words in question, the payment should be tendered unconditionally (*vide* section 38 of the Indian Contract Act, 1872).

NOTE—A form printed on yellow paper is never to be used except for final payments.

(*c*) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimates should not be brought on to the same running account; they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimate, for which separate works abstracts are prepared under paragraph 489 should also appear in separate running accounts.

1. In exceptional cases where more than one working estimate is covered by a single contract, the contract agreement should not be split up but the estimates should be consolidated to facilitate the maintenance of proper accounts in respect of that contract. If this procedure cannot be observed, some special accounts procedure should devised on the merits of each case by the Accountant General. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relate to different account heads or where separate estimates whether relating to different account heads or not, are covered by a single running rate contract as in the case of the painting of roads, etc., and where separate agreements are drawn on the basis of such rate contracts with other details varied to suit the requirements of each job.

P.W.A.C. 297.

453. (*a*) If the system of making advance payments to contractors for work has been adopted certificate 2 printed on running account bill A or B, as the case may be, must be signed by the sub-divisional or divisional officer, and the lump sum amount paid on account of each item should be specified against it in part

I of the bill. If a secured advance has been previously allowed to a contractor on the security of any materials and such materials have been used in the construction of an item, the amount of the advance payment for that item should not exceed a sum equivalent to the value of work done less the proportionate amount of secured advance ultimately recoverable on account of the materials used.

(*b*) Actual measurements should, however, be taken at the earliest opportunity, and when this has been done, the lump sum payments previously made on account of the items of work concerned should first be adjusted in full, so that the contractor may not be paid twice over in respect of the same quantities of work. Delays in adjusting advance payments should be investigated (*vide* paragraph 505) and adjustments made otherwise than by crediting the value of work actually measured, should be specially looked into as being *prima facie* indicative of overpayment in the first instance.

454. When secured advances are allowed by the divisional officer under paragraph 456 (*a*), to a contractor whose contract is for finished work, it should be seen that an indenture in form no. 31, has been signed by the contractor, and a detailed account of the advances must be kept in part II of running account bill B. There should be separate entries, in respect of each class of materials, of the quantities brought to site by the contractor and the amounts advanced under the orders of the divisional officer. These advances must be recovered by deduction from the contractor's bills for work done as the materials are used in construction and the items of work in which they are used are billed for on the basis of actual measurements. Parts I and II of the bill should be compared to see that this order is being complied with. As recoveries are made, the outstanding amounts of the items concerned in part II should be reduced by making deduction entries in the column, "Deduct quantity utilized in work measured since previous bill," equivalent to the quantities of the materials used by the contractor on items of work shown as executed in part I of the bill. P.W.A.C. 298.

NOTE—No record should be kept in measurement books of the quantities of the materials, but certificate 3 printed on the bill should be signed by the sub-divisional or divisional officer in terms of paragraph 456(*a*).

(*c*) Aid to Contractors

P.W.A.C. 299.

455. It is necessary sometimes in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned, with a view to complete work which he has neglected or failed to complete. In such a case it is permissible to spend government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor nor should financial aid be given to him in any form, except in accordance with paragraphs 456 and 457.

1. For rules relating to the issue of materials to contractors *see* paragraphs 465 and 466.

2. With a view to avoid subsequent disputes with the contractor, suitable intimation should be sent to him (1) as soon as action is taken under this paragraph, and (2) subsequently, as charges are incurred on his account.

NOTE—For rules relating to conditions of employment of work-charged establishment, *see* paragraphs 667 to 669.

(*d*) Advances to Contractors

P.W.A.C. 299A.

456. Advances to contractors are as a rule prohibited, and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Exceptions are, however permitted in the following cases :

(*a*) Cases in which a contractor, whose contract is for finished work, requires an advance on the security of materials brought to site. Divisional officers may, in such cases, make advances up to an amount not exceeding 75 per cent. of the current value of the materials (as assessed by themselves according to their character), provided that they are of an imperishable nature and that a formal agreement is drawn up with the contractor under which the government secure a lien on the material and are safe-guarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials, and against the expense entailed for their proper watch and safe custody. Payment of such advances should be made only on the certificate of an officer, that the quantities of materials upon which the advances are made have actually been brought to site, that the contractor has not previously received any.

advance on that security and that the materials are all required by the contractor for use on items of work for which rates for finished work have been agreed upon. The officer granting such a certificate will be held personally responsible for any over payment which may occur in consequence. Recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deductions being made whenever the items of work in which they are used are billed for.

1. Divisional officers are responsible that—

(*i*) When secured advances have been made for materials, recoveries are made regularly from the very first payments made for those items of actual work in which such materials have been used.

(*ii*) No secured advances are made for any materials, unless they are to be used within three months at the most.

(*iii*) Materials are actually measured in detail before making secured advances on them and their value is based on the actual rates for the purpose of determining the percentage at which secured advances on materials should be made.

NOTE—Imperishable materials include bricks, rolled steel joists, etc., while articles such as lime, sand, kankar, etc., are perishable. Coal is, however, excluded from both the categories and no advance is permissible on this article.

(*b*) Cases in which, in the interest of works, it is absolutely necessary to make petty advances. In such cases advances up to Rs. 50 may be allowed by subordinates.

(*c*) In all other cases only with the sanction of the Local Government who may, in exceptional circumstances, authorize such advances as may be deemed indispensable, taking the necessary precautions for securing the government against loss and for preventing the system from becoming general or continuing longer than is absolutely essential.

457. An advance payment (see paragraph 6) for work actually executed may be made on the certificate of a responsible officer (not below the rank of sub-divisional officer) to the effect that not less than the quantity of work paid for has actually been done, and the officer granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence. Final payments may, however, in no case be made without detailed measurements. P.W.A C. 299B.

IV—Payments to Work-charged Establishment

(*a*) Pay Bills

P W A.C. 302.

458. Wages of members of the work-charged establishment should be drawn and paid on form no 29, "Pay bill of work-charged establishment," which is a combined pay bill and acquittance roll form. A consolidated bill in this form should be prepared monthly either for the whole division, sub-division or for one or more sections of it, as may be convenient; but the names and claims of the entire establishment concerned, including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the persons are employed, sanction to the entertainment of the establishment should be quoted in each case, and the sub-divisional officer or the assistant engineer should certify, in the space provided for the purpose, that the persons were on duty during the periods shown against their names, each person being employed on the work and on the duties for which the appointment of the person was sanctioned.

1. Deductions on account of fines, income-tax, etc., should be shown by special entries against the names concerned.

2. If the acknowledgement of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt form no. 28, which should then be attached to the bill as a sub-voucher.

P.W.A.C. 303.

459. Pay bills may be signed at any time on the last working day of the calendar month in which the wages are earned, though they are not due for payment before the first working day of the following month. When, however, the services of an individual are dispensed with it is permissible and advisable to settle up his account at once.

(*b*) Unpaid Wages

P.W.A.C. 304.

460. Wages remaining unpaid on a passed bill, on the date fixed for the closing of the accounts of the month may be paid subsequently when claimed, the procedure described below being observed:

(*a*) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge, including reference to the bill, being noted in the register.

(*b*) Subsequent payments should be made on hand receipts, form no. 28, reference to the bill in which the charge was originally included and to the particular item thereof, being quoted in each case.

(*c*) When making payments of arrears suitable notes of payments should be recorded against the original entries in the register.

(*c*) Travelling Expenses

461. No bills need be prepared in support of claims for travelling expenses. Payments should be made on hand receipts, form no. 28, which should set-forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the divisional officer prior to payment. P.W.A.C. 305.

(*d*) Classification of charge

462. Every payment made to a member of the work-charged establishment, whether on account of his wages or in recoupment of actual travelling expenses, should be charged to the work on which he is employed. P.W.A.C. 306.

463. The cost of work-charged establishment must be shown as a separate sub-head of the estimate. P.W.A.C. 143.

C—ISSUES OF MATERIALS

I—General

464. Issues of materials to works, whether from stock or by purchase, transfer or manufacture, are divided into two classes :— P.W.A.C. 307.

(1) *Issues to contractors*—Issues of materials to contractors with whom agreements in respect of completed items of works, i.e., for both labour and materials, have been entered into.

(2) *Issues direct to works*—Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

1. A contractor should not be asked to take delivery, direct from a firm of articles required for a work as it may lead to fraud.

II—To Contractors

(*a*) General conditions

P.W.A.C. 308.

465. (*a*) The issue of materials to contractors who have contracted for completed items of work is generally permissible only in the following circumstances:-

(i) when, under the operation of paragraph 366, the supply of imported materials is to be arranged for by the Government,

(ii) when, in the interest of work, or with the object of utilizing existing stocks of materials, it is desirable to arrange for the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(*b*) In both cases the contract should specify (1) the materials to be supplied by the Government for use on the work, (2) the place or places of delivery and (3) the rates to be charged to the contractor for each description of material and the contractor should be held responsible for obtaining from the Government all such materials required for the work and for making payment therefor, by deduction from his bills, at the rates specified, regardless of fluctuations in the market rates or in the stock rates of the division.

1. The rates to be charged to the contractor for materials to be supplied should be definitely specified, vague quotations, e. g., "at stock rates," being avoided; and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption then that rate should be adhered to in the contract.

2. Similarly, the rates to be allowed to the contractor for items of work, should be definitely stated.

(*c*) No carriage or incidental charges are borne by the Government for moving the materials beyond the place, where the contractor has agreed to take delivery thereof.

P.W.A.C. 309.

466. (*a*) As a general rule no other material should be supplied to such contractors for use on works but this restriction may be waived by the sub-divisional officer or the assistant engineer in respect of petty issues (at full issue rates) of materials from existing stocks, not exceeding Rs. 50 in any month for any one contract.

(*b*) If at any time subsequent to the execution of a contract on a through rate basis, the contractor desires the issue to him, for use on a work, of materials which exist in the Government stocks but the supply whereof by Government was not provided for in the contract, the materials should not be issued except with the express authority of the divisional officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate charged should be the market rate prevailing at the time of the supply or the issue rate, whichever may be greater, and no carriage or incidental charges should be borne by the Government in connexion with the supply.

The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by the rule in paragraph 456, *vide* paragraph 455.

(*c*) Issues of stock materials to contractors for *bona fide* use on works are exempt from the usual charge of 10 per cent. on account of supervision, storage and contingencies, which is made when stock materials are sold to the public [paragraph 187].

(*b*) Accounts Procedure

467. All materials required for issue to a contractor under any of the provisions of paragraphs 465 and 466, should be made over to him, as soon as they are received, whether from stock or by purchase, manufacture or transfer, and an unstamped, but dated acknowledgment, detailing full particulars of the materials including the rates and values chargeable to him should at once be taken from the contractor. P.W.A.C. 310.

468. When the materials are obtained by purchase, full details of the articles received should at once be entered in a measurement book, form no. 23 in the manner prescribed in paragraph 435 (*c*). *See* also paragraphs 202 and 203. P.W.A.C. 311.

469. On the authority of the contractor's acknowledgment, the cost chargeable to him under paragraph 465 or 466, as the case may be, should be debited at once to his personal account by charge to the suspense head "Contractors—Other transactions" (*vide* paragraph P.W.A.C. 312.

497) in the accounts of the work concerned. This adjustment should be effected by affording credit to the head concerned, as indicated below:

Source of receipt of materials	Head of account to be credited	Value to be credited
(1) Stock (including manufacture).	Stock	At issue rates.
(2) Transfer from another work.	Work concerned	At a valuation made under paragraph 478(*d*).
(3) Transfer from another division or department.	Purchases	At rates charged by the division or department concerned.
(4) Suppliers	Do.	At rates payable to the suppiers under their contracts.
(5) Obtained through the Stores Department, London.	London stores	The English cost stores converted into Indian currency in the manner laid down in paragraph 587.
(6) Indian charges on (5) ..	Head concerned	Actual charges incurred, *vide* paragraphs 589 and 596.

If the amount thus credited differs from the charge made to the contractor's account, the excess of the former over the latter, should be treated as additional final outlay (plus or minus as the case may be) on the work, a separate sub-head, entitled "Additional charges for materials issued to contractors," being opened for the purpose in the accounts of major estimates.

1. The object of these rules is to ensure that the full amount chargeable to the contractor is debited to his account as soon as the materials are delivered, so that (1) he may not receive payment at full rates, for the completed items of work prior to the value of the government materials used by him therein, being charged to his account, or (2) his final bill for the work done may not be settled before the full value of materials recoverable from him has been debited to his account.

2. Issues from stock (including manufacture) should be accounted for through the stock returns. For other issues, a special transfer entry should be prepared by the sub-divisional or divisional officer in form no. 53, as soon as each transaction takes place.

P.W.A.C. 313

470. The recovery from a contractor on account of the cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorizing an advance payment or an on account payment to him for the work. Should, however, a lump sum recovery be undesirable in any case, the divisional

officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work in which they are used are paid for whether by an advance payment or by an on account payment.

471. As the issue of materials to contractors under the foregoing rules is permissible solely for the *bona fide* requirements of government works, sub-divisional or divisional officers should make such arrangements as may be deemed suitable for limiting the total issues to a contractor in connexion with a particular work, to the reasonable needs of that work. This precaution is particularly necessary when the rates at which any materials are issued under paragraph 465 are lower than the prevailing market rates, or the latter are expected to rise appreciably. In such cases, if the transactions are of any importance, the use of form no. 35 (without values) is recommended for watching that the aggregate of the quantities of any or all materials issued to a contractor, from time to time, for use on a work, remains within the estimated requirements of his contract. P.W.A.C. 314.

(*c*) RETURN OF SURPLUS MATERIALS

472. The Government do not undertake to take over from contractors, whether before or after the completion or determination of contracts, surplus materials which were originally procured by the contractors for themselves or were issued to them and charged to their accounts under paragraph 467. Such materials are the property of the contractors and can be taken over by the Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the materials were originally supplied by the Government, the price allowed to the contractor on reacquisition should not exceed the amount charged to the contractor. P.W.A.C 315.

Contractors are, however, not at liberty to remove from site of works without the written permission of the divisional officer materials which have been issued to them for use on a work, and a stipulation to this effect should ordinarily be entered in their agreements.

(*d*) TOOLS AND PLANT LENT FOR USE

473. The rules in paragraphs 465 to 472 do not apply to tools and plant. Articles borne on the tools and plant account of the division may, in accordance P.W.A.C 316.

with any departmental rules on the subject, be lent temporarily to contractors for use on government works being executed or maintained by them. *See* also paragraphs 244 and 247.

III—Direct to Works

(*a*) Detailed accounts of materials issued

P W.A.C. 317.

474. (a) In all cases materials issued direct to a work should, as soon as received, be brought to account as indicated below:—

Source of receipt of materials	Head of account to be credited	Value to be credited	Mode of effecting adjustment of cost
(1) Stock (including manufacture).	Stock	At issue rates	Through stock account at the end of the month.
(2) Transfer from another work.	Work concerned.	At a valuation under paragraph 478(*d*).	By a special transfer entry in form no. 53, prepared as soon as the material are received.
(3) Transfer from another division or department.	Purchases	At rates charged by the division or department concerned.	By a special transfer entry in form no. 53 prepared as soon as the materials are received.
(4) Suppliers ..	Do.	At rates payable to the suppliers under their contracts.	Ditto.
(5) Obtained through the Stores department, London.	London stores.	The English cost, *vide* paragraphs 587 *et seq.*	Ditto.
(6) Indian charges on (5)	Head concerned.	Actual charges incurred *vide* paragraphs 589 and 590.	Through cash account or transfer entry as the case may be.

The full value credited to the head concerned should be debited to the work (paragraph 475).

(*b*) In the case of materials received direct from suppliers full details of the articles received should at the same time be entered in a measurement book, form no. 23, with the full name of the work as entered in the estimate, *vide* paragraph 435 (*c*).

475. (*a*) When materials are issued direct to a work their cost is either treated as a final charge or debited to the suspense head "materials" in the accounts of the work, as prescribed in paragraphs 491 and 492. P.W.A.C. 318.

(*b*) When the suspense head "Materials" is operated on, a detailed account of all materials issued to, or returned from, the work should be kept in form no. 35. "Detailed statement of materials," so that the total issues of each kind of materials may be watched with reference to the estimated requirements.

(*c*) When the cost of materials issued to a minor estimate is adjusted at once as a final charge (paragraph 496), no detailed account in form no. 35, is necessary. The sub-divisional officer or the assistant engineer concerned should make his own arrangements for exercising detailed control over transactions relating to materials, and for verifying the unused materials in the event of the charge of the work passing from one officer or subordinate to another.

476. In the detailed statement of materials, form no. 35, only principal materials need be detailed. Both quantities and values of such items should be shown except in respect of carriage and incidental charges for which values only should be shown. All the minor items may be lumped together under the heading "petty items," for which only values should be shown. P.W.A.C. 319.

1. As the detailed statement of materials is prescribed primarily to enable the divisional officer to exercise detailed financial control over transaction relating to materials, the decision as to which materials may be lumped under the heading "petty items" is left entirely to his discretion. For instance , materials of any kind may be classed as "petty items" not only when the amounts involved are small but also if the work for which they are required is of such a nature that a detailed control over the quantities of materials, in addition to the control over their values, is not considered necessary.

2. Carriage and incidental charges debitable to the work should be added to the cost of the materials concerned in form no. 35. P.W.A.C. 320.

477. Form no. 35, shows separately for each kind of materials (1) the estimated requirements, (2) the net issues of each month to the work and (3) the net

issues thereto to end of each month. The month's transactions should be posted as follows:

I—Issues to the work—(*a*) Issues from stock should be posted in lump from the monthly abstract of stock issues, form no. 10, and (*b*) purchases from suppliers and transfers of materials from other works, divisions or departments should be posted in detail from the vouchers and special transfer entries (*vide* paragraph 474) concerned, at the same time as the corresponding postings in the works abstract (forms no. 33 or 34), are made.

II—Issues from the work—(*a*) Materials returned to stock should be posted in lump from the monthly abstract of stock receipts form no. 9 and (*b*) sales, writes-off and transfers elsewhere should be posted in detail from the vouchers concerned, at the same time as the corresponding entries in the works abstract (form no. 33 or 34) are made.

Issues from the work should be posted as *minus* entries.

(*b*) Disposal of Surplus Materials

P.W.A.C. 221.

478. (*a*) Materials issued to works in excess of requirements may be transferred to stock provided that they are serviceable and certain to be required.

(*b*) All surplus materials at site of works which have been completed or stopped or on which outlay has been prohibited for any considerable length of time, should, if likely to be of use on other works within a reasonable time, be transferred to works in progress or brought on to the stock account their value being credited to the work to which they were originally issued and debited to the work to which they are transferred or to the stock account, as the case may be.

(*c*) No credit should be allowed to a work on account of surplus materials if they are unlikely to be of any use within a reasonable time but a list of all surplus materials should be maintained in the sub-divisional and divisional offices as a supplement to the half-yearly stock returns, unless the superintending engineer considers this unnecessary.

(*d*) Materials returned to store or transferred to other works should be priced within current market rates, any resultant loss being borne by the work to which they were originally issued.

These rules do not apply to surplus materials which were originally procured by contractors for themselves or were issued to them and charged off to their accounts under paragraph 467. *See* paragraph 472.

(*c*) VERIFICATION OF UNUSED BALANCES

479. Unused balances of materials charged direct to works should be verified at least once a year in the manner prescribed in paragraphs 230 to 232. Whenever this verification is made, a report of verification of the materials should be prepared by the sub-divisional officer or in the case of Buildings and Roads divisions where sub-divisions have been abolished by the assistant engineer in charge in form no. 37 and submitted to the divisional office. The following instructions should be observed in preparing the report: P.W.A.C. 322.

(*a*) As no continuous account is maintained of the materials actually used in construction, it is necessary first to calculate the quantities of principal items probably used. This should be done in the detailed statement at the top of the form, on the basis of the "progress" of work done on each sub-head, such authorized formulae being adopted as may be approved by the Chief Engineer.

(*b*) Deducting these quantities from the total quantities of the materials issued to the work as per form no. 35, the paper balances of the unused materials should next be arrived at and set-forth against line C.

(*c*) The actual balances should be entered against line D, and the differences between the actual and paper balances should be set forth against line E. These differences should be priced at the actual rate of cost which should be deducted from the total value and quantity recorded in the detailed statement of materials, form no. 35.

(*d*) The report should then be completed by recording against line F remarks explaining action taken (1) to adjust the differences as per line E and (2) if the work has been completed, to dispose of the

surplus balances as per line D, and by signing the printed certificates applicable to the case and scoring out the others.

(*e*) The differences as per line E may be due to (*i*) the adoption of formulæ for determining the actual consumption, (*ii*) unreasonable wastage, or (*iii*) shortage in some other form. All these differences should be investigated and dealt with in accordance with paragraph 516 (*b*), (*c*) and (*d*).

P.W.A.C. 323.

480. A similar verification of the unused balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under paragraph 478, (2) the balance at debit of the suspense head "Materials" may as far as possible, represent the net cost of the materials actually used in construction, and (3) the surplus balances awaiting clearance may be reduced to a minimum.

The report in form no. 37, should in this case set forth both quantities and values throughout.

P. W.A.C. 324.

481. If the gazetted officer or subordinate in direct charge of a work, the accounts of which are kept by sub-heads, is transferred before the accounts of it are closed, the unused materials at site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in paragraph 479 should be prepared by the sub-divisional officer or assistant engineer and submitted to the divisional office.

P.W.A.C. 325.

482. A report is required annually of the value of materials at site of all works the accounts of which were open on the last day of the official year. This report should be prepared in form no. 37, and submitted to the divisional office in the manner described in paragraph 480, as on completion of work, but it is not necessary that the balances should be verified at the close of the year if—

(1) the work has been under construction for not more than three months,

(2) the accounts of the work are expected to be closed within three months, or

(3) the balances were verified at any time during the year.

When the balances are not verified at the close of the year the figures against line C "Paper balances of unused materials," of the report should be assumed to be the value of the materials at site, and lines D and E should be left blank.

483. Reports of verification of materials in form no. 37, prepared under paragraphs 479 to 482, should be dealt with in the divisional office in the manner described below : P.W.A.C. 326.

(*a*) A register of clearance of materials account should be maintained in form no. 38.

A separate folio of the register should be reserved for each work for which a materials account is kept, and for facility of reference, the register should be supplied with an index.

(*b*) Each report of verification in form no. 37 should be entered in part I of form no. 38, as soon as received.

(*c*) If any items of shortage or loss reported in line E of an intermediate report in form no. 37, prepared under paragraphs 479, 481 or 482, are ordered to be charged to the sub-head contingencies of the estimate, or to the personal ledger account of a contractor, or to Miscellaneous P. W. advances for recovery from any official or to the account of another work, the adjustment should be forthwith effected by a transfer entry, so that the total cost of the materials to the work may at once be corrected.

(*d*) But if any such shortage or loss is ordered to be written off by debit to a final sub-head of the estimate, other than contingencies, or if there is a surplus and it is to be credited to one or more final sub-heads of the estimate, the consequent adjustments should merely be registered in part III of form no. 38. Such adjustments leave the total cost of materials unaffected, and can, therefore, be made only by inclusion in the final transfer entry which is made on the completion of a work under paragraph 516.

(*e*) As every report of verification prepared under paragraphs 479 to 482 deals with the progressive figures of the cost of materials, line E brings out up to date outstanding differences and not merely differences since last verification. This should be borne in mind when registering differences referred to in clause (*d*) above, so that adjustments once registered in part III of form no. 38 may not be registered again.

(*f*) Action taken on intermediate reports in form no. 37, should be recorded on the reports themselves, but when each such report is finally disposed of the fact should be recorded in part I of form no. 38, and the entry attested by the divisional accountant's initials.

(*g*) Final reports in form no. 37, prepared under paragraph 480 should, however be registered in part I of form no. 38, as disposed of, as soon as orders on the closing balances and the items of difference, as per lines D and E of the report, have been passed by the divisional officer. These balances and items should then be transferred to parts II and III of form no. 38, where their clearance will be watched in the manner described in paragraph 516.

D—ADJUSTMENTS

P.W.A.C. 327.

484. In addition to cash payments and issues of materials there are other transactions relating to the accounts of works, which are of the nature of adjustments usually recorded in the transfer entry book of the divisional office. The detailed rules governing such transactions are given in Chapter IX.

E—WORKS ABSTRACTS

I—Introductory

[P.W.A.C. 328.

485. An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared by the sub-divisional or divisional officer in one of the works abstract forms. In the case of estimates exceeding Rs. 10,000 a separate account should be maintained for each sub-head estimated to cost not less than Rs. 2,000, and in the absence of orders of the divisional officer to the contrary the remaining sub-heads should be lumped

together. For such works and for estimates not exceeding Rs. 20,000 the accounts of which the superintending engineer or other sanctioning authority may desire to be kept by sub-heads, the detailed form of works abstract A, no. 33, should be used. For other estimates the simpler form of works abstracts B, no. 34, should be used in which the account of the final outlay is not kept by sub-heads.

The estimate, account and completion certificate of petty works are ordinarily prepared on a single form, petty works requisition and account, form no. 32, and separate works abstracts are not necessary. But when the accounts of the work involve transactions which cannot be suitably recorded in part IV of form no. 32, (e.g., advance payments, secured advances or other transactions of contractors) the accounts should be kept on the simple form of works abstract, form no. 34.

1. Percentage charges on account of establishment, tools and plant, and accounts and audit, levied on works expenditure, under rules 5 and 11 of Appendix V should not be shown in works abstracts and registers of works though they are eventually included in the cost of works, *vide* rule 2 to paragraph 749.

2. The Superintending engineer may dispense with the maintenance of accounts by sub-heads for any work if he considers that the circumstances of the work render such accounts unless or impossible to maintain. In such cases a copy of the orders, specifying the reasons should be forwarded to the Principal Auditor.

486. Ordinarily there should be one works abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a works abstract separately for each sub-work. P.W.A.C. 329.

II—Classification and Record of Final Charges

(*a*) Estimates exceeding Rs.20,000

487. The division of an estimate exceeding Rs. 20,000 into sub-heads for the purposes of accounts is guided usually by the classification sanctioned in the abstract of the estimate. If it is intended to purchase or supply materials and to employ labour for construction separately (whether by contract or by departmental agency), the abstract of the estimate should be so framed as to show separately for each distinct item of artificer's work (1) the cost and quantity of "labour" and (2) the cost of materials. But if this is not the case, e.g., when any item of work is to be executed by contract and it is P.W.A.C. 330.

proposed to contract for the completed items of work, the abstract of the estimate may show merely the quantity and cost of each item of work. *See* paragraph 331. In all cases miscellaneous charges of a general nature, which do not pertain to any sub-head in particular, may be treated as separate sub-heads, being grouped under one or more heads, e.g., "Work charged establishment", "Contingencies," etc. *See* paragraphs 332 and 463.

When the number of sub-heads of an estimate is large it will be found convenient to assign a number to each sub-head and to prefix this number to the name of the sub-head, wherever it is used on vouchers, works abstracts, registers of works or other accounts.

P.W.A.C. 331.

488. After an estimate has been sanctioned it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case the original abstract should be recast in accordance with the instructions laid down in paragraph 487. The details of cost and quantities already approved by competent authority should be re-arranged and the revised abstract should be approved by the divisional officer and thereafter, treated as the sanctioned abstract of the estimate for all account purposes.

P.W.A.C. 332.

489. If the number of sub-heads in the working estimate for a work or sub-work is large, it is permissible to break up the estimate into two or more parts, and to treat each part as a sub-work for the purposes of accounts. No part of an estimate can be separated from the rest, if any contract for the execution of work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of a work or sub-work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

P.W.A.C. 333.

490. (*a*) The account of each sub-head in the works abstract should ordinarily exhibit—

(1) "amount," i.e., total charges finally classified under the sub-head,

(2) "progress," *i.e.*, total quantities executed from time to time, and

(3) "rate of cost," i.e., cost per unit on the basis of the recorded "amount" and "progress".

(*b*) In the case, however, of sub-heads which have been lumped together under paragraph 485 above, or sub-heads representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of "progress" and "rate of cost" in the accounts is not necessary, the entries in the "amount" column being sufficient.

(*c*) In other cases the "progress" and "rate of cost" should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed with in the following cases under the written orders of the divisional officer which should specify reasons :

(1) if the duration of construction under the sub-head is not expected to be more than three months,

(2) if the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

491. When provision is made in the abstract of estimate separately for "labour" and "materials" under any sub-head, the account of the cost of all materials issued to the work from stock, or by purchase, manufacture or transfer should be kept under a single head, entitled "Materials," the sanctioned amount of which should be taken to be equivalent to the aggregate provision for "materials" in the estimate. This should be treated as a suspense head and the details of it recorded in form no. 35, (*vide* paragraph 475), which should accompany the works abstract. The "labour" divisions only will thus appear in the works abstract as separate sub-heads of final outlay. During the progress of the work, the expenditure recorded under those sub-heads will be exclusive of the cost of materials, but on the completion of the work, the gross cost of each sanctioned sub-head of work, inclusive of the cost of materials, should be placed on record by making entries in the register of works, in the manner indicated in paragraph 516. P.W.A.C. 334.

492. When the sub-heads of a work are divided into "labour" and "materials," the "rate of cost" of the labour charges relating to each sub-head can be P.W.A.C. 335.

watched separately and the necessary control over the expenditure on materials can be exercised through the suspense head "Materials" and the detailed statement in form no. 35, supporting the entries under that head. It is unnecessary, therefore, for purposes of financial control over the outlay, either to record in the works abstract, month by month during the progress of construction, the outlay on the materials relating to each sanctioned sub-head of the estimate, or to strike the inclusive "rate of cost" of the whole sub-head monthly.

P.W.A.C. 436. **493.** The charges classified under a final sub-head should include all ordinary expenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to the sub-head concerned unless they are recoverable from the contractor under the terms of his agreement. But if the amount involved be so large as to affect appreciably the cost or rate of the sub-head, it may be debited to the sub-head "Contingencies" instead or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimate.

P.W.A.C. 337. **994.** In the accounts of estimates exceeding Rs. 20,000 a final sub-head, entitled "Additional charges for materials issued to contractors," should be opened if the system of issue of materials to contractors has been adopted, and the rates charged to the contractors therefor under paragraph 465 or 466, as the case may be, are either more or less than the actual cost to government. This sub-head should bear all losses on this account and receive credit for all profits as explained in paragraph 469. Carriage and incidental charges in connexion with the materials issued to the contractors, should also be debited to this head, if, under paragraph 548, they are chargeable to the work.

P.W.A.C. 338. **495.** If any receipts or recoveries are credited under the rules to that account of an estimate exceeding Rs.20,000, a special sub-head should be opened in the works abstract for the reception of all such credits.

(*b*) ESTIMATES NOT EXCEEDING Rs. 20,000

P.W.A.C. 339. 496. If the superintending engineer has desired the accounts of a minor estimate not exceeding Rs. 20,000

to be kept by sub-heads (*vide* paragraph 485) the rules in paragraphs 487 to 494 will apply. In the case of minor estimates not exceeding Rs.10,000 for buildings, bridges and other structures, if the transactions relating to the direct issues of materials are of sufficient importance and it is desirable, with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in paragraph 491 in respect of estimates exceeding Rs. 10,000, may be adopted and a column opened for the suspense head "Materials" in the works abstract. In all other cases the account of all final outlay on a minor estimate should be kept in a single column, headed "Final charges," in the works abstract, form no. 34.

III—Suspense Accounts

(*a*) General

497. In addition to the head " Final charges," or the final sub-heads in the case of estimates exceeding Rs. 20,000 a few suspense accounts are opened in works abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or the correct classification of which cannot be immediately determined. These accounts are : P.W.A.C. 340.

(1) "Materials"—for the record of the cost of materials issued direct to works,

(2) "Contractors—Advance payments"—for the record of Advance payments and of their recoveries,

(3) "Contractors—Secured advances"— for the record of secured advances and of ther recoveries,

(4) "Contractors—Other transactions"—for the record of all other debits or credits to contractors awaiting settlement, and

(5) "Labourers"—for the record of unpaid wages of labourers and of their subsequent payment.

(*b*) "Materials" Account

498. The suspense account " Materials " has already been referred to in paragraphs 491 and 496. This account should be opened in the works abstracts of esti- P.W.A.C. 341.

mates exceeding Rs. 20,000 if materials are issued direct to works. It may also be opened in the case of estimates not exceeding Rs. 20,000 if the transactions relating to the direct issues of materials are of sufficient importance.

So far as works abstracts are concerned, this account is never cleared. Officers in charge of sub-divisions should regard it as a temporary sub-head for the reception of all charges on account of direct issues of materials. The responsibility for clearing the head by transferring the charge to the final sub-heads of work when closing the accounts of the work in the register of works rests with the divisional office, *vide* paragraph 516.

(*c*) "CONTRACTORS' AND LABOURERS'" ACCOUNTS

P.W.A.C. 342. **499.** Advance payments made to a contractor under the provisions of paragraph 457, should not be charged off as final outlay on the work or under any sub-head of it. A suspense head, "Contractors—Advance payments," should be opened in the works abstract (form no. 33 or 34, as the case may be) for the record of advance payments and their subsequent adjustment.

P.W.A.C. 343. **500.** Advances made to contractors and suppliers under paragraph 456, whether on the security of materials or otherwise as well as all recoverable payments made under proper authority to labourers and others on behalf of contractors, should be treated as advances made on account of the work concerned. They should not be charged to the general suspense head "Miscellaneous P. W. advances," but incorporated in the works abstract as suspense transactions. The head "Contractors—Secured advances" is intended solely for advances made to contractors, on the security of materials brought to site, under paragraph 456 (*a*), and the head "Contractors—Other transactions" should be used for all other transactions.

P.W.A.C. 344. **501.** The head "Contractors—Other transactions" is intended also for watching the ultimate payment of the unpaid balances of contractors' accounts. Similarly, the head "Labourers" is meant for the clearance of the unpaid wages of labourers. If a running account bill or muster roll is only partly paid, the total amount due thereon as value of work done or supplies

made should be brought to account in the works abstract as final charges or as expenditure on the sub-heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column—"Contractors—Other transactions" or "Labourers."

502. The forms (nos. 33 and 34), of works abstracts provide a column for each of the suspense accounts enumerated in paragraph 497. The use of the head "Materials" is explained in paragraph 491 and the footnotes printed on the forms of the works abstracts explain the mode of making both original and adjusting entries under the other suspense heads. P.W.A.C. 345.

503. If any wages of labourers remain unpaid after the completion of a work, the accounts of the work may be kept open for a period of one month, which may be extended to three months at the discretion of the divisional officer. Thereafter the accounts of the work should be closed, the balance under the suspense head "Labourers" being left unadjusted. This amount should be shown in any completion report or statement that may be prepared under the rules in paragraph 399, by a special remark, as a liability against the work, and it should be excluded from the total final expenditure on the work, so as to arrive at the amount actually brought to account. P.W.A.C. 346.

If unpaid wages of labourers are claimed and paid subsequently to the closing of the accounts of a work, the payment should ordinary be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the divisional office against the closing entry relating to the original work in the register of works. Where, however, it may prove more convenient, the accounts of the works may be re-opened at the direction of the divisional officer.

504. The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect should be recorded on the bill, the account of the work as passed on the bill should be incorporated in the works abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head "Public Works Deposits," to be dealt with thereafter under the rules relating thereto. P.W.A.C. 347.

If the accouut of a contractor shows that he has already been overpaid or that the account closes with a balance due by him, the account should

be settled by a recovery in cash or otherwise; but if an immediate recovery is not practicable, the balance should be removed by debit to the head "Miscellaneous P. W. advances".

P.W.A.C. 348.

505. Disbursing officers are responsible for keeping a strict watch over the balances under the suspense accounts "Contractors" and "Labourers," with a view to prompt adjustment by recovery, settlement of account or detailed measurement as the case may be. For this purpose the statement headed "Detail of contractors' closing balances" in the works abstract and the record of unpaid wages maintained under paragraph 430 (*e*) should be examined monthly. Subject to the provisions of paragraph 503, these accounts should be cleared before the accounts of a work can be closed on completion.

IV—Liabilities Awaiting Incorporation

P.W.A.C. 349.

506. Liabilities are not incorporated in the accounts of wors except in the following cases :

(*a*) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated, *vide* paragraph 501.

(*b*) The value of materials received from sources other than stock (including manufacture), whether for issue to contractors or for issue direct to works, is at once brought into the accounts of works even though payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once, *vide* paragraphs 469 and 474.

(*c*) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account, *vide* paragraphs 503 and 504.

Disbursing officers are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date, *vide* paragraph 161 of Volume V of the Handbook.

P.W.A.C. 350.

507. If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 455, arrangements should be made for withholding

sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 423, all records on the authority of which liabilities may be liquidated or incorporated in the accounts, should invariably specify (1) the full name of the work as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

V—Record of progress

508. Entries of "progress" in the works abstracts (*vide* paragraph 490) should be supported by details in the statement provided for the purpose on the reverse of the works abstract form. These details should be furnished by the engineer or subordinate in charge of the work or by any executive officer or subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books, vouchers or other records, by members of the office establishment should not be permitted. The following points should be specially borne in mind : P.W.A.C. 351.

(*i*) Only "quantities" actually measured and paid for should be reported as "progress."

(*ii*) The progress reported should specify the quantities executed "up to date," sets of earlier measurements covered or superseded by later ones being ignored.

(*iii*) The progress of an item of work should be so reported as to describe as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE—It is recognized that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary, but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in cases covered by paragraph 490.

VI—Preparation, Completion and Disposal of Works Abstracts

509. The works abstract should be prepared in the sub-divisional office in the first instance. It should be posted day by day from the cash book and the connected bills of contractors and suppliers, cash refunds P.W.A.C. 352.

and writes-back of final charges being posted as *minus* entries. At the end of the month, stock and adjustment transactions should be added and, in the detailed statements provided for the purpose, quantities of work executed should be posted from measurement books or other sources and the closing balances of contractors' accounts should be detailed so as to prove the correctness of the up-to-date totals under the suspense heads (1) Contractors—Advance payments, (2) Contractors—Secured advances and (3) Contractors— Other transactions. The closing balances arrived at under the suspense head "Labourers" in each case should be agreed with the connected record of unpaid wages and its correctness should be certified over the dated initials of the sub-divisional officer. The works abstract should then be forwarded in original to the divisional office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the divisional officer and the abstract checked and closed under the supervision of the divisional accountant, who should record a certificate in the following form :

> "This abstract has been checked by me under my supervision.* I have personally compared all the items in the 'Details of contractors ' closing balances' with the contractors' ledger and found them correct."

1. The posting of stock and adjustment transactions may, if preferred be done entirely in the divisional office.

2. Postings made in the sub-divisional office should be in black ink and all postings and corrections made in the divisional office in red ink. '

3. Office copies of works abstracts need not be kept, as the originals are returned by the divisional office after completion. Before the works abstracts are sent to the divisional office, the up-to date totals should be entered forward in the returns for the following month and these should be corrected, if necessary, on receipt back of the works abstracts from the divisional office.

4. In the Buildings and Roads divisions where there are no sub-divisions the preparation, completion and disposal of works abstracts are dealt with the divisional office.

P.W.A.C. 353.

510. When finally completed in all respects, all the works abstracts of a month should be examined by the divisional officer and any explanations necessary called for from the sub-divisional officer or the assistant engineer concerned. The monthly examination of the works abstracts is an important part of the duty of the

divisional officer and must not be omitted. He must initial (and date) them in token of the performance of this duty.

F—REGISTER OF WORKS

I—Forms of Registers of Works and their Preparation

511. (*a*) The permanent and collective record of the expenditure incurred in the division, during a year on each work is the register of works. This record is maintained in the divisional office. P.W.A.C. 453

(*b*) There are two forms of registers of works corresponding respectively to the two forms of works abstracts (forms nos. 33 and 34) for estimates exceeding and those not exceeding Rs. 20,000. The detailed form, no. 40, should be used for other estimates exceeding Rs. 10,000 as also for works under Rs.20,000, the accounts of which a superintending engineer or other sanctioning authority may desire to be kept by sub-heads, and the simpler form no. 41 for other estimates.

512. The registers of works are posted monthly from works abstracts and petty works requisition and accounts. A separate folio or set of folios of form no. 40 should be assigned to each estimate exceeding Rs. 20,000 but entries relating to two estimates can be made on a single page of form no. 41. When separate works abstracts are prepared, under paragraphs 486 and 489, for the sub-works or part of an estimate, the transactions relating to each works abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the cost of the work and its sub-works with the provision in the estimate. The following instructions should receive special attention: P.W.A.C. 355.

(*a*) The register of works is not a classified account of works; for facility of reference it should be supplied with an index which should be subdivided under the prescribed heads of account classification.

(*b*) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional

amounts sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned the register of the original estimate should be closed and the revised estimate should be revised estimate should be entered on a fresh folio, prominently marked "Revised estimates" in red ink, and a reference to the folio on which the original estimate is to be found should be entered thereon.

(*c*) In the case of works for which specific appropriations are sanctioned individually, *vide* paragraph 112, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(*d*) The blank vertical columns in form no. 40 should be utilized for the final sub-heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub-columns for "quantity" and the horizontal columns for "rate of cost" should be left blank in respect of sub-heads for which there are no quantities in works abstracts, *vide* paragraph 490.

(*e*) In form no. 41, the final charges on works should be posted in the column "Total value of work done" and the single column "Suspense accounts" should embrace the transactions under all the suspense accounts.

II—Examination by Divisional Officer

P.W.A.C. 356.

513. Before the date of submission of the monthly accounts to the Principal Auditor, the posting of the registers of works should be completed and the registers should then be laid before the divisional officer for review. The monthly account of each work on which there has been expenditure during the month should be initialed (and dated) by the divisional officer in the column set apart for the purpose, in token of his having examined the entries and found them correct. Actual as well as probable excesses, whether in the total cost of a work or sub-head or in the rate of cost of a sub-head,

sh ɔuld receive special attention, and works slips in form no. 39 should be prepared and submitted to the superintending engineering when necessary, *vide* paragraphs 72 and 79.

1. If the transactions of a division are very large, the divisional officer may allow an extra perid ef a few days for the completion of the r gi ters of works, but the submission of the monthly accounts of the Pri-c pal Auditor and the completion of the works abstracts (paragraph 509) should not be delayed on this account.

2. It should be seen, wirh special refe1ence to works on which there have oeen only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be rearing completion, the delay in closing their accounts should be inquired into see also paragraph 514. If the slow progress of expenditure is due to delays in measuring work done or in settling up bills, the cause therefore should receive attention.

III—Closing the Accounts on Completion of Work

(*a*) Settlement of Liabilities and Assets and Clearance of Suspense Accounts

514. It is an object of great importance to close the accounts of works as soon as possible after the actual work of construction is completed, *vide* paragraph 75. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the divisional officer. P.W.A.C. 357.

515. Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, e.g., explanatory note 29 to appendix I have been duly made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts "Contractors" and "Labourers" have been cleared, *vide* paragraphs 502 to 505. If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed. P.W.A.C. 358.

516. The suspense account "Materials" should be cleared and the total cost of materials should be distributed over the final sub-heads concerned, before the accounts of a work can be closed so that, for statistical purposes, the full cost, inclusive of the value of materials P.W.A.C. 359.

of each class of work, may be worked out and placed on record. This is effected in the divisional office in the following manner :

(*a*) After orders have been passed by the divisional officer on the final report of the value and verification of materials at site (*vide* paragraph 480), the action taken from time to time as to the disposal of surplus balances and to the adjustment of discrepancies and losses should be recorded in form no. 38.

(*b*) Petty deficiencies and surpluses held to be due to the adoption of formulæ for determining the quantities used in construction, may be adjusted under the orders of the divisional officer by debit or credit to the sub-heads concerned, action being taken separately, if necessary, to make suitable revision of the formulæ in use.

(*c*) Shortages and losses for which any contractors are held responsible should be adjusted by prompt recovery either in cash, or by debit to their personal ledger accounts. If they are recoverable from other persons the debit should be transferred to the "Miscellaneous P. W. advances" account for recovery in cash or by deduction from pay bills.

(*d*) Other actual losses which are irrecoverable should be written off under the orders of competent authority, the charge being transferred to the sub-head contingencies, or to the sub-heads concerned, or even to a new sub-head opened for the purpose, as may be considered suitable with due regard to the statistical value of the recorded cost of final sub-heads of work.

(*e*) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a reduced valuation, should be adjusted by charge to the sub-heads concerned.

(*f*) In making notes of these adjustments in form no. 38, adjustments to be effected by debit or credit to the final sub-heads of the work should be kept distinct from those affecting other heads of account or the accounts of other works. Only

transactions of the former class should be posted in the columns headed "If debited to sub-heads of this work" and marked G and H in parts II and III respectively. *See* also paragraph 483.

(*g*) When parts II and III of form no. 38 are completely registered as above and there are no more adjustments to make, part IV of the form should be filled up as follows :

(i) Against line 1 should be entered, by sub-heads, the total calculated cost of materials used in construction, as per line B of the final report in form no. 37, referred to in paragraph 480.

(ii) Against lines 2 and 3 should be entered, item by item, the adjustments registered in parts II and III, respectively, of form no. 38, in the columns marked G and H, *vide* clause (*f*) above.

(iii) Entries against lines 1, 2 and 3 should then be totalled up, so as to arrive at the total debits to be raised against the final sub-heads, by minus debit to the suspense head "Materials," on account of the cost of materials relating to each.

(*h*) On the basis of the totals of part IV a closing entry should then be made in the register of works with the approval of the divisional officer, and the inclusive rates of cost of all the sub-heads concerned should be struck, entries being made as shown below :

	Quantity	Amount
		Rs.
TOTAL ..	100,000	20,000
Rate	..	20
Transfer entry of cost of materials, as per part IV of form no. 38. ..	..	10,000
Inclusive cost	..	30,000
Inclusive rate	..	30

P.W.A.C. 360.

517. The sub-head "Additional charges for materials issued to contractor" (paragraph 494) should receive the special attention of the divisional officer who should, if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractors and the actual cost to the Government, should not be accepted as correct without closer examination.

P.W.A.C. 361.

518. The accounts of annual maintenance estimates must be closed in March. Ordinarily, it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts, before the expiry of the financial year. If, in any exceptional case, any work remains to be done and, in accordance with paragraph 342, it is proposed to carry it on to completion, action should be taken as under :

(1) The expenditure incurred in the next financial year should be treated as expenditure against the annual maintenance estimate for that year.

(2) The suspense accounts of the work should be closed in the last month of the financial year, by transferring the balances of all those accounts to the general suspense accounts "Public Works deposits" or "Miscellaneous P. W. advances," as the case may be, which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next financial year. All unsettled liabilities and assets should then be treated as those pertaining to the next financial year's estimate.

(*b*) Closing Entries and Review of Expenditure

P.W.A.C. 362.

519. (*a*) When the work is completed and the accounts of it have been settled and written up as indicated in paragraphs 515 and 516 a double red ink line should be ruled below the final entries and a note made

in red ink "Work completed in.....19....." This note should be signed by the divisional officer in token of having satisfied himself that all action has been taken under those paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

(*b*) If it is a deposit work, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the divisional officer.

(*c*) EXCESSES OVER ESTIMATES

(i) *Excesses passed by Divisional Officer*

520. If the total expenditure on the work is in excess of the sanctioned estimate and the excess is passed by the divisional officer under his powers, the words "Excess passed by me" should be added to the completion note recorded under paragraph 519. P.W.A.C. 363.

(ii) *Completion Reports and Statements*

521. If, however, the excess is not within the divisional officer's powers to deal with a detailed completion report in form no. 44, should be prepared or the item should be included in a consolidated completion statement of works and repairs in form no. 45, as may be required under the rule in paragraph 399. The completion note in the register of works should then be amplified thus:—"Work completed in.....19..... Completion $\frac{\text{Report}}{\text{Statement}}$ submitted with this office letter No.....,dated.....19 ." P.W.A.C 364..

The orders passed subsequently by higher authority on the excess reported in the completion report or statement should also be noted in the register of works to complete the record.

IV—Correction of errors after closing Accounts

522. Should an erreor or omission in the recorded expenditure of a work come to light after its accounts have been closed (*see* paragraph 75), the accounts may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant documents concerned P.W.A.C. 365.

P.W.A.C. 366.

523. To facilitate the preparation of estimates, as also to serve as a guide in settling rates in connexion with contract agreements, a schedule of rates for each kind of work commonly executed should be maintained in the division and kept up to date. It should be prepared on the basis of the rates prevailing in each locality and necessary analysis of the rates for each description of work and for the varying conditions thereof should, so far as may be practicable, be recorded.

The rates entered in estimates should generally agree with the scheduled rates but where, from any cause, the latter are not considered sufficient, the deviation should be explained in detail in the report on the estimate.

G—CONTRACTORS' LEDGER

(The rules in this section apply to all transactions with contractors in connexion with the contracts or jobs undertaken by them, whether relating to the execution of works or to the supply of materials for works or stock)

I—Form and use of the Ledger

P.W.A.C. 367.

524. The accounts relating to contracts should be kept in the contractors' ledger, form no. 43, a separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained, *vide* paragraph 525.

P.W.A.C. 368.

525. A personal account should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him unless the work or supply entrusted to him is not important and no payment is made to him except on a first and final bill, form no. 24, on completion. If any materials are issued to the contractor or any payments are made on his behalf, a ledger account must be opened.

II—Posting of the Ledger

P.W.A.C. 369.

526. The contractors' ledger should be written up in the divisional office. It is not necessary for the sub-divisional officer to maintain a similar ledger in his office but if he maintains one the divisional office may not require him to furnish extracts therefrom.

P.W.A.C. 370.

527. Except when a contractor's account is to be closed and the procedure prescribed in paragraph 504, is observed in respect of unpaid bills, the value of work

done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 465 or 466 should be debited to his account on the authority of his acknowledgment, *see* paragraph 469.

1. Security deposits of contractors should not be included in their personal accounts in the ledger, *vide* paragraph 612.

2. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work, and the other for the recovery of creditable to the latter, as if that recovery, had been made in cash.

528. (*a*) The form of the ledger provides for the following columns : P.W.A.C. 371.

Particulars of bill or voucher :

(1) Date.

(2) Voucher no.

(3) Serial number, if a running account bill.

Net transactions detailed by suspense heads :—

(4) Advance payments.

(5) Secured advances.

(6) Other transactions.

(7) Name of work or account and particulars of transactions.

Gross transactions :

(8) Debits.

(9) Credits.

(10) Total value of work or supplies.

(11) Remarks.

(*b*) Columns 8 and 9 constitute the ledger account proper and columns 4, 5 and 6 set forth the net effect of each posting on the three suspense heads making up the account. Column 10 is also not a part of the personal

account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(*c*) Columns 1 to 3 and 11 require no explanation. Instructions for filling in columns 4 to 10 in the case of personal accounts are given below :

(i) Column 7—"Name of work, etc."—Here should be entered the full name of the work to which the bill or voucher relates except in the case of suppliers' bills, when the name of the account concerned, stock or purchases, should be stated. Brief particulars describing the nature of the transaction should then be added, and against the line should then be posted, in the money columns 4, 5, 6, 8, 9 and 10, the figures relating to that transaction only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger one for the payment made on account of the former work, and the other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 6 and 9 against the name of the work concerned.

NOTE—If there are several contracts in connexion with a work or account the transactions relating to each should be distinguished, preferably by quoting the number and date of agreement or work order.

(ii) Column 4—"Advance payments"—If the bill is a running account bill A or B (form no. 25 or 26), figure D of account I should be posted in this column.

(iii) Column 5—"Secured advances"—If the bill is a running account bill B, form no. 26, figure E of account II should be posted in this column.

(iv) Column 6—"Other transactions"—In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a first and final bill, form no. 24, no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(v) In columns 4, 5 and 6, debits to contractors should be posted as plus entries and credits as minus entries.

(vi) Column 8—"Gross transactions—Debits" —If it is a running account bill, figure H of the memorandum of payments should be posted in this column, otherwise the total amount paid or chargeable.

(vii) Column 9—"Gross transactions—Credits" —Here should be entered the value of work or supplies creditable to the contractor, which will be figure F of account I in the case of running account bills.

(viii) Column 10—"Total value of work or supplies"—In the case of running account bills here should be entered the total value of work done or supplies made up to date, as per figure A of account I of bill, but before posting the bill it should be seen that the figure shown in account I of it as "Deduct value of work shown on previous bill" agrees with the last entry in column 10 of the ledger against the work concerned. In token of this check this last entry in column 10 should be initialled (and dated) by the divisional accountant.

III—Balancing and Reconciliation

529. The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding if any under each of the three suspense accounts, (1) Advance payments, (2) Secured advances and (3) Other transactions, with a quotation, in each case, of the last running account bill and of all the vouchers supporting unadjusted outstandings under "Other transactions" not incorporated in the last running account bill. In the case of running account bills these balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when P.W.C.A. 374.

posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded:

Class of balance	Serial number of entry in memorandum of payments on bill form		
	Running Account bill A	Running Account bill B	Running Account bill C
(1) Advance payments ..	2	2	..
(2) Secured advances ..	..	3	..
(3) Other transactions ..	4	5	2

NOTE—*See* note to paragraph 528(*c*)

P.W.A.C. 376. **530.** The divisional accountant should be held responsible for the correctness of the contractors' ledger and for securing agreement, month by month, between the balances detailed in the works abstract and the corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

P.W.A.C. 377. **531.** (*a*) Periodically all the personal accounts in the ledger should be examined to see (1) that balances do not remain outstanding for a long time without justification and (2) that in the case of running accounts, bills are prepared at reasonable intervals.

(*b*) Entries in column 10, "Total value of work or supplies," not bearing the initials of the divisional accountant recorded under paragraph 528 (*c*) (viii) should be reviewed in particular to ascertain the cause of delay, if any, in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion, so as to ensure that all outstanding accounts in it are carried forward to a new volume.

IV—Scrutiny of Accounts by Contractors

P.W.A.C. 378. **532.** A contractor requiring a copy of his running account bill or an extract from his account in the contractor's ledger should be furnished with the same.

He should be encouraged to look at his account in the ledger and sign it in token of his acceptance of it. *See* also rule 2 under paragraph 455.

H—WORKS EXECUTED ON LUMP SUM CONTRACT

I—General

533. The following special procedure is prescribed for works executed on lump sum contract under paragraphs 405 and 406.

II—Payments for work done

534. Subject to the terms of the contract and such subsidiary instructions, if any, as may be laid down by the Local Government to ensure that the works are executed in accordance with the prescribed specification, plans and drawings, payments for work done are not made to the contractor otherwise than on the certificates of the officers in charge of the work, as detailed in paragraph 535.

535. (*a*) Whenever it is proposed to make any intermediate payment, a certificate will be given by an officer of the department of the status mentioned below to the effect that, by superficial or general measurement or by some other suitable method laid down by the Local Government (which should be specified) he has satisfied himself that the value of the work done is not less than a specified amount in conformity with the contract agreement and that, with the exception of authorized additions and alterations, the work has been done according to the prescribed specification.

(*b*) In the case of final payments, in addition to a record of detailed measurements in respect of additions and alterations, there will be a certificate of completion of the work according to the prescribed specification, signed by an officer as indicated below :

(i) For an intermediate or a final payment not exceeding Rs. 20,000 on each occasion.	(*a*) *In plains*—The assistant engineer in charge of the work, provided that if the contract for a work is for a sum of

		Rs. 50,000 or more the final payment, irrespective of amount, shall be subject to certification by the divisional officer.
		(*b*) *In hills*—The subordinate in charge of the work, provided that the certificate is checked by the assistant engineer after payment as soon as possible and in every case before the 'defects liability period'; and also provided that, if the contract for a work is for a sum of Rs. 50,000 or more, final payment, irrespective of amount, shall be subject to certification by the divisional engineer.
(ii)	For other payments, intermediate or final.	The divisional officer.

The officer granting a certificate will be held personally responsible for any overpayment, which may occur in consequence.

536. In order that proper financial control may be exercised over payments, it is necessary that the accounts of additions and alterations should be kept quite distinct from those of the rest of the work. There is, however, no objection to payment for additions and alterations being made before the completion of the work if their detailed measurements have been made.

III—Forms of billls

537. The forms of bills used for payments in connexion with lump sum contracts are nos. 27-A and 27-B modified, if necessary, under the orders of the Local Government in consultation with the Principal Auditor to provide for additional precautions which may be required.

538. Form no. 27-A is intended for intermediate payments, which may be made to the contractor in accordance with his contract. Only details of additions and alterations should be given in the bill. Otherwise the certificates prescribed in rue 535 (*a*) will suffice.

539. Form no. 27-B is intended for final payments made to a contractor. The details of additions and alterations alone should be given in the bill. Otherwise the certificates prescribed in rule 535 (*b*) will suffice. As a further precaution, the contractor should be required to add to his acknowledgment a statement in his own handwriting that he has received payment in full settlement of all demands.

NOTE—The form of final bill may be printed on yellow paper to distinguish it from that of the running bill (*see* note under paragraph 452(*b*).

IV—Subsidiary works accounts

540. The rules in sections E and F of this chapter regarding the maintenance of works abstracts and register of works apply *mutatis mutandis* to the accounts of lump sum contracts. In the case of estimates costing over Rs.10,000 expenditure need not, however, be booked by sub-heads of works (*see* paragraph 487, *et seq.*) if all the charges represent nothing but payments on a lump sum contract.

541. All "intermediate payments" made to the contractor and so acknowledged by him are regarded as advances made to him on account of the work concerned, and will be brought to account in accordance with paragraphs 542 and 543.

542. Payments for measured-up additions and alterations, as well as for the work covered by the lump sum for which no detailed measurements are necessary, are treated like advance payments and should be brought to account in the works accounts under the suspense head "Contractors—Advance payments". This will not only simplify accounting but will facilitate a watch-over the prompt adjustment of payments made.

NOTE—If a percentage or any other portion of the value of work done is withheld as security for the due fulfilment of the terms of the contract the net amount remaining after the deduction of the portion withheld should be entered as the advance payment.

543. Payments other than those specified in paragraph 542, above may be recoverable payments, including the value of materials supplied which may have been made to the contractor or to others on his behalf. These should be entered in the accounts under the suspense head "Contractors—Other transactions".

544. From the final bill paid to the contractor, (form no. 27-B), the total advances made to him in the running account bills, (form no. 27-A) or other recoverable payments will be deducted by short payment from the total value of work done, and the recoveries so made will be shown as minus figures under the suspense heads concerned, in which the plus figures will already be outstanding.

V—Contractors' ledger

545. Accounts of transactions relating to lump sum contracts must be maintained in the contractor's ledger, Form 43, in the manner described in Section "G" of this chapter, subject to the following subsidiary instructions.

546. As all "intermediate payments" made on form no. 27-A are regarded as advances, no figure therefrom will be posted in column 9, which is intended to show the amount creditable to contractors' account on account of the value of work done. The first and last entry which will appear in this column will be the figure "F", given in part I of the final bill form no. 27-B. Column 10 need not be posted at all.

547. Figures for posting the other columns 4, 6 and 8 are indicated in the bills (form nos. 27-A and 27-B) by the same distinguishing letters D, G and H respectively, which have been used to denote the corresponding entries in the ordinary bill forms 25, 26 and 27.

I—SUNDRY RULINGS

1—Carriage and Incidental Charges

P.W.A.C. 397.

548. (*a*) The cost of carriage of stock materials to site of work, and of all carriage charges in connexion with the movement, from place to place of other materials

issued to or provided specially for a work, should be charged direct to the account of the work, the exact classification of charge being as indicated below:

Nature of issue of materials	Head chargeable in the account of the work
I.—Issues to contractors under paragraph 465:	
(*a*) To the promised place of delivery.	"Final charges" in the case of estimates not exceeding Rs. 10,000 and "additional charges for materials issued to contractors" in the case of estimates exceeding Rs. 10,000.
(*b*) Beyond the place of delivery, if incurred.	The personal account of the contractor under the suspense head "Contractors—Other transactions."
II.—Issues to contractors under-paragraph 466.	Ditto.
III.—Issues direct to works	The sub-head to which the cost of the materials is charged.

(*b*) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(*c*) Incidental charges connected with the movement of materials issued to or provided specially for a work or returned therefrom, should be adjusted in the same way as the cost of carriage.

(*d*) In all cases the places from and to which conveyed, the distance, the quantity and the approximate weight must be clearly stated in the payment vouchers.

II—Charges for Examination of Soil

549. The expense attendant upon the necessary examination of the soil for the foundations of works ordered by competent authority should be treated as outlay on works and not as a contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved. P.W.A.C. 380.

III—Miscellaneous charges relating to Government buildings

P.W.A.C. 381.

550. Municipal or other rates and taxes on government buildings, residential or non-residential, when chargeable to the department as the department in administrative control of the building, *vide* rule 30 of Appendix X to volume V of the Handbook, should be treated as expenditure on repairs, and debited to the maintenance estimate of the buildings concerned.

551. Charges for the supply of electric current to inspection houses are debitable to "establishment contingencies" and not to the estimate for maintenance and repairs of the buildings.

IV—Employment of Military Labour

P.W.A.C. 382.

552. When military labour is employed on the execution of a work, the officer commanding the unit can obtain from the controller of military accounts concerned, a lump sum advance to meet heavy initial expenditure up to Rs. 10,000 but not exceeding one quarter of the approximate total amount payable on the contract, as certified by the employing authority. The debit on account of the advance made will be received from the controller through the exchange account, and the responsibility for the final adjustment of the advance by recovery from the value of the work done rests with the employing authority.

V—Execution of Government Works by Local Bodies

P.W.A.C. 383.

553. When the department entrust to the agency of a district board, or other local body, the maintenance of government buildings or roads, without transferring the property to the local body, the payment made to it on this account should be treated as a payment for work done by a contractor. If lump sum payments have been agreed upon, the procedure for settling the account periodically, and for recording the cost of the works, may be simplified with the concurrence of the Principal Auditor provided—

(*a*) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on record by a responsible official,

(*b*) that if the payment is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charge is set forth, and

(*c*) that, as far as possible, the liability of a year is settled within that year (*see* also paragraph 518) *See* also paragraph 426.

1. These payments should not be charged to the minor head "Grant-in-aid," that head being intended for cash contribution made to local bodies in connexion with (1) roads which are either not the property of the Government, or, being such property, have been transferred to the control of a local body and (2) miscellaneous civil works, the cost of which if constructed by the Public Works Department would be chargeable to the minor head "Original Works—Buildings—Civil works" and for the financial assistance given to these bodies, in the form of expenditure incurred in the Public Works Department on a work constructed by that department on their behalf.

2. The local Government will issue orders stating who shall be treated as a "Responsible official" in each case for the purpose of proviso (*a*).

CHAPTER XV

MANUFACTURE ACCOUNTS

A—INTRODUCTORY

554. When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a manufacture account, must be kept of the transactions connected with each manufacture. *See* also paragraph 599. P.W.A.C. 384.

555. The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and, in addition, an account is kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known, respectively, as the "operation" and the "outturn" accounts. P.W.A.C. 385.

556. The ordinary forms of the registers of works are unsuitable for recording the progress of the transactions of a manufacture. Form no. 42, register of manufacture, should be used instead. P.W.A.C. 386.

557. It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year. P.W.A.C. 387.

B—OPERATION CHARGES

558. A manufacture account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed, and (3) other incidental charges connected with the operations. P.W.A.C. 388.

P.W.A.C. 389.

559. The following rules apply to certain special incidental charges :

(*a*) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connexion with a manufacture which does not extend beyond a single season, are debited wholly to the account of the manufacture.

(*b*) Capital charges in connexion with a manufacture extending over more than one season should be debited, in the first instance, to a special account under the sub-head "Land, kilns, etc.," of the stock account. This account should also be charged with the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable instalments by debit to the "operation" accounts of the several seasons, the number of instalments and the amount chargeable for each season being determined on the merits of each case.

1. The decision as to the suitable instalments whereby the "Land, kilns, etc." account is to be cleared periodically, as given by the authority sanctioning the initial charge, should be recorded in the register of stock, form no. 12 and not deviated from without the further orders of that authority.

2. When the land, kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent charged should be credited to this special account and not to revenue.

(*c*) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules, *vide* Appendix V, for outlay on works undertaken on their behalf.

(*d*) Save as provided in clause (*c*) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kilns, plant, etc., though all these charges should be included in any *pro forma* accounts of the manufacture operations of the division, which may be prepared under the orders of the Local Government, with a view to compare the cost of manufactured departmentally with the rates charged by suppliers.

560. The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with paragraph 265. P.W.A.C. 390.

C—VALUE OF OUTTURN

561. A manufacture account is credited with the values of the manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 478). P.W.A.C. 391.

562. The outturn account referred to in paragraph 555 should show, month by month, the quantities and values of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month should be prepared in form no. 36 outturn statement of manufacture, and should be attached to the works abstract for the operation. P.W.A.C. 392.

563. The rates for valuing manufactured articles should be so fixed as to represent, as accurately as possible, the actual cost of manufacture per unit but should not exceed the market rates. P.W.A.C 393

D—GENERAL ACCOUNT

564. A manufacture account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore, recorded under a distinct subhead, called " Manufacture " of the stock suspense account. P.W.A.C 394.

565. In the stock accounts, the manufacture transactions should be recorded thus— P.W.A.C. 395.

(*a*) Operation charges should be shown as receipts of stock under the sub-head "Manufacture" charges representing value of stock materials issued to manufacture being simultaneously treated as issues of stock under the sub heads concerned.

(*b*) All outturn should first be brought formally on the stock account, by crediting its value to "Manufacture" and simultaneously showing the

articles as receipts of stock under the sub-heads concerned.

1. If the rate at which any article of outturn, manufactured for a particular work, as valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct items in the stock accounts.

2. No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the stock account under this paragraph. *See* also paragraph 559(*c*).

P.W.A.C. 396.

566. The difference between the "operation" and "outturn" should be adjusted under the orders of competent authority before the accounts of a manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the outturn statement, form no. 36; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will affect the "operation" account only. In all cases, the total "operation" and "outturn" should equal each other on closing the manufacture account. *See* also paragraph 220, rule 2.

CHAPTER XVI

Suspense Accounts

A—INTRODUCTORY

567. The account of the minor head "Suspense," sub-divided into as many of the five heads named below as may be required, is kept in each division under a single major head of expenditure : (1) Purchases, (2) Stock, (3) Miscellaneous P. W. advances, (4) London stores, and (5) Workshop suspense. These heads are of a temporary character and all transactions recorded under them are ultimately removed either by payment, or recovery, in cash, or by adjustment. The transactions, therefore, consist of both debits and credits, the latter being treated as reduction of expenditure when making up the account of the major head. P.W.A.C. 397.

B—PURCHASES

568. When materials are received from a supplier or from another division or department, their value should be credited to purchases— P.W.A.C. 398.

(*i*) immediately on their receipt, if they have been received for a specific work, so that *per contra*, the cost may be included at once in the accounts of the work and those accounts, as well as the connected subsidiary accounts, may take cognizance of the receipt of materials at the earliest opportunity *see* paragraphs 469 and 474); and

(*ii*) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month, so as to secure agreement between the quantity and value accounts (*see* paragraph 211).

569. When the actual value of the materials is not known, it will suffice if an estimated figure is adopted, any difference being adjusted, as soon as known, by a P.W.A.C. 399.

plus or a *minus* credit to purchases, as the case may be. *See* also rule under paragraph 570.

P.W.A.C. 400. **570.** When the price of the materials is paid or adjusted in transfer, the payment should be debited to purchases, and the outstanding credit thus cleared.

If the amount admitted in payment exceeds the amount credited to purchases, the difference should be charged direct to stock or to the work concerned.

P.W.A.C. 401. **571.** Unclaimed balances in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 622. Paragraph 623 regarding the repayment of lapsed deposits applies *mutatis mutandis* to repayments of lapsed balances of purchases.

P.W.A.C. 402. **572.** The account of this head be kept in form no. 67, suspense register, the details being recorded in a seprate set of folios for each of the two headings (1) Purchases for stock and (2) Purchases for specific works.

C—STOCK

P.W.A.C. 403. **573.** The head "Stock" is opened in all divisions in which stocks of materials are maintained for general purposes, *vide* paragraphs 183 and 184. In divisions in which no stocks are maintained, this account should be opened only when any manufacture operations are undertaken.

P.W.A.C. 404. **574.** The money limit for the stock reserve of a division, prescribed by the Local Government, *vide* paragraph 184 is meant to be applied to the value of materials acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

P.W.A.C. 405. **575.** The account head "Stock" is charged with all expenditure connected with the acquisition of stock materials and with all manufacture operations. It is credited with the value of materials issued to works, or sold, transferred or otherwise disposed of and the balance

of the account represents the book value of the materials in stock *plus* the unadjusted charges, etc., connected with manufacture.

576. The sub-heads of the stock account are Small stores, (2) Building materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painters' stores, (7) House fittings, (8) Miscellaneous stores, (9) Land, kilns, etc., and (10) Manufacture. P.W.A.C. 406.

577. (*a*) The general account of the receipts, issues and balances of the suspense head "Stock" should be maintained in the suspense register, form no. 67. A separate account should be kept in respect of each sub-head, the transactions of the several sub-divisions being detailed therein as separate items and the totals of all sub-divisions as another. Transfers within the division should be accounted for against a single item "Deduct—transfers within division," before the total for the entire head "Stock" is struck. P.W.A.C. 407.

The clearance of balances under "Transfer within division" should receive special attention.

(*b*) The subsidiary accounts of stock are described in Chapters VIII and XV.

D—MISCELLANEOUS P. W. ADVANCES

578. Transactions recorder under the head "Miscellaneous P. W. advances" are divided into four classes : P.W.A.C 408.

(1) Sales on credit.

(2) Expenditure incurred on deposit works in excess of deposits received.

(3) Losses, retrenchments, errors, etc.

(4) Other items.

NOTE—Personal advances drawn from the treasury, and audit retrenchments made from bills cashed direct at the treasury, do not appear in the acounts of divisional offices. Advances made to contractors appear in the accounts of works.

579. When stores of any kind are sold on credit their value (*plus,* if recoverable, the percentage charges referred to in paragraph 187) should be debited to Miscellaneous P. W. advances under the sub-head "Sales on credit" so that (1) the accounts of stocks or works from P.W.A.C. 409.

which the materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

"In each case there must be authority for the sale on credit"

P.W.A.C. 410. **580.** Outlay on deposit works is required to be limited to the amounts of deposits received. Any expenditure on deposit works incurred in excess of the amount deposited is chargeable to "Miscell[illegible] advances" pending [illegible]aneous P. W. should at once [illegible] recovery, to effect which action [illegible] be taken. *See* paragraph 585.

P.W.A.C. 411. **581.** Under the heading "Losses, retrenchments, errors, etc.," appear the following :

(*a*) Deficiencies in cash or stock.

(*b*) Actual losses of cash or stock.

(*c*) Errors in accounts awaiting adjustment.

(d) Retrenchments and losses of other kinds recoverable from government servants.

P.W.A.C. 413. **582.** The head 'Other items' is meant for all debits the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write-off ordered. The following are cited as examples : (1) debits, the classification of which cannot at once be determined, (2) recoverable debits not pertaining to the accounts of a work, and (3) recoverable outstandings pertaining to works, the accounts of which are closed (*vide* rule under paragraph 504 and paragraph 518).

P.W.A.C. 414. **583.** No charges may be debited to "Miscellaneous P. W. advances" on the ground of absence or insufficiency of sanction or appropriation, except as provided for in paragraph 580.

The share of municipal taxes paid by the Government on behalf of tenants of government buildings under the provisions of paragraph 284, note 1 clause (*c*) should be debited to this head pending recovery.

P.W.A.C. 415. **584.** Items in the "Miscellaneous P. W. advances account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off.

585. The detailed accounts of this head should be kept in form no. 67, suspense register. For items falling under the class "Expenditure incurred on deposit works in excess of deposits received" details are not necessary, as these are recorded in the schedule of deposit works, form no. 65. For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearance may be watched individually. An abstract should be prepared to show the totals of all the classes. P.W.A.C. 416.

E—LONDON STORES

586. The head "London stores" is the suspense head through which are passed all transactions connected with stores obtained through the India Stores Department, London. The objects of this account are (*i*) that the stores received from England are brought on the accounts of stock or works immediately on their receipt, without waiting for the advice of the payments made in England by the High Commissioner, (*ii*) that when the advice precedes the stores the receipt of the latter is watched, and (*iii*) that in all cases agreement is secured between the charge to stock or works, and the payments made in England. P.W.A.C. 417.

587. When the stores arrive, this account should be credited, and the accounts of the works concerned or stock should be debited, with the English cost of the quantities actually received, the amount being determined by converting the invoiced sterling value into rupees at the average rate of exchange (which will be communicated by the Principal Auditor) for the month in which the payment was made in England. P.W.A.C. 418.

If the month of payment is not known, the average rate of exchange for the month in which the stores were despatched from England should be adopted provisionally, subject to adjustment on receipt of the advice of payment.

NOTE—In order to avoid discrepancies in accounts, the sterling transactions should be converted into Indian Currency to the nearest pie and should not be rounded off even to the nearest anna.

588. On receipt of monthly statements of receipts disbursements of the Province from the Accounts Officer in England, the Accountant General will convert the sterling accounts in rupees at the average rate of exchange of the month and issue a memorandum of adjustment to the Executive Engineer concerned. On receipt P.W.A.C. 419.

of the adjustment memorandum the rupee value of the stores as advised by the Accountant General should be credited to the head 'S—Remittances—Cash Remittances, etc.—Public Works Remittances—III Other Remittances—Items adjustable by the Public Works Department, and debited to the head 'London Stores (charges in England)."

NOTE—No adjustment will be made on account of 'Loss or gain by [Exchange'.

P.W.A.C. 420.

589. Indian charges (*e.g.*, balance of sea-freight and carriage and incidental charges) should be debited direct to stock or works concerned unless incurred prior to the arrival of the stores in the division, in which case they should be charged to "London stores" and on receipt of the stores the charge should be transferred to the relevant accounts of works or stock, when making the adjustment of English cost as laid down in paragraph 587.

P.W.A.C. 421.

590. A surcharge at the rate fixed by the Government of India from time to time, to cover departmental expenses and marine insurance is added by the High Commissioner for India to the invoiced price (including frieght) of all European stores obtained through the India Store Department, London, by provincial governments, commercial departments, including irrigation works, government commercial undertakings, local funds, Indian states, private individuals, etc., in calculating the cost debitable to or recoverable from these various sources.

1. When under special arrangements the contractor undertakes to deliver stores at an Indian port and not at the stores office in London, the surcharge leviable will be only for departmental charges.

2. The extra charge for marine insurance covers the risk of losses during the voyage to India and not losses between the ship's side and the shore.

3. The adjustment of the surcharge is made by the High Commissioner for India. A similar extra charge should be made in India for stores imported from England for the Central Government but eventually transferred to provincial governments, etc. In such cases the amount of the surcharge should be credited in the central section of the accounts under XLVI—Miscellaneous—Percentage chargeable on European stores for provincial governments, etc.

4. In making recoveries from the agents of vessels on account of short delivery of stores, the surcharge should not be added to the invoiced value of the stores (including freight). Similarly in making recoveries from the agents of vessels on account of deficiencies or damage found in consignments of stores obtained from the Air ministry or from other departments of the British Government, the departmental charges levied by these authorities should, like those made by the India Store Department, London, be excluded from the value of such stores.

P.W.A.C 422.

591. The balances at credit of this account represent the value of stores received for which no advices of payment have come to hand and debit balances indicate the advised value of stores which have not yet been received. All balances should be watched with a view to early clearance, special reference being made at once to the Principal Auditor in respect of each item of the former class.

P.W.A.C. 423.

592. Balances due to short deliveries, etc., which cannot be cleared by recovery of cost are not adjustable until their write-off has been sanctioned by competent authority.

P.W.A.C. 424.

593. The transactions under this head should be recorded in detail in a monthly schedule, form no. 71, Schedule of London Stores.

P.W.A.C. 425.

594. Indents on the Indian Stores Department, London, should indicate, the detailed classification of the charge, which in the case of the Public Works Department, is always the head " Charges in England—Stores (voted)" subordinate to the major head under which the suspense head "London stores" of the division is classified : *See* paragraph 118. In each case it should be added whether the cost is debitable to the revenues of the Province or those of the Central Government.

(1) whether debitable to central or provincial revenues; if the latter, the name of the provincial government;

(2) whether the major head pertains to reserved or transferred expenditure.

Thus, in a Buildings and Roads division in which the London stores account is kept under the major head " 50.—Civil Works, " an indent for stores required partly for agency works of the Central Government and partly for provincial works and deposit works, will be classified as shown below :

50—Civil Works—Charges in England.

Stores for India.

Provincial—United Provinces.
Voted.

F—WORKSHOP SUSPENSE

P.W.A.C. 426.

595. When a workshop has been established, the accounts of which are kept in accordance with the rules in Chapter XVII, all direct outlay on the jobs executed and on other operations of the workshop is passed through the suspense head workshop suspense, and a separate account is kept under it of each job or operation, so that all charges relating to each may be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

P.W.A.C. 427.

596. The recorded expenditure on a job is removed from the suspense account only when, and to the extent, an adjustment is effected against the deposit received or against the service or other head concerned, *vide* paragraph 607. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by *plus* and *minus* debit entries.

P.W.A.C. 428.

597. On the completion of a job, all outstanding charges on it must be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of the deposit received, the unadjusted amount should be transferred to the head "Miscellaneous P. W. advances" pending settlement.

P.W.A.C. 429.

598. The detailed account of this head should be kept in a suitable form prescribed in accordance with the rule in paragraph 600, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

CHAPTER XVII

Workshop Accounts

A—INTRODUCTORY

599. In some divisions there is a small shop for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations, as the case may be. P.W.A.C. 430.

600. Large workshops, with special plant or machinery, may also be established, which may be treated as separate sub-divisions, or divisions, for account purposes. When such workshops are of the character of quasi-commercial undertakings, the system of accounts will be that prescribed for similar undertakings. When they are run mainly for departmental purposes the accounts should be kept in accordance with the general rules and principles laid down in this chapter. In either case, the exact forms to be used and the procedure to be observed will be settled in respect of each workshop in consultation with the Principal Auditor. P.W.A.C. 431.

601. No work is to be undertaken in workshops of the department other than work required for the various branches of the department, except under some general or special order of the Local Government. P.W.D.C. 375.

602. For every job there must be an estimate of cost (providing for all charges, including the prescribed percentages for indirect charges, *vide* paragraph 608) sanctioned by competent authority and accepted by the intending officer, local body or individual : *see* also paragraph 603. The amount to be realized from the indenting party will, however, be based on the actual cost, though the authorized limit of cost, which the officer in charge of the workshop may incur without further authority is that shown in the accepted estimate. P.W.A.C. 432.

If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled beforehand.

P.W.A.C. 432-A.

603. No work should be undertaken for municipalities or private parties before the whole estimated cost, including all charges for supervision, profit, etc. that may be leviable under the rules for the time being in force, has been paid to their divisional officer, or into the treasury to be credited to the revenues of the Province under the head of account concerned. This rule may be relaxed at the discretion of the divisional officer or superintendent in the case of government servants where full recovery is not open to doubt. In such cases a rough estimate of the probable cost must be prepared in advance and the government servant concerned required to give an undertaking that he agrees to pay the actual charges in full on completion of the work. The full expenditure incurred must be deducted from the government servant's pay and allowances for the following month. In all cases prior to work being put in hand, an undertaking should be procured from the party concerned that it will not hold the department responsible for loss by fire or theft or any other factor which could not be foreseen when the estimate was prepared. In cases where it is found that the original estimate is likely to be appreciably exceeded a revised estimate should be prepared and the procedure outlined above adopted. The cost of the operations should be charged monthly to the head "Miscellaneous P. W. advances" pending recovery.

B—DIRECT AND INDIRECT CHARGES

P.W.A.C. 433.

604. Receipt and expenditure transactions in connexion with workshops are brought to account as follows :

(*a*) Where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch i.e. if the workshop is to be regarded as being on a quasi-commercial basis), the capital expenditure should be recorded under the relevant division and sub-division of the major head 68. Receipts representing recoveries of capital expenditure will be taken in education.

in reduction of such expenditure, while revenue receipts and working expenses will be booked under a new minor head, opened under the corresponding division and sub-division of the major head XVII, entitled "Receipts from workshops," divided so as to meet the requirements of the *pro forma* accounts of the shop (*vide* paragraph 610).

(*b*) Where capital accounts are kept of a workshop intended mainly for the needs of the civil works branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be recorded under the major head 50. Recoveries of capital expenditure will be taken in reduction of such expenditure ; revenue receipts will be booked under a new minor head, opened under the major head XXXIX, entitled "Receipts from workshops," divided so as to meet the requirements of the *pro forma* accounts of the shop.

(*c*) Where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be booked under the major head 18 or 50, as the case may be, and all receipts, whether "recoveries of expenditure" or "revenue receipts," under the minor head "Miscellaneous" of the corresponding revenue head XVIII or XXXIX.

605. All capital charges on buildings, plants and machinery and stock materials, and all revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be accounted for as ordinary Public Works transactions under the major head concerned, in accordance with the proceeding paragraph and under the general rules of other chapters of this volume. These are charges which neither pertain to any individual job executed in the shops, nor are capable of direct apportionment amongst all the

P.W.A.C 434.

job, and are, therefore, met out of the grants of the department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 608.

P.W.A.C. 435. 606. All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore, be accounted for under the suspense head "Workshop suspense" (*vide* paragraphs 595 to 598). The charges pertaining exclusively to any job should be debited to it at once, and those of a general nature should be treated, in the first instance, as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

(1). This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraphs 605 and 221.

(2) All liabilities should be taken into account, even though undisbursed, so that the general charges may be correctly allocated month by month, and the recorded expenditure on each job may represent, as far as possible, the actual cost up to date.

P.W.A.C. 436. 607. In the case of jobs of all classes, the cost of operations should be charged off or adjusted in transfer (paragraph 596), as the case may be, month by month but in the following cases the accounts of a job may be settled once a year in March, or in an earlier month if the job is completed earlier (*vide* paragraph 597) :

(*a*) When the total cost during the year is not larger than Rs.500.

(*b*) When the monthly settlement of account is inconvenient to the indenting division or department.

(1) When the estimated cost of a job is recovered in advance, it should be kept in deposit in the first instance, and the adjustments of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

(2) In the case of large jobs undertaken by workshops, the following procedure may be adopted to enable divisional officers to watch the receipt of the articles. The debit received on account of the cost of such operation should be held under "Suspense" in the works account, under a temporary sub-head "Workshop liabilities" and this should be relieved later on actual receipt of the articles.

P.W.A.C. 437 608. In addition to the direct charges referred to in paragraph 606, the account of each job should be debited, not through the "Workshop suspense" account

but directly under the head of account concerned, with suitable percentages to cover the indirect charges enumerated below :

(*a*) Overhead charges under paragraph 187.

(*b*) Interest on the capital cost of buildings, plant and machinery.

(*c*) Maintenance charges of buildings, plant and machinery.

(*d*) Depreciation of buildings, plant and machinery.

(*e*) Establishment charges (including one per cent) on account of audit and account establishment : *see* rule 9 of Appendix V.

See also paragraph 605.

The percentage for overhead charges should be calculated on the book value of materials issued to each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions of the province.

The percentage realized on account of establishment charges is treated as reduction of expenditure or as revenue receipts as the case may be in accordance with the rules in Appendix V. All other percentages are treated as revenue receipts.

609. The indirect charges referred to in paragraph 608 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 607.

C—ANNUAL ACCOUNT AND REVIEW

610. Annually, *pro forma* accounts of each workshop should be prepared, consisting of—

(i) the capital account, showing the values (after making due allowances for depreciation) of the buildings, machinery and plant, and stock, and the outstanding balances of the workshop suspense account ;

(ii) the outturn account showing, in such detail as may be necessary, the charges on labour

and stores, and the general and indirect charges, and

(iii) the profit and loss account, showing on the one side the actual working liabilities of the year, e.g. (*a*) interest calculated on the mean capital of the year under all the heads named in (i) above, (*b*) the actual maintenance charges of buildings and machinery and plant, (*c*) depreciation of buildings, machinery and plant calculated on the capital value thereof and (*d*) general establishment charges *plus* (1) a suitable addition thereto on account of leave and pensionary charges and (2) one per cent for audit and accounts establishment only on such jobs in respect of which this percentage is not credited to the major head "26—Audit" or in "XLVI Miscellaneous—Fees for Government audit" in the regular accounts (*vide* rule 2 to paragraph 11 of Appendix V); and on the other side the percentage charges made under paragraph 608, excluding the one per cent for audit and accounts establishment credited to "26—Audit" or "XLVI Miscellaneous—Fees for Government audit," under rule 1 to paragraph 11 of Appendix V.

The stock account should be treated as a part of the workshop account only if and to the extent, the reserve stock is declared by the Local Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop, neither the interest charges on it nor the losses or gains (including storage charges) arising out of it, should appear in the profit and loss account of the workshop.

P.W.A.C. 440.

611. The Principal Auditor should review the annual accounts of a workshop, in consultation with the officer in charge of it, and submit a report to the Local Government on its financial working, specially bringing out the necessity, or otherwise, of revising the percentage fixed by the Local Government for the several charges referred to in paragraph 608 above.

To facilitate the review of percentages it will be found convenient to show, in the profit and loss account, not only the figures of the year but also the progressive figures to the close of the year, commencing from a suitable date.

CHAPTER XIX

NON-GOVERNMENT WORKS

A—INTRODUCTORY

628. Non-Government works are divided into three classes : (1) Deposit works, (2) Local loan works, and (3) Takavi works. P.W.A.C. 457.

629. The general rule for the exhibition in accounts, of transactions relating to contributions from central or provincial revenues to local funds and public bodies, and *vice versa*, as contained in Chapter 6 of the Audit Code, is reproduced below : P.W.A.C. 458.

Contributions made by the central or the Provincial governments to district boards, municipalities, etc., or *vice versa*, will be charged as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus a grant for the construction of a church will be debited to "32 Ecclesiastical" ; a grant for the construction of a school to "37.—Education ; a grant for the construction of a drainage system to 39.--Public health" ; and a grant for the construction of roads to "50.—Civil works" ; while a grant given for general purposes, such as a grant to make good a deficit or as compensation for revenue resumed, will be classified, under "57.—Miscellaneous."

1. If the financial assistance given by the central or a provincial government to a local body does not take the form of a grant of cash but of expenditure in the Public Works Department, equivalent to the whole or a part of the cost of work constructed by that department on behalf of the local concerned, the contribution thus made should be charged as expenditure under the minor head "Grants-in-Aid" of the Public Works major head concerned irrespective of the object of the assistance.

2. A contribution paid by local body with the express object of meeting the whole or a part of the cost of construction, by the Public Works Department of a specific work which is eventually to be the property of government, should be credited in the Public Works accounts to the debt head "Public Works deposits". The contribution should, for accounts purposes, be divided into two parts, one representing a share of works expenditure and the other the usual percentages on that share to cover charges for Public Works establishment and tools and plant and the expenditure as actually incurred together with the percentages should be charged against it. No charge for audit and accounts should be levied in such cases.

630. In the Public Works accounts, contributions made to local bodies are charged to the minor head "Grants-in-aid" under the major head "50—Civil works," or "18—Other revenue expenditure" as the case may be. *See* also rule 1 to paragraph 553. P.W.A.C. 459.

P.W.A.C. 460. **631.** When works already constructed, or land already purchased, are transferred, free of charge, to local bodies under the provisions of paragraph 372 no re-adjustment of the accounts of cost is necessary.

P.W.A.C. 461. **632.** For every non-government work there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same way as for a government work.

B—DEPOSIT WORKS

P.W.A.C. 462. **633.** When a deposit work is to be carried out, the local body or other party concerned should advance the gross estimated expenditure, which is payable by it, to the divisional officer in one lump sum, or in instalments, and by such dates as may be specially authorized by the Local Government, *vide* paragraph 392. The amount received should be credited in the accounts to the head "Public Works deposits," against which will be charged all expenditure incurred up to the amount of the deposit. As regards expenditure in excess of deposit *see* paragraph 580.

If preferred, the local body concerned may be authorized to pay the deposit direct into the treasury. In this case, the accompanying chalan should state clearly that the amount is creditable to the department, naming the division and the work to which the deposit relates.

P.W.A.C. 463. **634.** A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in form no. 65 schedule of deposit works. This schedule shows, in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up to date.

Refunds of unexpended balances of completed works should be taken in reduction of the deposits and, therefore, shown in the schedule as *minus* realizations and not as expenditure.

P.W.A.C. 464. **635.** The amount of each deposit should be rateably divided into two parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant and audit and accounts charges, if any, recoverable, under the rules, *vide* appendix V. In the schedule, the deposit received for each work should be numbered

as a single item, but the transactions relating to the two parts of it should be shown separately, thus—

For works expenditure.....

For percentage charges.....

636. The percentages leviable should be adjusted month by month as the works expenditure is incurred, but the Principal Auditor may authorize the adjustment to be made once a year in the accounts for March, provided that if the accounts of a work are closed in an earlier month the adjustment must be made in that month. P.W.A.C. 465.

C—LOCAL LOAN WORKS

637. The rules under which payments on account of local loan works may be made in the department are reproduced below : P.W.A.C. 472.

I. Every loan to a municipality, Indian state, or other corporation will be recorded in the books of the Principal Auditor concerned, and no part of it may be issued except under his orders.

II. No department of the Government or a government servant should incur any expenditure or liabilities against such loan funds, unless a statement in writing is first obtained from the Principal Auditor that the amount is available out of the loan funds and has been placed in a separate account by the Principal Auditor so as to be available for the proposed expenditure.

III. Funds spent by any department of the Government or a government servant under rule II shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or the government servant.

638. Expenditure on a local loan work, incurred in accordance with the foregoing rules and under the orders of competent authority, should be accounted for as outlay against the sanctioned loan, under the head "R.—Loans and advances by the provincial governments," and shown in the schedule of debits to miscellaneous heads of account, form no. 76 supported by a schedule of works expenditure. P.W.A.C. 473.

P.W.A.C. 474. **639.** All charges debitable to a loan should be brought to account as they occur, so that the interest charges may be correctly calculated and adjusted in the Principal Auditor's office.

This rule applies also to the percentage (*vide* paragraph 635) leviable under the rule which should, therefore, be adjusted monthly by inclusion in the schedule of works expenditure.

P.W.A.C. 475. **640.** The limits of funds set aside for expenditure on a work during the year should be ascertained from the Principal Auditor by the authority sanctioning the expenditure, and communicated to the divisional officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

D—TAKAVI WORKS

I—Provision of Funds

P.W.A.C. 476. **641.** It is not imperative, as in the case of a deposit work, that the estimated cost of a takavi work shall be deposited by the person or persons interested in the work before any expenditure is incurred on it, as if the amount due is not received in cash direct from them, it is recoverable through the revenue department in the same way as arrears of land revenue. Endeavour should, however, be made to effect direct and prompt recoveries of the probable cost of takavi works, as recoveries through the revenue department cause considerable trouble and delay in adjustment.

II—Accounts of Expenditure

P.W.A.C. 477. **642.** The transactions relating to takavi works should be recorded under the head "Takavi works advances," the full name of which is "P.—Deposits and advances not bearing interest—Advances repayable—Civil advances—Advances of the Public Works department." They should be accounted for in the schedule of takavi works, form no. 66 which shows the expenditure incurred on each work, the amount realized on account of it, and the outstanding balance of the account.

P.W.A.C. 478. **643.** The rules in paragraphs 635 and 636 relating to deposit works apply, *mutatis mutandis*, to takavi works. The rule under paragraph 634 also applies.

644. The accounts of all works of construction or of special repairs should be closed as soon as the work is completed. Ordinary maintenance and repair works should, however, be considered as completed on September 30 of each year and expenditure thereon incurred subsequently should be accounted for as pertaining to a new work of the following year, so that the transactions and balances relating to each takavi year may be kept distinct and separate. P.W.A.C. 479.

III—Recovery through Revenue Department

645. The following procedure is prescribed for effecting recoveries, through the revenue department, on account of the cost of individual takavi works, not covered by cash deposits received direct from the cultivators concerned. P.W.A.C. 480.

(*a*) A certificate showing (1) the full name of the work, (2) the name and address of the responsible cultivator or cultivators, (3) the authority for undertaking the work, (4) the total expenditure incurred, (5) the amount (with full particulars), if any, recovered in cash, and (6) the net amount still recoverable, should be prepared, in duplicate, by the divisional officer, on the completion of the work (*see* paragraph 644), and submitted to the collector or deputy commissioner of the district concerned.

(*b*) On receipt back of the duplicate copy, duly accepted, the amounts accepted, should be credited, on the authority of it, to the takavi works advances account by debit to the head concerned (*vide* margin) in the schedule of debits to miscellaneous heads of account form no. 76, as the revenue department will thereafter be responsible for effecting the necessary recovery.

"R—Loans and advances by Provincial Governments—Advances to cultivators."

IV—Water-courses

646. The foregoing rules apply to such water-courses only as are classed as takavi works. The account rules relating to water-courses of other classes are given in Appendix X. P.W.A.C. 481.

CHAPTER XXII

CONTINGENT CHARGES

A—MODE OF OBTAINING CASH

702. Cash required to disburse contingent charges is obtained from treasuries by cheques, in the same way as cash required for works payments, and the charges are incorporated in the monthly account of the division like other charges incurred by the departmental officers. P.W.A.C. 516.

B—GENERAL RULES

703. The rules in Chapter VIII and Appendix X of Volume V of the Handbook, apply generally to the Public Works Department to the extent that they may not be inconsistent either with the authorized method of obtaining cash for contingent charges (*vide* paragraph 702) or with any of the special rules in this volume. P.W.AC. 517.

704. The expression "contingent charges" as used in the departmental accounts does not include charges which under the rules in appendix I are classified under some other head of expenditure, e.g., works, repairs and tools and plant. P.W.A.C. 518.

For the definition of "contingencies" *See* paragraph 150 of volume V of the Handbook. In the Buildings and Roads Branch charges which are incurred for the technical working of the department, e.g., chemicals for ferro-prints, medicines and hospital necessaries are governed by the rules applicable to contingent charges.

705. If the contingent charges of a division excluding special contingencies [*vide* paragraph 153 (*c*) of volume V of the Handbook], during a month, exceed the monthly limit of Rs.750 which has been fixed by the Local Government, the bill for the month should be submitted to the superintending engineer for sanction which will be signfied by that officer countersigning the bill. P.W.A.C. 519.

NOTE—In the case of Mat Branch division, Ganges Canal, the divisional officer has been specially permitted to dispose of his contingent bill on his own authority up to the limit of Rs. 850.

P.W.A.C. 521.

706. Contingent charges and grants-in-aid may be included in the same bill, but the abstract of the bill should show the total charges for each class separately.

C—SPECIAL RULES

P.W.A.C. 522.

707. The account procedure for contingent charges will be as follows:

(*a*) Payments made should be brought to account, in the first instance, in cash books or imprest cash accounts, like works payments.

(*b*) At the end of the month all contingent charges (including stock and adjustment transactions) should be consolidated in a bill in form no. 17 of Volume V of the Handbook (headed *not payable at the treasury*) for submission to the Principal Auditor with the monthly account. Particulars of the charges need not be entered in this bill except in the case of miscellaneous items which do not fall under one of the classified sub-heads for specific charges.

(*c*) For abstracting the contingent charges of the month the form of the contingent register (*vide* paragraph 173 of Volume V of the Handbook) should be adopted. *See* also paragraph 175 of that volume.

1.—Expenditure in the contingent register and on contingent bills must be recorded under the following sub-heads :

(1) (*a*) Rent. *
(*b*) Rates and taxes.
(2) (*a*) Country stationery.
(*b*) Other petty bazar purchases.
(3) Service postage stamps and telegram charges.
(4) Carriage of parcels, treasure, and other government property.
(5) (*a*) Hot weather charges.*
(*b*) Liveries and warm clothing of menials.†
(*c*) Cold weather charges.

*Sanction number and date to be quoted on bills.

†Details of number of menials, dates of last supply and rates of charge to be given on bills.

(6) Pay of menials.*
(7) Law charges.†
(8) Medicines and hospital charges .
(9) Books and periodicals.†
(10) (*a*) Binding.
(*b*) Printing and advertising.‡
(*c*) Stationery and forms,
(11) Tour charges.
(12) Miscellaneous.
(*a*) Shajras and khasras, †
(*b*) Supplying drinking water and dusting offices.
(*c*) Other miscellaneous charges ‡ (including money order commission and other postal charges paid in cash).

708. Payments should be made out of the regular cash or imprest balances of the division and not out of undisbursed balances of cash drawn from treasuries for payment of establishment charges. **P.W.A.C. 523.**

Payments to treasury officers for value of service stamps obtained by indent should invariably be made by cheque , the indents being prepared in form no. 42A of volume V of the Handbook. The treasury officer will retain the indent and grant a receipt in a form written up by the clerks of the treasury and signed by himself whatever the amount may be. *See* also paragraphs 31—31C and 166 of volume V of the Handbook.

*Details of numbers of posts, rates of pay and periods to be given on bills.

†Sanction number and date to be quoted on bills.

‡Details of charges to be given on margins of bills.

CHAPTER XXIII

Direction and other special offices

A—INTRODUCTORY

709. The rules in this chapter apply only to the offices of chief and superintending engineers, superintendents of works, and other special officers not being divisional officers or their subordinate officers. These offices are described as special offices in this chapter. P.W.A.C. 526.

710. The head of a special offices is not concerned with the actual execution of works, with the disbursement of money, or with the provision or custody of any materials, otherwise than possibly as an officer of control. If, however, he is required at any time to assume an executive charge, the monetary and stores transactions of such charge should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to divisional officers. P.W.A.C. 527.

B—RECEIPTS

711. Heads of special offices do not ordinarily realize any departmental receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in paragraphs 31 to 34 of Volume V of the Handbook. *See* also paragraph 26 of that volume. P.W.A.C. 528.

For recoveries from the staff see paragraph 716.

C—PAYMENTS

I—Introductory

712. The monetary transactions of heads of special offices are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two distinct groups : P.W.A.C. 529.

I—Pay and allowances.
II—Contingent charges.

713. Cash required to meet these payments is obtained by bills drawn on treasuries under the rules in the following paragraphs. P.W.A.C. 530.

II—Pay and allowances

P.W.A.C. 531.

714. The rules in Chapter XXI for divisional offices apply *mutatis mutandis* to special offices. The following rules are peculiar to them.

P.W.A.C. 532.

715. The number of separate establishment bills prescribed in paragraph 672 may, however, be reduced in consultation with the Principal Auditor who will specify the sections into which the bills should be divided.

P.W.A.C. 533.

716. Recoveries from the establishments of special offices are not subject to the rules in paragraph 684. They should, as far as possible, be made by deduction from their bills. When, however, the amounts recovered have to be paid into a court of law, or into the Post Office savings bank as security deposits, recoveries should be made in cash at the time of disbursement of pay and the amounts recovered should be forthwith remitted.

III—Contingencies

P.W.A.C. 534.

717. The general rules relating to contingencies are given in Chapter VIII and appendix X of Volume V of the Handbook.

P.W.A.C. 535.

718. Charges for new supplies of, and repairs to, articles of the classes which, in the case of executive offices are classified under the head "Tools and Plant," are treated as contingent charges, etc., in the case of special offices.

EXAMPLES—Scientific instruments and drawing materials, office furniture, camp equipage, motor cars, etc.

P.W.A.C. 536.

719. The account procedure prescribed in Chapter VIII for tools and plant of divisional offices need not be observed in special offices in respect of the articles referred to in paragraph 718; though these will otherwise be treated as tools and plant for the purposes of these rules. Suitable registers showing the receipt, disposal and balances of the articles should, however, be maintained.

If any articles of this class are transferred to a divisional office, the fact of the transfer should forthwith be reported to the Principal Auditor, even though no adjustment of cost is required to be made under the rules.

CHAPTER XXIV

ACCOUNTS RETURNS OF SUB-DIVISIONAL OFFICERS AND ASSISTANT ENGINEERS

720. (*a*) A sub-divisional officer maintains the initial account records of cash and stores as described in Chapters VII and VIII as well as a works abstract, with certain accompaniments, for each work in progress. All these records are, as a rule, written up as the transactions take place. The sub-divisional officer is not, however, required to consolidate the transactions into a compiled account, this work being done in the divisional office for the entire division. P.W.A.C. 537.

(*b*) In the Buildings and Roads Branch of the department, the initial account records are maintained and the initial accounts prepared at the divisional headquarters, the assistant engineers being held responsible for the correctness of the initial accounts relating to stores in their charge. The only exceptions are special disbursing sub-divisions notified by the Local Government from time to time which are required to maintain their initial records and submit initial accounts to their divisional offices.

721 The initial accounts of cash and stores for a month maintained in a sub-division should be closed on the 25th or such earlier date between the 19th to 25th as may be fixed by the Accountant General for the purpose. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following month. In the month of March, however, the initial accounts of the sub-division should be kept open until the 31st. P.W.A.C. 538.

1. The object of this rule is that the accounts returns of sub-divisions should reach the divisional office in sufficient time for the compilation of the monthly account of the division and its submission to the Principal Auditor by the prescribed date.

2. In cases where sectional officers are authorized to maintain separate nitial accounts of stock in their charge, which have to be incorporated in those of the sub-divisional officer, the former may be permitted, except in March, to close their monthly accounts three days before the date of closing fixed for the sub-division. This limit of three days may be relaxed by the Principal Auditor in exceptional cases.

3. In the case of Irrigation Branch the Sectional Officers shall close their monthly accounts of stock on the 22nd of each month except in March when they shall be kept open till the 31st. All holders of stock shall submit a copy of form no. 8A on the 23rd of every month except at the end of the financial year when a copy shall be submitted by April Ist."

P.W.A.C. 539.

722. Immediately after the cash book of a month has been closed under paragraph 721, the cash balance report, form no. 5, prepared under paragraph 164, should be transmitted to the divisional office.

P.W.A.C. 540.

723. Copies of the cash book (supported by vouchers) should be sent to the divisional office twice a month or oftener as may be directed by the divisional officer. The copy for the last period of each month should accompany the cash balance report.

1. As the accounts of the division in respect of the cash transactions of sub-divisions are based on the copies of sub-divisional cash books prepared under this rule, sub-divisional officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution the totals of the "cash" columns on both sides should be expressed in words in their own hand.

2. The Principal Auditor to eliminate the work of preparing copies, may permit sub-divisions at the headquarters of a divisional office to maintain two alternative cash books one being submitted in original to the divisional office at the end of the month and the other being used in the month following.

P.W.A.C. 541.

724 Within three days of the date on which the accounts of a month are closed, the returns enumerated below should be forwarded to the divisional office with a covering list in form no. 93:

(i) (*a*) Abstract of stocks receipts and issues, forms nos. 9 or 9A and 10 or 10A as the case may be, supported by receipted invoices or other vouchers and extracts from register of stock receipts and issues. (Copies).

(*b*) Accounts of receipts and issues of tools and plant, forms nos. 13 or 13A and 14 or 14-A as the case may be supported by necessary vouchers and acknowledgments. (In original).

(*c*) A works abstract (accompanied where necessary by form no. 35 or 36, and by form no. 53, transfer entry order, in the cases referred to in paragraph 273) for each work in progress (*vide* paragraph 63) in connexion with which there was any transaction during the month with a detailed list in form no. 94.

(*d*) A "Petty works requisition and account," form no. 32, for each petty work in progress in connexion with which there was any transaction during the month with a detailed list in form no. 94. (In original).

(*e*) Transfer entry orders, form no. 53, relating to the accounts of the month, excluding those proposed from time to time, *vide* paragraph 270.

(ii) In Buildings and Roads divisions where sub-divisions have been abolished all the returns enumerated in clause (*i*) above with the exception of works abstracts and petty works requisition and accounts are prepared by assistant engineers attached to the divisions.

725. Other accounts returns which sub-divisional officers should submit to the divisional office or which should be prepared by assistant engineers attached to Buildings and Roads divisions where sub-divisions have been abolished, are the following: P.W.A.C. 542.

(*a*) *Monthly*—

(i) "Statement of receipts, issues and balances of road metal", in the form prescribed (*vide* paragraph 262).

(ii) Such statements or reports (*vide* paragraph 309) in connexion with recoveries of rents of buildings and lands, as the divisional officer may require the sub-divisional officer or the assistant or assistant executive engineer to prepare.

(iii) Estimate of probable requirements of cash, if prescribed by the divisional officer under rule 1 to paragraph 139.

(*b*) *Half-yearly*—Balance returns of stock, from no. 11, on or before May 15 and October 10.

In the Irrigation Branch this return shall be prepared in P. W. A. Form No. 11A and submitted to the Divisional Office on or before 20th April and 10th October."

(*c*) *Yearly*—Register of tools and plant, form no. 15, on or before October 15.

In the Irrigation Branch this return shall be prepared in P. W. A. Form no. 15 B and submitted to the Divisional Office on or before October 31.

(*d*) *Occasional*—Reports of verification of stores (including materials at site of works), immediately after each varification.

CHAPTER XXV

Accounts of Divisional Officers

A—INTRODUCTORY

726. The cash and stock accounts of the divisional office for month are closed on the last working day of the calendar month. P.W.A.C. 543.

727. The transfer entry book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, *e.g.*, those relating to the levy of the prescribed percentages for establishment, tools and plant, storage charges, etc., should be made. P.W.A.C. 544.

The transfer entry relating to the levy of percentages for establishment, tools and plant, and accounts and audit charges, is effected on a single order of the divisional officer recorded in form no. 62, the special form prescribed for the purpose (*vide* paragraph 746).

728. The cash and stock accounts of the entire division, as also all transfer transactions, should be scrutinized by the divisional accountant before they are incorporated in the monthly account and connected registers and schedules. P.W.A.C. 545.

1. The divisional accountant's responsibility as a primary auditor extends also to the examination of all claims included in bills presented direct at treasuries by the divisional officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

2. In all matters connected with the personal claims of government servants the divisional accountant is expected to give expert advice and help. He should see in particular that service books and leave accounts of subordinates are maintained in accordance with rules, that the annual establishment return (form no. 6A of volume V of the Handbook) is accurately prepared and that the admissibility of leave applied for by subordinates is verified before their leave applications ate disposed of by the divisional officer or forwarded to higher authorty, In all cases of doubt, however, he should advise the divisional officer to consult the Principal Auditor.

B—SCRUTINY OF ACCOUNTS

729. The divisional accountant should examine the accounts returns of sub-divisional officers received under the rules in Chapter XXIV to see— P.W.A.C. 546.

(i) that they have been received in a complete state,

(ii) that all sums receivable are duly realized and on realization credited to the proper head of account as well as to the personal account, if any, of the contractor, employee or other individual,

(iii) that the charges are covered by sanctions and appropriations and are supported by complete vouchers setting forth the claims and the acknowledgments of the payees legally entitled to receive the sums paid,

(iv) that all vouchers and accounts are arithmetically correct,

(v) that they are in all respects properly prepared in accordance with the rules, and

(vi) that all charges are correctly classified, those which are debitable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as to quantities of work done, supplies made, etc., or services rendered) certified by responsible officers, the claims admitted for payment are valid and in order.

It is not necessary that the divisional accountant should check personally the arthmetical accuracy of all vouchers and accounts, but he is responsible that a cent. per cent. check is excercised efficiently under his supervision.

P.W.A.C. 547. **730.** The divisional accountant should exercise a similar check, from day to day, in regard to (i) the transactions recorded direct in the cash and stock accounts of the divisional office, and (ii) bills and vouchers of sub-divisions, which are submitted to the divisional officer for approval before payment is made by the sub-divisional officer. In respect of charges, this examination should be conducted before the payment is made.

P.W.A.C. 548. **731.** Every payment should be so recorded, and a receipt for the same so obtained, *e.g.*, see paragraphs 451 and 452, that a second claim against the Government on the same account is impossible and if it represents a refund of a sum previously received by the Government it should also be seen that the amount paid is correctly refundable to the payee.

732. Divisional officers are responsible that the divisional accountant is never allowed to prepare bills for contractors and suppliers or to make cash payments to them. The practice if allowed will impair the usefulness of the divisional accountant as the examiner of claims and payments under paragraphs 729 to 731.

733. If the divisional officer has set a limitation on the drawings of any sub-divisional officer or an assistant or assistant executive engineer on a treasury for any month, he should intimate the same to the treasury officer, and specify the date of commencement and termination of the account month of the sub-divisional officer. The divisional accountant, while examining the cash book of the sub-divisional officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit. *See* paragraph 145. P.W.A.C. 549.

734. The divisional accountant is responsible that every order or sanction affecting expenditure to be accounted for in the monthly account is noted at once in a suitable register (or other account), preferably one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the register of works. Sanctions to fixed charges of a recurring character, *e.g.*, those relating to the entertainment of work-charged establishments, should be entered in the register of sanctions to fixed charges, form no. 58. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions, form no. 59, register of miscellaneous sanctions, will be found suitable. P.W.A.C. 550.

Sanctions to estimates for works should be entered in the register of works, and a collective register of all sanctioned estimates should be maintaned.

735. If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the divisional officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the orders of the superintending engineer or higher authority should be taken. P.W.A.C. 551.

In such cases it may be advisable to have a separate working estimate, or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

P.W.A.C. 552.

736. It is one of the functions of the divisional accountant to see that expenditure which is within the competence of the divisional officer to sanction or regularize is not incurred, as a matter of course under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the divisional officer and his orders obtained and placed on record. (*See* also paragraph 100).

P.W.A.C. 553.

737. When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in a register of recoveries in form no. 95 opened specially for the purpose, so that the amounts recovered from time to time (with particulars of the accounts concerned) may be recorded against it, and prompt compliance with the order watched.

P.W.A.C. 554.

738. It is permissible to take in reduction of the expenditure on works in progress, certain recoveries of expenditure (*vide* paragraph 293) *e.g.*, sale-proceeds of surplus materials and plant acquired specially for any work, or of materials received from dismantled structures irrespective of whether the estimates for the works make allowance for such recoveries or not. The amounts of such receipts are, however, not available for expenditure in excess of that authorized in the estimate for the work, and the divisional accountant should see that, without the orders of competent authority, the gross expenditure authorized is not exceeded, or surplus receipts realized are not utilized towards additional expenditure. He should, at the same time, watch the receipts, with a view to bring to the divisional officer's

notice and obtain that officer's orders on all marked deviations from the provision for such credits in the estimates of works.

1. In the case of works the accounts of which are kept by sub-heads, all such receipts should be credited to a special sub-head in these accounts (*vide* paragraph 495). In the case of other works the progress of the realization of receipts should be watched through the register of special recoveries (*vide* paragraph 737), which should be posted from sanctioned estimates in in respect of credits anticipated therein, and from the accounts, in respect of receipts realized from time to time.

2. The divisional accountant should see also that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilized towards unauthorized expenditure.

739. After check every voucher should be enfaced with the word "checked" over the dated initials of the divisional accountant, as well as of any clerk who may have applied a preliminary check. Vouchers not submitted to the Principal Auditor (*vide* paragraph 760) should be "cancelled" by means of a perforating or endorsing stamp and kept carefully, to be made available for test-audit whenever demanded by the Principal Auditor. P.W.A.C. 555.

1. Vouchers relating to contingencies, which do not amount to more than Rs.25 each, should be dealt with in the manner indicated in the certificate of the disbursing officer printed on form no. 17, of volume V of the Handbook.

2. Stamps affixed to vouchers should be so cancelled that they cannot be used again, and if with this object they are punched through, care should be taken that the acknowledgment of the payee is not destroyed thereby.

3. Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to form no. 13, account of receipts of tools and plant.

740. The results of the examination of accounts and vouchers received from sub-divisional officers should be intimated to them in all cases in which it is necessary to obtain further information, accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity. The procedure to be observed may be prescribed by the divisional officer. The records connected with the results of the examination should be retained so as to be available for the Principal Auditor's inspection. P.W.A.C. 556.

C—SETTLEMENT OF ACCOUNTS WITH TREASURIES

741. As soon after the expiry of the month as possible, a monthly settlement should be effected with P.W.A.C. 557.

all treasuries in respect of the transactions of the entire division with them.

P.W.A.C. 558.

742. For payments into treasuries, consolidated receipts should be prepared in form no. 50, for the whole of the remittances made to each treasury, and sent to the treasury officers for signature.

P.W.A.C. 559.

743. For cheques drawn, the pass books, duly completed for the month, should be obtained from the treasury officers with the certificates of issues from treasuries (which are prepared in the form no. 77-A of Volume V of the Handbook), and their agreement with the cash books of the divisions should be effected in part II of form no. 51, schedule of monthly settlement with treasuries, which also gives details of the differences.

The certificate of agreement should be recorded in the pass book over the signature of the divisional officer without recording any details of the uncashed cheques or other differences.

1. The pass book or list of cheques cashed is written up in form no. 77 of volume V of the Handbook. It should remain in the divisional office as an account record of the office and should be sent to the treasury periodically on fixed dates (at weekly intervals in the case of the treasury at the divisional head-quarters) to be written up. The identity and the amounts of the cheques entered as cashed should be examined at the earliest opportunity the pass book being initialled (and dated) by the divisional accountant in token of the check.

2. Form no. 51 is required for submission to the Principal Auditor in original, *vide* paragraph 758. The office copy of the details recorded in it should be signed by the divisional officer.

3. If the divisional officer is placed in account with any treasuries which are in account with an accounts officer of some other audit circle, other than the Principal Auditor a separate schedule of monthly settlement with treasuries, form no 51, should be prepared in respect of the treasuries of each audit circle.

P.W.A.C. 560.

744. As sub-divisional cash books are closed on the 25th of each month except for the month of March and the accounts of sub-treasuries are also closed before the last date of the calendar month transactions recorded in the cash books of the Public Works Department for a month may sometimes be responded to by the treasury in an earlier or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause, nor represent amounts of uncashed cheques, should be settled expeditiously in consultation with the treasury officer concerned.

D—COMPILATION OF ACCOUNTS

I—Monthly Accounts

(*a*) Schedule Dockets

745. As cash vouchers and transfer entry orders, relating to (*i*) charges on works other than percentages charged for establishment, tools and plant, etc., and (*ii*) other items of expenditure or disbursement for which a contingent bill is not required, come to hand and are scrutinized, they should be posted into schedule dockets in form no. 61, a separate form being used for— P.W.A.C. 561.

(*a*) each work to be accounted for in a schedule of works expenditure, form no. 63, or in the schedules of deposit works and takavi works forms nos. 65 and 66;

(*b*) each manufacture or other item of expenditure debitable to stock and to be accounted for in the schedule of debits to stock, form no. 72 (*vide* paragraph 751);

(*c*) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (*vide* paragraph 293) should be posted as refunds, with brief particulars of the transactions. At the end of the month, the schedule dockets should be completed in respect of the stock transactions by posting therein all the stock debits and credits of the month as recorded in the lower part of forms nos. 10 and 9, abstracts of stock issues and stock receipts, respectively, omitting those brought to account through the cash book and the transfer entry book, *vide* rule 2 to paragraph 209. The total of the month's stock transactions relating to each schedule docket should be entered therein as a single figure, *plus* or *minus* according as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted. The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned in the case of dockets of class (*c*) above. All the vouchers (including acknowledgments

for stock supplied to contractors), transfer entry orders, survey reports, and sale accounts which are required to be submitted to audit (*vide* paragraph 760) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

1. The Principal Auditor may, however, at his discretion, permit divisional officers to post the schedule of dockets at the end of the month from the works abstracts as soon as the latter are completed and checked. The Principal Auditor may also at his discretion dispense with the preparation and submission of a schedule docket for a work, when the outlay on that work consists entirely of payments on muster rolls or other vouchers, not required to be submitted to him. In that case, the divisional accountant must record a certificate in the last column of the schedule of works expenditure against the relevant item that the vouchers, composing the item, are such as are not required to be submitted to the Principal Auditor under the rules.

2. The audit of schedule dockets is conducted in the Principal Auditor's office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of unvouched and stock charges have been duy audited by the divisional accountant in detail and are available for test audit. The divisional accountant is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

3. Some of the schedules referred to in clause (*c*) above include charges for works supported by a schedule of works expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

P.W.A.C 562.

746. For percentage recoveries made on account of establishment tools and plant, and accounts and audit charges (*vide* appendix V) a single schedule docket should be prepared in form no. 62, embracing all government, as well as non-government works on which these percentages may be leviable under rule.

This form serves as the transfer entry order relating to these recoveries (*vide* paragraph 727) and should, therefore, be signed by the divisional officer.

(*b*) Registers and Schedules

P.W.A.C. 563

747. (*a*) All cash and transfer entry transactions of the month, other than those noted in the margin, should be posted, from time to time into one of the schedules or registers named below, to which the transaction relates:

(*a*) Expenditure on works.

(*b*) Expenditure on stock.

(*c*) Transactions referred to in paragraph 755.

(i) Registers of revenue realized,
(ii) Registers of refunds of revenue,
(iii) Registers of receipts and recoveries on capital account.

all in form no. 46 (paragraphs 304 to 306) a separate register being maintained for each major head and in the case of works for which a separate revenue account is kept, one for each separate system or project.

(iv) Registers of rents of buildings and lands, form no. 49 (paragraph 308) a separate register being maintained for each major head, etc., as in respect of nos. (i) to (iii).

(v) Schedule of debits to remittances, and
(vi) Schedule of credits to remittances,
} both in form no. 77.

(vii) Schedule of debits to miscellaneous heads of account, and
(viii) Schedule of credits to miscellaneous heads of account.
} both in form no. 76.

(ix) Suspense register, form no. 67, in respect of transactions falling under the heads "Purchases" and "Miscellaneous P. W. advances," *vide* paragraphs 572 and 585.

(x) Deposit register, form no. 67 (*vide* paragraph 624).

(xi) Schedule of London stores, form no. 71 (*vide* paragraph 593).

(xii) Schedule of deposit works, form no. 65 (*vide* paragraph 634).

(xiii) Schedule of takavi works, form no. 66 (*vide* paragraph 642).

(*b*) Of these schedules nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraphs quoted against each.

1. Rent and other revenue receipts pertaining to works of the Defence Department, (*b*) Railway (*c*) Posts and Telegraphs and (*d*) Archaeological Department of the Central Government referred to in paragraph 749 should be posted in separate registers, forms nos 49 and 46 for each (as required), and additional registers should be maintained for receipts from other works of the Central Government.

2. When under a major head of revenue, there are more than one system of works, for which separate revenue accounts are kept, a summary of the receipts of all systems working up to the totals of the major head, should also be prepared.

(*c*) Schedules nos. (v) and (vi) are the schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in the sample entries of form no. 77.

(*d*) Schedules nos. (vii) and (viii) are intended to collect all disbursements and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works or stock expenditure schedules referred to in paragraphs 749 to 751. These transactions are adjusted finally in the books of the Principal Auditor, and ordinarily affect one of the non-Public Works major heads of revenue or expenditure (*e.g.*, "IV—Taxes on other income," "XXII—Jails and convict settlements," "26—Audit" and "57—Miscellaneous") or a debt head of account (*e.g.*, O—Unfunded debt—Other accounts").

Income-tax deductions from work-charged establishments and percentages chargeable on London stores invariably appear in the schedule of credits to miscellaneous heads of account. Similarly, percentage recoveries for accounts and audit appear as credits or minus debits in the schedule of credits or debits to miscellaneous heads of account respectively, according as the amounts are creditable to XLVI--Miscellaneous Fees for Government audit or 26—Audit. *See* also paragraph 638 for expenditure on works relating to certain local funds. As regards other transactions, they should not be classified under the final or debt head concerned and shown in the schedules of credits or debits to miscellaneous heads of account, unless the Principal Auditor, has authorized this ; ordinarily they should be classified by divisional officers under the remittance head "Public Works Remittances —III—Other remittances" and included in the debit or credit form no. 77 as the case may be. See also paragraphs 12 and 13 or Appendix XII.

P.W.A.C. 564.

748. At the end of the month, the stock transactions of the month. as recorded in the abstracts of stock receipts and stock issues, forms nos. 9 and 10, excluding transactions brought to account (*vide* rule 2 to paragraph 209) through the cash book and the transfer entry book, should be incorporated in the schedules referred to in paragraph 747, and the schedules should be completed in all other respects, *e.g.*, (1) in the debit schedules forms nos. 77 and 76 and in the deposit register should be posted, from the detailed schedules concerned (*vide* paragraphs 749 and 750) the total amount of works expenditure chargeable to each head of account, division or office (*see* also paragraph 624) and (2) the total amount of the cheques drawn during the month should be entered in the credit schedule form no. 77, as a single entry for treasuries of each audit circle, under the head "Public

Works remittances—II—Public Works cheques" or the exchange account head concerned, as the case may be (*see* also rule 3 to paragraph 743).

1. Expenditure on famine relief works should be entered in debit schedule 76.
2. In the schedule of debits to remittance the expenditure on the works reffered to in clauses (*a*) (ii) to (*a*) (v) of paragraph 749 should be shown separately from that on other works.

749. (*a*) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a schedule of works expenditure should be prepared in form no. 63, separately for expenditure relating to each of the following classes: P.W.A.C. 565.

(i) Each major head (or a division thereof shown separately in column I of the classification table of appendix I) under which expenditure is recorded, a separate schedule being prepared for "Central" and "Provincial" in the case of "50—Civil works".

This form is not used for manufacture transactions, *vide* paragraph 751.

(ii) Military works,
(iii) Railway works,
(iv) Posts and Telegraphs works, and
(v) Archaeological works of the Central Government connected with the conservation of ancient monuments as defined in section 2 (1) of the Ancient Monuments Preservation Act, 1904, and declared to be protected under section 3 (1) of that Act,

} entrusted to the division as a standing arrangement.

(vi) All other government works including occasional works of classes (ii) to (v).

(vii) All non-government works other than deposit works and takavi works, for which separate schedules are prepared in forms nos. 65 and 66, respectively, *vide* paragraphs 634 and 642.

(*b*) Only those works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of

the prescribed heads of the accounts classification in the case of works of classes (i) to (v) and grouped separately for each government, department, division, local body or other party concerned, in the case of works of classes (vi) and (vii). All works forming part of a single project or system should, in all cases, be grouped together.

1. In the schedules for works of classes (i) to (v), money column 5 for "Total charges of the month" should be totalled so as to bring out separately the totals for (1) each minor head, (2) each sub-head of appropr iation (if any) subordinate to a minor head, and (3) each group of works for which a separate lump sum appropriation has been placed at the disposal of the divisional officer or a controlling authority. Against each total of the last category should be given (*a*) in column 6, the total charges of the year which will be arrived at by adding the total of the month to the total of the year as given in column 6 of the previous month's schedule, and (*b*) in column 7, the lump sum appropr iation, if placed at the divisional officer's disposal.

2. In the schedules pertaining to works of classes (vi) and (vii), the entries relating to each work should be made separately for "works expenditure"and "percentage charges" (for establishment, tools and plant, accounts and audit charges, etc.,) one line being used for each of these two charges and a third for the total charges on the work.

3. Save as provided for in rule 1, it is optional with the divisional officer to make entries in columns 6, 7, and 9 in respect of individual works. These columns are not provided for in the fair copy, form no. 64, of the schedule required for submission to the Principal Auditor (paragraph 758). Figures entered in column 6 of the office copy under the provisions of rule 1 should be noted in the remarks column of the fair copy.

P.W.A.C. 566.

750. Similarly, the schedule of deposit works and the schedule of takavi works should be completed in respect of expenditure transactions which should be taken from the relevant schedule dockets.

P.W.A.C. 567.

751. All debits to stock should be collected in form no. 72, schedule of debits to stock. The entries in this schedule should be arranged in three groups—(1) "Manufacture," (2) "Land, kilns, etc." and (3) "Other sub-heads." Under (1), should be detailed all manufacture operations in progress and under (2) all works in progress in connexion with the acquisition, construction and repairs of land, kilns, etc. Under (3), should be shown (*a*) individually, all items of expenditure on the carriage, handling, etc., of stock material when the cost of such processes is chargeable to stock (*vide* paragraph 548), (*b*) individually, all items of acquisition of stock materials for which an estimate is required under rule, and (*c*) collectively, all other items of acquisition of stock materials.

1. The divisional accountant is responsible for conducting the audit of individual items of expenditure on carriage, handling, etc., of stock materials against the divisional officer's sanction if any, but all items of this class should be detailed in the schedule.

2. In respect of each manufacture operation, the outturn of the month (*vide* paragraph 555) should also be shown in the schedule, the operation and outturn being entered in two separate lines.

752. An account of the suspense head "Stock" should next be prepared in form no. 73, Stock account. Part I of this form is the main account showing the receipts, issues and balances, classified by sub-heads, "Manufacture", and "Land, kilns, etc." and all the other sub-heads (*vide* paragraph 576) being lumped up. Part II, the detailed account of issues, is written up first and from this part and the schedule of debits to stock, form no. 72, is prepared part I. P.W.A.C. 568.

(*c*) Classified Abstract of Expenditure

753. A consolidated account of all expenditure (*vide* paragraph 91) charged against the grants of the division should be prepared in form no. 74, classified abstract of expenditure. The figures relating to the several major heads (or divisions thereof shown separately in column 1 of the classification table of appendix I) should be entered in separate sections, arranged in the order indicated in appendix I, and in the case of the major head "50—Civil works" the "Central" and "Provincial" transactions should be shown in three different sections in the order shown here. P.W.A.C. 569.

1. When works for any of the departments named in the margin are undertaken as a standing arrangement, *vide* paragraph 749(*a*), and funds for the purpose are allotted to the division, the expenditure transactons connected there with should also be abstracted in form no. 74, the classification of expenditure being that prescribed in respect of the works concerned, *vide* rule 2 to paragraph 86.

Defence Department
Railways.
Posts and Telegraphs
Archaeological department.

2. Refunds of revenue are excluded from this abstracts, as they are treated as *minus* revenue, *vide* paragraph 302 and appendix I. On the other hand, "Receipts and recoveries on capital account" are included in this abstract as *minus* expenditure, as they are taken in reduction of the charges under the major head concerned, *vide* statement E of appendix I.

(*d*) Preparation of Monthly Account

754. Finally, should be prepared for presentation (with all supporting registers, schedules, vouchers, etc.) to the divisional officer and submission to the Principal Auditor, the monthly account in form no. 80. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the opening and closing cash P.W.A.C. 570.

balances, and on the back of the form are printed (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the account are divided into three groups: (1) Revenue entries, which are the total receipts under the several major heads, as taken from the registers of revenue realized, form no. 46: (2) Expenditure entries which are the totals for the several divisions of major heads and are posted from the classified abstract of expenditure, form no. 74: and (3) Other heads, entries in which representing both receipts and disbursements, are posted from the schedules of deposits, takavi work, remittances and miscellaneous heads of account, forms nos. 78 or 79, 66, 77 and 76.

The totals of the column for receipts and disbursements must agree, and if there is any difference due to cash being in transit between two disbursing officers, its amount, etc., should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

P.W.A.C. 571.

755. (*a*) There are certain transactions recorded in the initial cash and stock accounts, which involve no operation on a revenue, expenditure, or any other prescribed head of the accounts classification, as every such entry is counterbalanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transactions, for audit purposes, in any of the schedules and registers leading to the monthly account, but the divisional accountant should see that all transactions are cancelled by each other in due course.

(*b*) These transactions fall under two classes:

(*i*) *Cash from treasury*—A cheque drawn to replenish the cash chest is charged to this head in the cash book, and *per contra* the amount of the cheque is entered at once as cash received, under the same head, a cheque drawn in favour of self being cash (*vide* paragraph 125) even though not cashed at once.

(*ii*) *Transfers within division*—Remittances of cash and stock by one accounting officer of the division to another are charged or credited to this head when the remittance is actually made or received.

756. When the monthly account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up form no. 81, abstract book, from the original cash books, abstracts of receipts and issues of stock, and the transfer entry book, and thus to locate the error or omission. P.W.A.C. 572.

Instructions for posting this book and utilizing it in locating errors in the compilation of the monthly account and connected schedules and registers are printed on the standard form, which is to be taken as a model only. If the divisional accountant considers it desirable, he may maintain this book regularly to facilitate the check of the compiled accounts.

757. It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book, excluding items referred to in paragraph 755, enter one or other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no items being omitted; but, those recorded in the initial accounts of stock, forms nos. 8, 9 and 10, are dealt with as under: P.W.A.C. 573.

(*a*) those brought to account through the cash book or the transfer entry book (*vide* paragraph 209) e.g., stock purchased in cash, stock sold for cash, and stock received from works, are left out, and

(*b*) the rest are posted direct from the abstracts of stock receipts and stock issues, forms nos. 9 and 10.

To ensure the accurate compilation of accounts it is essential that the transactions referred to in (*a*) above are not brought to account twice, and the divisional accountant should see that all items of this class are correctly separated off in the lower part of the abstracts of stock receipts and stock issues, forms nos. 9 and 10, as prescribed in rule 2 to paragraph 209.

(*e*) SUBMISSION TO THE PRINCIPAL AUDITOR

758. The monthly account is due to reach the Principal Auditor's office by such date between the 7th and 10th of the month following that to which it relates, P.W.A.C. 574.

as may be fixed by the Principal Auditor in consultation with the divisional officer. It should be supported by the following documents:

(1) Extracts from registers of revenue realized, form no. 46, and
(2) Extracts from registers of refunds of revenue, form no. 46.

} in the same form as the registers.

(3) Schedule of rents of buildings and lands, form no. 75 (with supporting, statements of rents recoverable in cash or by deduction from pay bills, form no. 3 of Volume V of the Handbook) extracted from the register of rents of buildings and lands, form no. 49.

(4) Classified abstracts of expenditure, form no. 74.

(5) Schedule of works expenditure, form no. 64.

(6) Consolidated contingent bill (with necessary vouchers), form no. 17, of Volume V of the Handbook.

(7) Schedule docket of percentage recoveries, form no. 62.

(8) Stock account, form no. 73 (with sale accounts, form no. 19 in support of the cash credits to stock).

(9) Schedule of debits to stock, form no. 72.

(10) Schedule of purchases, form no. 68 or 69, and
(11) Schedule of miscellaneous P.W. advances, form no. 70.

} extracted from the relevant sections of the suspense register, form no. 67.

(12) Schedule of London stores, form no. 71.

(13) Schedule of workshop suspense (local form).

(14) Extracts from registers of recepits and recoveries on capital account, form no. 46.

(15) Schedule dockets, form no. 61 (with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each); *see* also rule 1 under paragraph 745.

(16) Schedule of credits and debits to miscellaneous heads of account, form no. 76.

(17) Schedules of credits and debits to remittances, form no. 77.

(18) Schedule of monthly settlement with treasuries, form no. 51 (with supporting consolidated treasury receipts and certificates of issues, signed by treasury officers).

(19) Schedule of deposits, form no. 78 or 79, extracted from the deposit register, form no. 67.

(20) Schedule of deposit works, form no 65 (with reports of progress of expenditure).

(21) Schedule of takavi works, form no. 66, with accepted certificates of collector referred to in paragraph 645.

(22) Extract from contractors' ledger, form no. 43, prepared in form no. 82.

(23) Extract from account of receipts of tools and plant, form no. 13, and

(24) Extract from account of issues of tools and plant, form no. 14 (with supporting survey reports of stores, form no. 18, sale accounts, form no. 19, and acknowledgments of officers concerned in the case of stores transferred to other officers not being divisional officers of the province). } in the same form as the accounts.

(25) List of accounts submitted to the Principal Auditor, form no. 83.

1. The divisional officer is required to make a formal report, monthly, of the progress of expenditure on each deposit work, to the administrator or depositor concerned. For this purpose, the report, setting forth the amount of the estimate, the total deposits received, and the progressive expenditure, should accompany the schedule of deposit works, so that the Principal Auditor may, after auditing the schedule, verify the report and forward it to the local body or persons concerned.

2. If the divisional officer is authorized to refund, without reference to higher authority, fines which have been remitted by a court of law, the original orders of the court should accompany the schedule of refunds of revenue, as audit of the refunds made in such cases is conducted by the Principal Auditor on the authority of the orders of the court.

3. In the Irrigation Branch the accounts of receipts and issues of T and P should be kept in P. W. A. Form nos. 13A and 14A respectively."

P.W.A.C. 575.

759. The schedules relating to the suspense and deposit accounts forms nos. 68, 70, 71, 73 and 78 and the workshop suspense schedule, must be submitted to the Principal Auditor, month after month, so long as there are balances outstanding under the account concerned, whether there have been transactions during the month or not; but, in respect of purchases and deposits, the Principal Auditor may authorize the use of the alternative forms of schedules nos. 69 and 79 in the case of divisions where the number of outstanding items is very large but the number usually affected by the monthly transactions is small. In respect of the schedule of deposit works, form no. 65 the Principal Auditor may dispense with the submission, every month, of part II of the schedule, provided (1) that this part is invariably submitted with the accounts for March and (2) that, if part II for any month contains works, any expenditure whereon has been charged to "Miscellaneous P. W. advances" an extract from part II relating to such works only is submitted to audit. Subject to these exceptions, the remaining schedules are necessary only if there have been any transactions during the month.

P.W.A.C. 576.

760. (*a*) With the exceptions noted below [as to which, however, *see* clause (*b*) below], all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the monthly account:

(*i*) Muster rolls or other vouchers in support of payments to labourers, irrespective of amount.

(*ii*) Vouchers in support of payments of wages to members of the work-charged establishment, the posts held by whom the divisional officer is authorized to sanction.

(*iii*) Other cash vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs.25.

(*iv*) Invoices or other vouchers in acknowledgment of issues of stock materials, including issues of outturn from manufacture to stock.

(*v*) Vouchers in support of payments made for the conversion of cash deposits into interest-bearing

securities, in cases in which no voucher other than the security itself or a safe custody certificate of the security exists.

When a voucher of this class is not submitted to the Principal Auditor, the reasons should be noted against the entry of its amount in the schedule docket or in the schedule of works expenditure ; *see* rule 1 under paragraph 745.

(*vi*) Transfer entry orders of the clauses enumerated below :

Those involving debits to remittance heads otherwise than in respect of expenditure on works.

Those relating to charges which are supported by vouchers received in transfer.

Those involving a debit or credit to London stores, or a credit to a revenue head (gross receipts), or to any miscellaneous head of account otherwise than in respect of expenditure on works.

(*b*) All vouchers (other than muster rolls) in support of debits to contractors should be submitted to the Principal Auditor, even though falling under any of the exceptions to clause (*a*).

1. The provisions in clause (*a*) and (*b*) of this paragraph apply also to vouchers received from other divisions or departments in support of transfer debits raised by them.

2. The term " voucher " used in clause (*a*) includes advices of transfer credit and acceptances of transfer debit received from other divisions, departments, etc., in the case of the docket for schedule of debits to remittances.

(*c*) All vouchers in support of payments for land acquired should be submitted to audit.

(*d*) All survey reports of stores (form no. 18) and sale accounts (form no. 19) must also accompany the monthly account. Sale accounts in support of cash credits to stock should be attached to the stock account, form no. 73; survey reports and sale accounts in support of other credits to stock should be tacked to the schedule dockets pertaining to the works or accounts debited; those in support of the extract from account of issues of tools and plant, form no. 14, should accompany that document; and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

P.W.A.C. 578.

761. (*a*) The divisional accountant is required to sign not only the monthly account, but also all the schedules, etc., accompanying it. It is not necessary that the divisional officer should sign all these documents; he must, however, sign the monthly account and the list of accounts, form no. 83, unless he is absent from headquarters, in which case he should send to the Principal Auditor, as soon as he can examine his books and papers on return a report in form no. 84 (with a duplicate copy of the monthly account signed by himself), without which the Principal Auditor will not finally pass the monthly account. The contingent bills must invariably be signed by the divisional officer.

(*b*) As an exception, however, to the general rule contained in clause (*a*) above, the divisional officer in the case of a buildings and roads division where subdivisions have been abolished, may authorize an assistant engineer to sign the monthly account papers on his behalf, but this delegation will not in any way lessen the responsibility placed upon the divisional officer by standing rules and regulations.

It is desirable that the divisional officer should make arrangements for the review by himself of all vouchers before they are submitted to the Principal Auditor, and that, unless the circumstances are exceptional, he should sign the accounts himself.

P.W.A.C. 579.

762. In connexion with the accounts for March, the following points should receive special attention:

(*a*) The entry of the closing cash balance should be supported by (1) the original cash balance reports (form no. 5) of all disbursing officers including the divisional officer, and (2) a certificate of the divisional officer to the effect that he has obtained, on or after March 31 and retained in his office, an acknowledgment from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the cash balance reports of the division for March 31.

The original cash balance reports of subordinate disbursing officers should be initialled by the divisional officer before transmissin to the Principal Auditor.

(*b*) To part II of the schedule of monthly settlement with treasuries, form no. 51, should be subjoined a statement, in the form given below, in

respect of the cheques drawn to meet payments of works.

Particulars	No. of cheques issued	Amount
1. For the whole month	..	..
2. During the last five working days of the month.	..	..

(*c*) The schedule of deposits, form no. 78 or 79 should be accompanied by the account of interest-bearing securities, form no. 86, referred to in paragraph 627.

II—Review of Unsettled Accounts

763. The several registers and schedules relating to the suspense and deposits heads of account, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustment in the accounts, may be taken regularly throughout the year. In February or early in March, special steps should be taken with a view to bring about all possible reduction in the number and amounts of outstanding items at the close of the year ; and within six weeks of the submission of the monthly account for March, a consolidated certificate in respect of balances other than cash, should be forwarded to the Principal Auditor in form no. 91, annual certificates of balances. P.W.A.C. 580.

Contractors' ledger.

Works abstracts and register of works.

Rent register and the other records of assessment and realization of revenue, referred to in paragraph 294.

If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

764. Similarly, the prompt settlement of all remittance transactions, original or responding, should receive the personal attention of the divisional accountant (*vide* paragraph 124), who should take special steps early in March to bring ot account all liabilities and assets awaiting settlement and to effect clearance, in the P.W.A.C. 581.

accounts of March, of as many outstanding items as possible. Liabilities, as well as outsanding debits and credits, remaining unadjusted at end of March should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the divisional office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Principal Auditor being sought when necessary.

In settling transactions with Railways, it should be borne in mind that Railway audit offices close their books for the year on May 10.

III—Closing the Accounts of the year

P.W.A.C. 582.

765. The financial year terminates on March 31, and actual transactions taking place after that date can on no account be treated as pertaining to the year. It is necessary, however, that as many of the unadjusted remittance transactions of the year as possible, should be cleared within the accounts of the year, and very often errors in accounts come to notice after March 31; which should also be set right, if possible, without affecting the accounts and estimates of the following year. Whilst, therefore, it is necessary that the cash accounts should be positively closed on March 31, and also the stock accounts in respect of actual transactions, the transfer entry book and the stock accounts should be kept open for transfer entries relating to rectification of errors and settlement of remittance accounts.

If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect after March 31, in the same way as adjustments in rectification of errors noticed after that date.

P.W.A.C. 583.

766. The transfer entry transaction referred to in paragraph 765 should be consolidated into a special monthly account, which, with all the necessary accompaniments, should be submitted to the Principal Auditor on June 28, following, or any other date that may be prescribed by the Principal Auditor. This account is known as the supplementary account of the year.

This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the suspense or deposit schedules, the items not affected, so long as, in addition to the necessary details of the items affected the totals for the account concerned are also given. Similarly, in the sche-

the schedule of rents of buildings and lands, form no. 75, only the items affected and the totals need be given, and in the extract from the contractors, ledger, form no. 82, only the accounts of those contractors whose accounts are affected in any way.

IV—Miscellaneous Returns

767. Other account returns which the divisional officer should submit to the Principal Auditor are the following : P.W.A.C. 584.

(*a*) Half-yearly :

Half-yearly settlement of the assessment and realizations of irirgation revenue collected in the civil department, vide paragraph 295 (*c*) on the dates specified below :

(*i*) January 15 for the half-year ending September 30.

(*ii*) July 31 for the half-year ending March 31.

(*b*) Annually :

Part III (Review) of the register of stock form no. 12 or 12A as the case may be for the half-year ended March 31, on or before August 1.

768. The following registers are audited during inspections and should not therefore, be submitted to Principal Auditor but they should nevertheless be completed by the fixed dates shown against each. P. W. A. C. 585

(*a*) Half-yearly registers of stock, form no. 12, on or before August 1 and December 1.

(*b*) Annual register of tools and plant, form no. 15, on or before December 15.

NOTE—"In the Irrigation Branch the register of stock shall be masintained in P. W. A. Form no. 12A and that of T and P and P in P. W. A. Form no. 15C."

V—Corrections in Accounts

769. (*a*) If an item in the accounts which properly belongs to a revenue or expenditure head is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but after the accounts P.W.A.C. 586.

are closed, no correction is admissible except as permitted in clause (*a*) of article 251 of the Account Code* and in cases affecting the accounts of works, including those falling under paragraph 522.

1. Errors in suspense accounts are governed by the rule in clause (*b*).

2. If an error be detected after submission to the Principal Auditor of the divisional officer's supplementary account of the year it should nevertheless be reported to the Principal Auditor for instructions unless the amount be not more than ten rupees. If the amount involved does not exceed ten rupees, and affects only revenue or expenditure head affecting the Local Government, no formal transfer is necessary, and it is sufficient simply to make a note of the error against the original entry.

(*b*) All errors affecting debt (including suspense) and remittance heads must be corrected however, old they may be.

(*c*) When a correction is permissible it should be made by a formal transfer entry; but when it is not permissible, it is sufficient to make a suitable note of it in the account concerned.

P.W.A.C. 587.

770. All corrections in accounts which may be advised by the Principal Auditor on auditing the documents, should after verification, be carried out in all relevant records, the entries being made in red ink (quoting the audit note or other advice) and attested by the dated initials of the divisional accountant.

The divisional accountant is responsible that all corrections advised by the Principal Auditor are specially brought to the notice of the divisional officer.

VI—Pro Forma Accounts

P.W.A.C. 588.

771. When the details of any class of transactions, as recorded in the prescribed accounts, are not sufficiently indicative of the financial results of the operations of a given period, and it is necessary to ascertain the results it is usual to prepare periodically suitable *pro forma* accounts in addition.

---

*Reproduced below

"If an item which properly belongs to a revenue or service head is wrongly classified under another revenue or service head, the error may be corrected at any time before the accounts of the year are closed, but, after the accounts are closed no correction is admissible, it being sufficient to make a suitable note of the error against the original entry. If, however, the error affects the revenue and expenditure of different Governments, a capital head outside the revenue account, or the transaction of a commercial department, it should be corrected by transfer in all cases as soon as the error is discovered. The procedure to be observed for the correction of errors in the accounts of works in the Public Works Department is laid down in paragraphs 365 and 585(*a*) of the Public Works Account Code." (Paragraphs 522 and 769 of the Public Works Account Rules).

RULES

1. If the maintenance of such supplementary accounts is necessary for audit purposes, and no form has beed prescribed by the Auditor General, the Principal Auditor will determin the required forms in consultation with the Local Government, but if the accounts are required for administrative purposes, the Principal Auditor will merely give such advice or assistance in prescribing the forms as may be required of him.

2. If a *pro forma* account relates to transactions of two or more divisions, the compilation of it will ordinarily devolve upon the Principal Auditor but divisional officers may be required to furnish the necessary data. A *pro forma* account relating to a signle division is prepared by the divisional officer and if it is an account prescribed by an administrative authority, it will be checked, if desired, by the Principal Auditor.

772. If for the purposes of any *pro forma* account which the Principal Auditor, is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service, or a group of works or services, the expenditure thereon should be booked separately in the general accounts, even though under the rules, it may not be customary to estimate or account for such expenditure separately. *See* also paragraph 92 (*d*). P. W. A. C. 589.

773. The *pro forma* accounts showing the results of the working of irrigation, navigation, embankment, and drainage projects, productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Principal Auditor in accordance with the rules prescribed in the Account Code. These accounts are known as the administrative accounts of irrigation, navigation, embankment and drainage works. P. W. A. C. 590.

For rules relating to *pro forma* accounts of irrigation water-courses, *see* paragraph 5 of Appendix X.

774. For workshops, manufactories and similar *quasi*-commercial undertakings, it is usual to prepare *pro forma* accounts periodically, *vide* paragraphs 559 (*d*) and 610. P. W. A. C. 591.

775. In respect of buildings in charge of the Public Works department, which are available for occupation as residences, capital and revenue accounts are prepared periodically by the Principal Auditor, for each circle of superintendence, in accordance with the rules prescribed in the Account Code and any further orders that the Local Government may have issued. For this purpose divisional officers should furnish the Principal Auditor annually with the necessary data, in respect of such buildings of their divisions as may have P. W. A. C. 592.

to be included in the circle accounts, in form no. 27 of Volume V of the Handbook.

1. On closing the account of a work involving expenditure on the construction, acquisition, or equipment of a building intended to be used as a residence, or expenditure on additions or alterations to an existing residential building, the divisional accountant should see—

(*i*) that if it is a new building, it is entered in the register of rents of buildings and lands;

(*ii*) that steps are taken to obtain the orders of competent authority to assess, or revise, the rental, as the case may be;

(*iii*) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in paragraph 288.

2. Rule 1 applies also to expenditure on the provision of special services in connexion with residential buildings, such as furniture, etc., for which rent is charged separately.

3. If a building is actually occupied prior to closing the accounts of expenditure on its construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy, and should therefore, be fixed provisionally with the sanction of competent authority.

4. In respect of residential buildings under the control of the civil departments, the local heads of departments concerned will be responsible for obtaining sanction to the assessment or revision of rents whenever necessary through the divisional officer of the Public Works Department, *vide* paragraphs 290, 279 and 281 of volume V of the Handbook.

5. If under the subsidiary rules issued under Fundamental Rules 45A and B, or under other financial rules, the standard rents as well as the allowances fixed for maintenance and repairs are subject to periodical review, (e.g. *see* subsidiary rules 20A and 20B in volume II of the Handbook), the divisional accountant should see that they are punctually reviewed and necessary revisions carried out in accordance with the prescribed rules and procedure.

P.W.A.C. 593.

776. (*Deleted*)

E—CHEQUE BOOKS AND RECEIPT BOOKS

777. (*a*) A register of cheque (and receipt) books should be maintained in form no. 52, separate pages being reserved for cheque books and receipt books.

(*b*) Whenever on examining a cash book it is noticed that a cheque book or receipt book has been brought into use for the first time, the divisional accountant should enter it at once in the register as a new item. At the same time the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to that book.

(*c*) The submission of the counterfoils of used cheque and receipt books for record in the divisional

office (*vide* paragraph 175) should be watched through this register, and as soon as the counterfoils are received they should be examined, and it should be seen in particular (*i*) that all items for which receipts were issued were duly brought to account in the cashbook, and (*ii*) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the divisional officer.

778. Treasury officers have instructions to furnish the divisional officer quarterly with a statement of cheque books and receipt books supplied by them to all disbursing officers of the division on their requisitions. This statement should on receipt be compared with the register of cheque and receipt books to see that books are not obtained by disbursing officers unnecessarily in advance or in excess, of requirements, and the numbers of the books supplied but not brought into use should be entered in the register, the dates of supply being noted in red ink below the entries in column 1. P.W.A.C 594.

779. The register of cheque (and receipt) books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact. P.W.A.C 595.

F—MISCELLANEOUS

780. The divisional officer is advised to review from time to time the several registers, books and accounts as are maintained in the divisional and subdivisional offices even though under the rules in this volume he may have scrutinized and initialled the individual entries or sets of entries therein. To this end he may require these records to be laid before him through the divisional accountant, monthly or at such other intervals as may be fixed by him. A record of such review should be kept in all cases preferably in form no. 96 (Memo. of review) posted in a suitable position on the account, etc., concerned. P.W.A.C. 596.

P.W.A.C. 597.

781. When, in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more divisional offices are to be amalgamated, or those of any office are either to be broken up into parts or closed, the divisional officers concerned should apply in time to the Principal Auditor for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions, the necessary transfer between offices, of unsettled accounts (for example, *see* margin), of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt books), should receive the special attention of all concerned.

(*i*) Works in progress and suspense accounts of works,
(*ii*) Appropriations and sanctions not yet completely operated upon,
(*iii*) Stock and other suspense accounts,
(*iv*) Remittance accounts,
(*v*) Deposit and cash balances,
(*vi*) Unrealized rent and other revenue and
(*vii*) Interest-bearing securities.

P.W.A.C. 598.

782. The destruction of account records in Public Works offices is governed by the rules laid down in the Irrigation and Buildings and Roads Manuals of Orders. In cases not covered by those rules and in the rules in appendix XVI of Vol. V of the Handbook the specific concurrence of the Principal Auditor is necessary before any records are ordered to be destroyed. In each divisional office full details of all records destroyed from time to time should be maintained permanently in form no. 97.