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**The  
Andhra Pradesh  
Accounts Code**

**Volume III**

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# THE ANDHRA PRADESH ACCOUNTS CODE

## VOLUME III

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#### PART I — GENERAL

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# **The Andhra Pradesh Accounts Code**

## **Volume III**

### **DEPARTMENTAL ACCOUNTS**

#### **PART I**

##### **GENERAL**

#### **CHAPTER I**

##### **GENERAL**

##### **A. — INTRODUCTORY**

The directions given below shall apply to departments of Government whose initial and subsidiary accounts are compiled in whole or part departmentally, the accounts to be compiled being rendered monthly or periodically to the Account and Audit offices.

##### **B. — PUBLIC WORKS AND FOREST DEPARTMENTS**

**Article 2.** The directions, in accordance with which the initial and subsidiary accounts should be kept in the Public Works and the Forest Departments and the forms in which compiled accounts of these departments should be extended to the Accountant General have been prescribed in detail in the following chapters of this volume. These directions are supplementary to the general directions contained in Volume I, which are applicable to these departments unless there be something repugnant in the subject or context and except to the extent that they are modified by the directions in the following chapters.

*Note* :—In their application to—

(1) the accounts to be kept in the Public Works and the Forest Departments of Part B State,

(2) the classification of the transactions in the accounts of the Central and the Part A States Public Works and Forest divisions or sub-divisions on behalf of the Part B State Governments, and

(3) the classification of the transactions in Part B State Public Works and Forest division on behalf of other Part B State Governments, Part A State Governments and the Central Government,

the directions shall have effect subject to such modifications as may be authorized by the Comptroller and Auditor-General of India, with the approval of the President, to suit the transitional arrangements for the settlement of transactions between the Central Government and Part B States, between Part A and Part B States and between one Part B State and another, on a cash basis.



**LOCAL RULING UNDER ARTICLE 2**

The rules in this Code which apply to the transactions of the Public Works Department will, except where otherwise indicated in any case, apply also to the transactions of the Electricity Department.

**Article 3.** The forms of initial and subsidiary accounts prescribed should be regarded as standard or model forms which may be modified by Government according to local requirements in consultation with the Accountant-General concerned. Similar the Accountant-General may introduce such changes in the detail of accounts returns as he may deem necessary.

**LOCAL RULING UNDER ARTICLE 3**

The forms and returns embodied in this Code are those prescribed by the Government in consultation with the Accountant-General to Suit local requirements. Any proposal to amend any of the accounts forms or to introduce a new forms should be submitted to the Government in the Finance Department through the Accountant-General.

**C. — OTHER DEPARTMENTS**

**Article 4.** Whenever an order is passed by competent authority, vide Article 33 of Volume I, transferring any Public Works to the administrative control of a department other than the Public Works Department and the department itself arranges for the execution of those works, the detailed classification of the transactions connected with the works so transferred should be such as the Accountant-General may determine in consultation with the Comptroller and Auditor-General may determine in consultation with the Comptroller and Auditor-General. Subject to such exceptions as may be authorized by the Accountant-General with the previous concurrence of the Comptroller and Auditor-General the transactions should be accounted for in the forms and in accordance with the directions prescribed in Chapters III and IV and for similar transactions of the Public Works Department.

**Article 5.** x x x x x

**Article 6.** In case of all other departments of the Central and State Governments whose initial and subsidiary accounts are compiled departmentally, the orders and instructions contained in the relevant departmental Code, Manual or Regulations in so far as they provide for the forms of initial and subsidiary accounts kept in any department, shall continue to be followed unless the Accountant-General considers it necessary to replace the existing forms or any of them by some other forms or form. In the event of any difference of opinion between the Accountant General and the departmental authority concerned, the question should be, be referred by the Accountant-General to the Comptroller and Auditor-General for issue of necessary directions under paragraph 4 (b) of the Initial and Subsidiary Accounts Rules (vide Appendix I to Volume I.)

**Article 7.** The directions regarding the accounts to be rendered to Audit by the departments mentioned in Article 6 and the forms in which such accounts are to be rendered have been issued separately and incorporated in the Manuals of the Audit Officers concerned.

[In respect of the Electricity Department, the definitions in this Chapter [e.g., as regards items (2), (9), (12), (17), (20) and (41)] should be supplemented by those in the Electricity Department Manual].

**Article 8.** Whenever the activities of a Government department are such as to require the maintenance of initial and subsidiary accounts not covered by the directions contained in Articles 6 and 7, the forms of the accounts should be such as may be settled by Govt. after consultation with the Accountant-General and subject to the previous concurrence of the Comptroller and Auditor-General.

#### D. — DEFINITIONS

**Article 9.** Unless there be something repugnant in the subject or context, the terms defined below should be interpreted in the following chapters and forms in the sense herein explained.

[In respect of the Electricity Department, the definitions in this Chapter [e.g., as regards items (2), (9), (12), (17), (20) and (41)] should be supplemented by those in the Electricity Department Manual].

(1) *Advance Payments* :—Means a payment made on a running account to a contractor for work done by him but not measured.

(2) *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.

(3) *Bank* :—The term “The Bank” means the Reserve Bank of India or any office or agency of the Reserve Bank of India and includes any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (Act II of 1934).

(4) *Cash* :—The term “Cash” includes legal tender coin, notes, cheques and drafts payable on demand. A small number of ten naya paise revenue stamps may be treated as part of the cash balance.

**Note** :—Government securities, deposit receipts of banks debentures and bonds accepted as security deposit under the rules of Government, do not fall under this term.

(4-A) *Central Division or Sub-division* :—Means any division or sub-division, not being a division or sub-division under the control of a State.

(5) *Competent Authority* :—The term “Competent Authority” means the Government or other authority to whom the relevant powers may be delegated by the Government.

(6) *Completion and Completed* :—The expression “completion of work” may be understood to include “abandonment of a work” and “completed” to include “abandoned”.

(7) *Contingencies* :—When used in respect of the accounts of works, the term “Contingencies” indicates the incidental expenses of a miscellaneous character which cannot be classified appropriately under any distance sub-head or sub-work yet pertain to the work as a whole.

(8) *Contract and Contractor* :—The term “Contract” 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 of repairs of one or more works, for the supply of materials or for the performance of any service in connection 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 connection therewith.

(9) *Deposit Works* :—This term is applied to work 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 debitable either to cash deposits made for the purpose, or to their credit balances at treasuries.

(10) *Direct and Indirect Charges* :—“Direct Charges” are those charges pertaining to a work, project or job, which are incurred directly for its execution and are included in the regular accounts of it. “Indirect Charges” are those charges which pertain, or are incidental to a work, project, workshop job or manufacture job, but which are not incurred directly and solely in connection therewith and thus account be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the Department.

(11) *Direct and Indirect Receipts* :—“Direct Receipts” are those items of revenue receipts which are realized in connection with a work or project either by officers of the Public Works Department or other Departments and are brought to account directly as appertaining to the work or project. “Indirect Receipts” are those receipts which pertain, or are incidental, to a scheme or work, but cannot be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the Dept.

(12) *Division and Divisional Office* :—These terms are used to denote respectively the executive charge held by a Divisional Officer [clause (13) below] and the head office of such a charge. Thus, the office of an independent executive sub-division is a divisional officer for the purpose of its volume, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.

(13) *Divisional Officer* :—This term is applied to an executive officer of the Public Works at Forest 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 Government concerned. Thus the officer in charge of an independent sub-division is also treated as a Divisional Officer for the purpose of this volume.

(14) “*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.

(15) “*Government*” means the “Central Government” in respect of matters relating to Central division and sub-divisions and “State Government” in respect of those relating to State divisions and sub-divisions.

(16) *Imprest* :—This term represents the standing advance of a fixed sum of moneys 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.

(17) *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.

(18) *Issue Rate* :—This term denote the cost per unit fixed, in respect of an article borne on the Stocks of the Department, at a valuation for the purpose of the calculation of the amount creditable to the sub-head concerned of the Stock account (i.e., the subhead under which the article is classified) by charge to the account or service concerned, when any quantity of that article is issued from Stock. This does not take into account the storage charges mentioned in clause (33).

(19) *Labour* :—When a separate materials account is kept for one or more sub-heads of an estimate and the term “Labour” is used in connection 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 connection with the materials,

(20) *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.

(21) *Local Loan works* :—This expression indicates works executed by the Public Works Department on behalf of a Municipality, Port Trust, or other Corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.

(22) *Lump Sum Contract* :—is a contract for complete work which a contractor agrees to execute with all its contingencies for fixed sum subject to such conditions as the Government may lay down.

(23) *On Account Payment or Payment on Account* :—Means a payment made on a running account to a contractor in respect of work done of supplies made by him and duly measured. Such a payment 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.

(24) *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.

(25) *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.

(26) *Progress* :—Means the up to-date quantities of work done or supplies made.

(27) *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.

(28) *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.

(29) *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 the 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.

(30) *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 supplied made by him, and has, therefore, to be made good to Government by an equivalent cash recovery or short payment of dues.

(31) *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.

(32) x x x x x

(32-A) *State Division or Sub-division* :—Means a division or sub-division under the control of a State.

(33) *Storage Rate and Storage Charges* :—These expressions denote, respectively, the centage rate fixed for, and charges levied on, all issues of stock to cover such actual expenditure as is incurred, after the acquisition of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards, etc.

(34) *Sub-divisional Officer* :—This designation is applied primarily to an official, whether a Gazetted officer 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 subdivision.

(35) *Sub-head* :—In the accounts of works and in wording estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-work if it is a large work) is divided for purposes of financial control and statistical convenience. The several types of work that have to be executed in the course of construction or maintenance of a work or sub-work, e.g., excavation, brick-work, concrete, woodwork, etc., are treated usually as the sub-heads of it.

(36) *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 work 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 Head Works, Main Line each branch of a canal, each group of distributaries relating to branch separately, the drainage and protective works, the Water-Course Scheme, and Special Tools and Plant, all form separate sub-works.

(37) *Supervision Charges* :—This term in relation to stores, is applied ordinarily to the charges which are levied, in addition to book value and storage charges, in respect of stock materials sold or transferred, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value and are not include in the storage charges. [see clause 33]

(38) *Suspense Accounts* :—This term is applied primarily to certain heads of accounts, falling under the minor head "Suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must be taken at once 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 defective 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 Article 136.

(39) *Takavi Works* :—This term denotes works of construction or maintenance relating to water-course or any other works, expenditure on which is treated by Government as a takavi advance (i.e., an advance to cultivators) recoverable from the party or parties concerned.

(40) *Value* :—This term used in connection with the sale of stock materials (vide Article 55) or their issue to works (vide Articles 127 and 128) includes storage charges.

(41) *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.

(42) *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 net 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.

### **LOCAL RULINGS UNDER ARTICLE 9**

(i) *Commercial Department* :—See Article 59 of Volume I.

(ii) *Detailed head*:- See Article 26 of Volume-I and Notes I and 2 below Article 10.

(iii) *Disbursers* :—In the Forest Department, this term denotes those superior officers, not in charge of District Forest Offices, such as Rangers, Foresters and other subordinates, permanent or temporary, who are entrusted with sums of money as advances for carrying on works or for current expenditure.

(iv) *Ledger (Contractor's and Distributor's)* :—The ledger account is a running account with each contractor and disburser, from which the amount due by or to him can always be easily ascertained.

(v) *Major Estimate* :—This term is applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(vi) *Major head* :—See Article 26 of Volume I.

(vii) *Market Rate (Value or Price)* :—Used in respect of an article borne on the Stock Accounts of a division, this term indicates the cost per unit at which a stock of that article or a suitable substitute for it could be obtained at the time in question at the stores godown from the public market from which it could be obtained most advantageously.

(viii) *Minor Estimate* :—This term is applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(ix) *Minor head* :—See Article 26 of Volume I.

(x) *Sectional Officer* :—This designation is used in this Code in respect of the Public Works Department to describe those officials, usually non-gazetted subordinates, who are placed in responsible executive charge of works or stores under the orders of the officers in charge of a recognized sub-division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub-division.

(xi) *Special Officer* :—This term is applied in this Code, to such officials of the Public Works Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer and have no Divisional Officers working under his control.

(xii) *Transfer Entry* :—See Article 105(1).

(xiii) *Treasury* :—This term means any treasury in the State of Andhra Pradesh and includes a sub-treasury.

(xiv) *Water-course* :—A water-course in a major system of irrigation for which Capital and Revenue Accounts are kept, is a minor channel intended for the supply of water to a particular block of fields and maintained by the joint labour of the ryots concerned.

## E. — MISCELLANEOUS

**Article 9-A.** The transactions of Railways, though they form part of the transactions of the Central Government, should be kept separate from other Central transact

tions. For classification in the accounts of the Public Works and Forest Departments, see Articles 15 and 243.

## PART II

### PUBLIC WORKS ACCOUNTS

### CHAPTER II

#### CLASSIFICATION OF PUBLIC WORKS RECEIPTS AND EXPENDITURE

##### A. — GENERAL

**Article 10.** The major and minor heads prescribed for the classification of Public Works receipts and expenditure are set out in Appendix 2 to Volume I. Subject to any specific directions contained in this Code, the sub-heads, detailed heads or units of grants and appropriations will be determined by Government according to local requirements in consultation with the Accountant-General.

[The list of major and minor heads issued by the Comptroller and Auditor-General is printed separately as Appendix 2 to this Accounts Code, Volume I. The portion of this Appendix relating to State transactions are reproduced in Appendix A to the Andhra Pradesh Budget Manual].

[For the units of appropriation, see the Annual Detailed Budget Estimates.

**Note 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” should be used for all divisions subordinates to a minor head.

**Note 2 :**—In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage Works, the sub-divisions into which the minor head “works” is divided for departmental purposes are called “sub-works” and the further sub-divisions of the latter, “detailed heads”.

**Article 11.** In the case of Irrigation and other works for which separate capital and revenue accounts are kept, the allocation of expenditure between capital and revenue should be determined in accordance with such principles and methods as may be prescribed by Government in consultations with the Accountant General.

##### *LOCAL RULINGS UNDER ARTICLE 11*

The rule framed by the Government in consultation with the Accountant-General in regard to the allocation of expenditure between capital and revenue are include in Appendix I.

The Appendix contains also the rules for the allocation of expenditure relating to commercial departments and undertakings (see Article 43 of Volume 1) and for the financing of capital expenditure generally.

**Article 12.** A transaction of receipt of expenditure should be classified 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, the transaction should be classified temporarily under “Public works Deposits” if a receipt, or under “Miscellaneous P.W. Advances”, if a charge.

**Article 13.** Heads 17, 18(1) and 19 are purely transfer heads, normally operated upon by the Accountant-General, in which the executive officers of the department are not directly interested. At the discretion of the Government, executive officers may operated upon the transfer head “19” monthly, provided that the expenditure recorded there under at the end of the year, is combined with the expenditure brought to account directly under the head “68” to show the total Capital expenditure relating to each canal and arrangements satisfactory to the Accountant-General are made for this purpose. When this procedure is adopted, the expenditure should be accounted for, separately for each irrigation project, in the same detail as regards minor and detailed heads as are prescribed for the major head “68”.

**Note** :—A similar method of accounting may be adopted at the discretion of Government with regard to the transfer head 18(1) where this head is used.

### **LOCAL RULING UNDER ARTICLE 13**

The Government have directed that capital expenditure on Irrigation, Navigation, Embankment and Drainage Works which it is proposed to meet from current revenues, should be accounted for initially and finally under the head “19” with the same details as are prescribed for the head “68”.

## **B. — TRANSACTIONS WITH OTHER GOVERNMENTS AND DEPARTMENTS**

**Article 14.** The general directions under which one department of the public service may raise debits against another department under the same Government or any department under another Government for services rendered or articles supplied to it are contained in Chapter 4 of Volume I.

**Article 15.** In State Division, all transactions other than those of Railways, originating on behalf of the Central Government should be classified initially under the appropriate central head of account but in the compiled accounts they should be collected together under the head “Adjusting Account between the Central and State Governments”. Transactions originating in State Divisions on behalf of other State Governments and those originating in Central Divisions on behalf of all State Governments, should be classified both initially and finally under the heads “Inter-State Suspense Account-Government of ..... “ and “Adjusting Account between Central and State Governments, Government of ..... respectively. Similarly, all transactions originating in a Central or State Division on behalf of a Railway should be classified both initially and finally under the head “Adjusting Account with Railways ..... Railway”. The requisite adjustment against the balances of the Government concerned or the Railway Fund, as the case may be, will be made by the Accountant-General himself through the Central Accounts Section of the Reserve Bank. In Central Divisions, such Central (Non-Railway) transactions as are adjustable in another accounting circle should be classified under the Exchange Account head concerned (vide Appendix 2 to Volume I).

**Note** :—The expression Railway Fund used in this Article and other Articles of the Code is intended to represent a proforma account and not a real fund.

**Article 16.** All other remittance transactions, whether originating in the division or another division or department of another Government, should be accounted for under the head “Transfers between Public Works Officers” or “Public Works Remittances”, as the case may be (vide footnotes 399 to 402 in Appendix 2 to Volume 1), unless the Accountant-General directs otherwise.

(See footnote to Article 10 above).

**Note** :—Transactions on account of cheques drawn on, or remittances made to, treasuries should be treated as originating at “treasuries”.

**Article 17.** In the case of works done as a standing arrangement for other departments when the cost is debitable to those departments, the prescribed classification applicable to the connected transactions will be intimated by the Accountant-General to the Divisional Officers concerned.

### C. — INTER-DIVISIONAL TRANSFERS

**Article 18.** Services rendered or articles supplied by one division to another under the same Government will not be charged for, except in the following cases

(i) *Stores* — if they are issued from a Stock or Material Account or if their transfer affects a work for which a separate capital account is kept;

(ii) *Other Services* — if they affect the accounts of (a) any work for which a separate capital account is kept, (1) a work in progress, or (C) Suspense or Deposits.

**Article 19.** When the cost of a service undertaken on behalf of another division of the same Government is debitable to that division, the connected receipts and charges should be classified under the head “Transfers between Public Works Officers” and passed on for adjustment finally in the accounts of the latter division.

### D. — REVENUE RECEIPTS

**Article 20.** Public Works revenue should be brought to account in accordance with the classification prescribed by the Comptroller and Auditor-General, vide Article 10. Distinction should be made between receipts which are finally creditable to Government as revenue of the department and transactions which represent merely such cash or other value received as has either to be repaid eventually 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. Receipt of the latter class should be credited to the debt, or deposit or expenditure head concerned.

**Note 1** :—Should Government deem any source of revenue not specifically mentioned in the minor heads provided, to be of sufficient importance to justify the keeping of a separate account of it, a detailed head for the purpose may be opened under the minor head “Miscellaneous”.

**Note 2** :- x x x x x

### LOCAL RULINGS UNDER ARTICLE 20

I. When the fines collected for demanding toddy-yielding Government trees are credited to the Public Works Department the rewards payable to the Prohibition and Police Officers for detecting the case may be disbursed as refunds of revenue in this department under the authority of the Executive Engineer of the division.

2. Amounts realized by the sale of fruit, etc., should be credited to the “Revenue” head.

3. The sale-proceeds of trees felled in the compound of a public office should be treated as miscellaneous receipts of the Public Works Department, if the felling is done in the course of execution of works by the Public Works Department. In other cases, the sale-proceeds of the usufruct of trees felled should be credited to the department to which the cost of maintenance of the compound is charged.

4. The fees charged by Executive Engineers of divisions or the Electrical Engineer for testing the lighting conductors attached to explosive magazines should be credited to State Revenues under the head “XXXIX. - Civil Works”.

**Article 21.** Refunds of revenue actually collected and brought to account under “XXXIX-Civil Works” or Irrigation heads, when made in cash, should be accounted for under the minor head “Deduct-Refunds” of the Revenue major head concerned. All other refunds of revenue, such as refunds of rents adjusted by short assessment or short realization in a subsequent month and repayment of receipts and recoveries on capital account, should be taken as reduction of revenue receipts or of “Receipts and Recoveries on Capital Account,” as the may case be, under the heads concerned.

## **E. — WORKS EXPENDITURE**

### ***I. Original Works or Repairs***

**Article 22.** Subject to any general or special orders issued by Government in this behalf in consultation with the Accountant-General, the following principles should be observed in classifying the expenditure between “Original Works” and “Repairs”.

(1) Original Works should comprise all new constructions, whether of entirely new works or of additions and alterations to existing works, except as hereinafter provided; also all repairs to newly purchased or previously abandoned buildings required bringing them into use.

(2) Repairs should include primarily operations undertaken to maintain in proper condition buildings and in ordinary use and also new works in circumstances indicated in clause (3).

(3) When a portion of an existing structure or other work, not being a road, surface, road bridge, cause way, embankment, ferry approach, protective or training work in connection with a road, is to be replaced or remodelled (whether or not the change involves any dismantlement) and the cost of the change represents a genuine increase in the value of the property, the work of replacement or remodelling, as the case may be, may be classed as “original work”, the cost (which should be estimated if not known) of the portion replaced or remodelled being credited to the estimate for “original work” and debited to “repairs”. In all other cases the whole cost of the new works should be debited to “repairs”.

(4) When an existing portion of a road, road bridge, causeway, embankment, ferry approach, protective or training work in connection with a road is to be replaced or remodelled (whether or not the change involves any dismantlement) and the change represents genuine increase in the value of the property, the whole cost of replacement

or remodelling, as the case may be, should be classified as “new work” and the cost or value of the portion replaced or remodelled should not be debited to “repairs”.

(5) In addition to all repairs and renewals in material similar to that pre-existing, the following items of road work should be classed as “repairs”—

(i) ordinary repairs and maintenance including surface painting and the necessary addition of stone chips, gravel or sand, but not including asphaltic concrete, premix asphalt macadam, bitumen grout, bitumen semi-grout, mix-in-place, cement concrete or cement macadam;

(ii) special repairs and periodical renewals;

(iii) petty and miscellaneous items of work in any material which are classed ordinarily as “new works”, provided that the works in question do not in the opinion of the competent authority form part of any comprehensive scheme or project covered by a works estimate; and

(iv) surface dressing with precoated chips.

### ***LOCAL RULINGS UNDER ARTICLE 22***

The following rules have been issued by the Government in consultation with the Accountant-General :—

1. The capital value of any portion of a building, which is abandoned or dismantled without replacement, should be written off the total capital value of the building in any pro-forma account of its cost.

2. The cost of restoration or special repairs to a building shall not be added to capital cost or present value, unless such restoration or repairs add to accommodation or involve replacement of the existing type of work by a work of a more expensive character.

***Illustration*** :—The cost replacing palmyra rafters by Karimarudu, or bamboo hurdling by teak wood reapers, or lime plastering by cement plastering should not be added to the capital Cost of a building. The cost of deepening a well in order to restore the normal water supply should also not be added to the capital cost of a building. But the cost of replacing country tiles by Mangalore tiles or a mud compound wall by a wall of brick in mortar plastered with cement, or a cement floor by tiles should be dealt with in accordance with clause (3) in the above Article.

***Exceptions*** :—Petty and miscellaneous items of work in any material, as hereinafter described, which ordinarily should be classed as “new works” should be debited to “repairs” up to Rs. 25,000/- in any one case, provided that the works in question do not in the opinion of the Superintending Engineer form part of any comprehensive scheme or project covered by a works estimate

(a) Super-elevation at curves.

(b) Widening the formation or carriage way of a road, widening a drain or cutting back a hill-side to improve vision at curves, provided that acquisition of land is not involved in any case.

(c) Improvements of alignment or gradients or changes of grade at Irish bridges or dips, carried out at the time of renewing a surface, provided that acquisition of land is not involved in any case.

(d) Improvements to or reconstruction of the surface of road in some different material where it is desirable to carry out such improvements or reconstruction at the time of renewing a surface.

(e) The construction or reconstruction of road surthees in different materials for the purposes of experiment.

(f) The construction or remodelling of bridges, culverts, causeways, embankments, ferry approaches, protective or training work in connection with road.

**Note :**—Item (f) includes “replacement of boats and other apparatus connected with ferries”.

3. When the book value of the portion dismantled is dealt with under clauses (1) and (3) in the above Article, the cost of dismantlement should be charged to “Repairs” and the value of the dismantled materials treated as follows:—

(a) If the dismantled materials are sold, the proceeds shall be credited against maintenance and repairs of the work during the year.

(b) If they are brought on stock the estimated value shall be credited to maintenance and repairs as under (a) and debited to stock.

(c) If they are utilized in the construction of a new work on the same building, the estimated value shall be credited to maintenance and repairs as under (a) and debited to the new work if it consists of repairs, no charge shall be credited or debited for the materials.

(d) If they are re-utilized in the construction of a new work on a different building, the estimated value shall be credited to maintenance and repairs of the building from which the materials have been removed as under (a) and debited to the new work, under original works or repairs as the case may be.

When the capital value of a building or a portion of a building is written off under Local Ruling 1 above, the proceeds under (a), (b), (c) and (d) above shall be credited to Revenue.

When land with building thereon is acquired and the latter have to be dismantled, the proceeds under (a), (b), (c) and (d) above shall be credited in reduction of the capital cost of the land instead of the “Repairs” or “Revenue”.

The transactions under these rules — if foreseen — shall be provided for in the estimates.

4. When an entire structure is reconstructed owing to the occurrence of fire, flood or other calamity or owing to wear and tear, the cost of reconstruction should be treated as capital cost, and on completion the Government will decide what amount should be written off from the original capital cost. See also Appendix I and the rules in the Electricity Department Manual.

## *II. Civil Works*

**Article 23.** The general principles to be followed in the classification of Civil Works expenditure are laid down in Article 33 of Volume I.

**Article 24.** In State Public Works Divisions, transactions relating to Central Civil Works, which are to be accounted for finally in the books of the Accountant- General to whom the divisions render accounts, should be classified under the central final heads concerned, those relating to other works of the Central Government under the remittance head concerned. For purposes of adjustment against the balance of the Central Government or the Railway Fund, the amounts involved should be included in the account of the head “Adjusting Account between Central and State Government” or Adjusting Account with Railways, as the case may be. vide Article 15.

## *III. Irrigation, Navigation, Embankment and Drainage Works*

**Article 25.** All works of Irrigation, Navigation, Embankment, Drainage and Water Storage should be classified primarily into the following two sections :—

(A) Irrigation Works :—This section should include Water Storage Works also.

(B) Navigation, Embankment and Drainage Works :—This section should include receipts and charges relating to waterways, navigable canals, embankments and other agricultural and drainage works undertaken primarily not for irrigation purposes but for the general improvement of the country or for general administrative purposes.

**Article 26.** Works for either of the two classes mentioned above, should be classified further into (1) Productive and (2) Unproductive in accordance with such general principles as may be determined by Government in consultation with the Accountant-General.

**Note :**—When under the rules of Government, a work is transferred from the productive to the unproductive category, or vice versa, no adjustment need be made in the general accounts in respect of past transactions but the necessary transfers may be made in the proforma accounts of the work.

## *LOCAL RULING UNDER ARTICLE 26*

For the rules framed by the Government in consultation with the Accountant-General for the classification of works into productive and unproductive, see Appendix 1.

**Article 27.** Works expenditure which under prescribed rules of allocation is debitable to the Capital account should be classified under the minor head “Works” of the major head “19, 68” as the case may be. That which is debitable to the Revenue account should fall under the minor head “Extensions and Improvements” or “Maintenance and Repairs” of the division “Working Expenses” of the major head “XVII” according as the expenditure pertains to the category of “Original Works” or “Repairs” vide Article 22.

[See also the Local Ruling under Article 13].

[See also footnote (F) in Appendix A to the Andhra Pradesh Budget Manual].

**Article 28.** The expenditure on a work or project which is classed as Productive by orders of Government, should be recorded in two sections separately for capital and

revenue charges. For unproductive works also, the arrangement should be similar where it is desirable or possible to maintain accounts on a quasi-commercial basis. When, however, a work of this class is too small to justify the maintenance of a separate account on such a basis, all expenditure upon it should be treated as a revenue charge, the work being classified as one for which no capital accounts are kept. In the category of Unproductive works should also fall “Miscellaneous Expenditures”, which is expenditure upon the preliminary survey of new project and also the cost of famine surveys required for the preparation of famine programme.

**Article 29.** Each of the three minor heads mentioned in Article 27 should be divided ordinarily into the following sub-divisions :—

- (1) Head Works
- (2) Main Canal and Branches
- (3) Distributaries
- (4) Drainage and Protective Works
- (5) Water-courses (for “Works” only)
- (6) Special Tools and Plant (for “Works” only)
- (7) Losses on Stock

Under the minor head “Maintenance and Repairs” an eighth head “Compensation” may be opened. The detailed heads subordinate to these heads will be such as may be prescribed by Government after consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 29***

1. The detailed heads prescribed by the Government in consultation with the Accountant-General are enumerated in Appendix 2.

2. The following points should receive special attention :—

(a) When land is taken up for two or more of the above sub-divisions at the same time, its cost must be divided in the best way practicable;

(b) In the case of Storage Projects all works connected with supply channels to feed the head reservoir come under Head works;

(c) Water-power installations at the head-works of a canal, head-locks and head-regulators of main and branch canals, fall under “Main Canal and Branches”;

(d) When a canal or a distribution channel there from and a drainage in connection with it, are planned simultaneously and the two works intersect, the cost of the crossing should be charged to “Drainage Protective Works”;

(e) Buildings required for the general purposes of a canal system, such as workshops, headquarters station, etc., are chargeable to “Main Canal and Branches”.

3. For rules relating to Special Tools and Plant and Losses on Stock, see Articles 41 and 102, respectively. The head “Water-courses” is not necessary in the case of the

minor heads “Extensions and Improvements” and “Maintenance and Repairs”. The head “Losses on Stock” is intended for all general losses on stock which cannot be attributed to any work, the accounts on which are open.

**Article 30.** All works expenditure relating to Main Canal and Branches may be divided into (1) main line of a canal and (2) each of its branches separately: that relating to distributaries will also be grouped for the distributaries belonging to the main line of the canal and to each of its branches separately.

#### ***IV. Non-Government Works***

**Article 31.** Non-Government Works should, for purposes of classification, be divided into three broad classes (I) Deposit Works, (2) Local Loan Works, and (3) Takavi Works.

#### ***LOCAL RULING UNDER ARTICLE 31***

There are no Takavi Works in Andhra Pradesh.

**Article 32.** Expenditure incurred on Deposit Works should be debited against the amount advanced by the party concerned to the extent of that amount. Any excess over that amount and also any expenditure on a deposit work which has been authorized by competent authority in anticipation of receipt of money, should be classified under “Miscellaneous P.W. Advances” pending recovery. Expenditure incurred on District, Municipal, Cantonment and Port Trust Fund Works may if authorized by Government, be debited to the head “Deposits of Local Fund in cases where the balances of the fund part of the Public Account of the Government concerned.

**Article 33.** Expenditure on a Local Loan Work including the portion of expenditure on a joint work, which is incurred against, a sanctioned loan under orders of competent authority, should be classified under the head “Q.-Loans and Advances by the Central Government” or “R.-Loans and Advances by State Governments” as the case may be.

**Article 34.** xxxxx

#### ***V. Famine Relief Works***

**Article 35.** The directions regulating classification of expenditure of Public Works undertaken for the purpose of famine relief, are given in footnotes (271) to (273) of Appendix 2\* to Volume I.

#### ***VI. Road Development Works***

**Article 36.** The expenditure on works or portion of works, the cost of which is met from Central Road Fund, should be classified in accordance with the directions contained in footnote (334) of Appendix 2 to Volume I. [See Footnote to Article 10 above]

#### **F. — EXPENDITURE ON STORES**

**Article 37.(a)** As a general rule, the cost of the acquisition of stores 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 issued actually by debit 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 should be debited at once to the minor head “Tools and Plant” subordinate to the major head under which such charges for the division are classified, and special item of tools and plant which are required not for general purposes but for a specific work should be debited to the work. The question whether a particular item of supply should be treated as ordinary tools and plain or special tools and plant should be decided by Government.

(c) Similarly, all road metal required for the maintenance of a road or section of a road should be debited 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 required specially for use in the construction of a road or other work, cost should be debited to the estimate for such construction.

(d) In the case of other materials when the purchases are made for the requirements of works generally, the cost should be accounted for under the suspense head “Stock”. Materials purchased specially for work should, however, be debited to that work.

#### ***LOCAL RULINGS UNDER ARTICLE 37***

1. In cases of doubt, the Chief Engineer should decide whether any item of tools and plant should be classified as ordinary or special.

2. As an exception to the rule in clause (b), tools and plant, except tents, are held in the Public Works Stores Division. Hyderabad as part of “Stock” and are accounted for as such as they are intended for issue to other divisions and departments. The tools and plant and spare parts thereof kept in the Stores of the Krishna Central and Godavari Head Works Divisions for issue to other divisions and departments may also be accounted for as “Stock”. When these are transferred to other divisions, the division receiving them will deal with them wider the rules in Section 2 of Chapter III. In the Electricity Department, tools and plant are held as part of ‘Stock’ and accounted for in accordance with the procedure specified in the Andhra Pradesh Electricity Department Manual.

#### **C. — ESTABLISHMENT AND TOOLS AND PLANT CHARGES**

**Article 38.** Charges on account of general services, like Establishment and Tools and Plant, should be classified in the accounts under the appropriate sub-head under the minor heads “Establishment” and Tools and Plant, as the case may be, of the major head under which the division is classified for the purpose and, save as provided hereafter, no attempt should be made ordinarily to include in the cost of an individual work or another major head of expenditure any portion of expenditure on account of those services. See also Article 118.

**Article 39.** As an exception to the foregoing rule, the under mentioned special establishments should be debited as indicated below :—

(i) xxxxxx

(ii) establishment employed on large irrigation surveys for new projects, to the surveys concerned under the head “18-Other Revenue Expenditure financed from Ordinary Revenues-Miscellaneous Expenditure”;

(iii) establishment employed on famine relief works, to the head “54-A-Famine Relief;

(iv) establishment employed in workshops of a quasi-commercial character, to the workshop concerned under the major head under which its maintenance charges may be classified.

**Article 40.** Subject to such general or special order issued by Government in this behalf, pay and allowances of such temporary establishment as is employed upon the actual execution, as distinct from the general supervision, of a specific work or upon the subordinate supervision of departmental labour stores, and machinery in connection with such a work may be debited to the account of that work.

**Article 41.** The cost of special tools, and plant, i.e., tools, plant, machinery, etc., obtained to meet the special requirements of a particular work or project and of a nature not usually to be found in the general stores of the State or Administration, should be treated as a direct charge to that work or project; vide Article 37.

**Article 42.** When the charges on account of Establishment and Tools and Plant of a division are met out of a single major head in the first instance, a share of such charges may be debited, where necessary, to other major heads or accounts concerned in accordance with such methods as may be prescribed by Government in consultation with the Accountant-General. Similarly, the cost of special tools and plant (such as dredgers, etc.), debited to a single head in the accounts, may be distributed over the several sub-heads of works, in accordance with such methods as the Government may determine in consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 42***

The rules for the accounting and distribution of establishment and tools and plant charges prescribed by the Government in consultation with the Accountant-General are contained in Appendix 3

#### **H. — GRANTS-IN-AID**

**Article 43.** The general directions for the classification in the accounts of transactions relating to contributions by the Central or State Government to Local Funds and Public Bodies and vice versa, are given in Article 34 of Volume I.

**Article 44.** In the Public Works accounts, contributions made to local bodies, whether in cash or in the shape of work done by the Public Works Department on their behalf, should be debited to the minor head “Grants-in-aid” under the major head “50-Civil Works” or “18-Other Revenue Expenditure”, according as the contribution is made by the Civil Works or Irrigation Branch of the Public Works Department.

**Article 45.** When the Public Works Department entrusts 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 debited to the estimate of the maintenance of the work and not classified as “Grants—in—aid”

#### ***LOCAL RULINGS UNDER ARTICLES 43-45***

I. If lumpsum 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 Accountant-General, provided

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on record by the Executive Engineer or a Sub-divisional Officer deputed by him for the purpose:

(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 charged is set forth: and

(c) that, as far as possible, the Liability of a year is settled within that year (see also Article 146).

See also Article 118.

#### **Government works partly contributed for by local bodies or private parties**

2. (a) Annual contributions recovered from local bodies or private parties, which, have been fixed as a specific sum without reference to the amount actually spent by the Government on certain works, eg., maintenance of roads, bridges, hospitals, etc., taken over under Government control, or Government irrigation works, etc., should be credited finally in the accounts to the appropriate heads of revenue — See Article 66. The actual expenditure on the works will be charged in the Public Works Accounts in the same manner as on other Government works.

Note: The Accountant-General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the Register of Special Recoveries.

(b) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or on the basis of certain revenue figures as in the case of Tank Restoration Scheme Works, the contribution should be credited to “Public Works Deposits” and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to the Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of the cost or the Collector’s distribution in the case of the Tank Restoration Scheme Works, should be carried out first before the accounts of the works are closed.

**Note :** - Centage charges in respect of such contributions should, in addition, be recovered at the rates specified in the Andhra Pradesh Public Works Department Code. This will not apply to estimates 11r works (relating to the maintenance of existing irrigation or navigation works) started before 21st December, 1932 for which centage charges were not collected.

Kudimaramath works, works connected with railway affecting tanks and irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.

3. The following procedure is prescribed for the accounting of expenditure incurred by the Public Works Department

(i) under Board’s Standing Order No. 86(5) and (6) when the ryots fail to do Kudimaramath works — Vide the Andhra Pradesh Public Works Department Code;

(ii) on the execution of measures in respect of any irrigation work for the protection of any railway under Section 9 or 11 of the Madras Railway Protection Act, 1886 (Madras Act IV of 1886); and

(iii) on the irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.

(i) **Kudimaramath works** :—When the Public Works Department is entrusted with the execution of Kudimaramath works, the expenditure incurred should be debited in the divisional accounts to “Public Works Remittances—III—Other Remittances—Payments on account of Civil” and then transferred to the final head “18-A. Irrigation Works—Minor Irrigation—In charge of Civil Officers-Maintenance and Repairs” in the books of the Accountant-General. On the completion of the work, the Executive Engineer shall intimate to the Revenue Department the date of completion of the work and the actual cost. No centage charges on account of establishment and tools and plant will be leviable on such works. The Revenue Department shall watch and effect the recoveries due from the ryots. The recoveries will be treated as “Revenue Receipts” under the major head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept— A. Irrigation Works—Minor Irrigation—Direct Receipts—Miscellaneous’.

This procedure will take effect from 1942-43.

(ii) **Railway protection works** :—The expenditure on the works (including the centage charges) should be debited to the Railway Administration by book transfer month by month as it occurs, the recovery of the centage charges—vide note below— being adjusted as laid down in Rule 10 of Appendix 3. When recoveries from landholders are effected through the Revenue Department, the full amount of the recovery which will include the centage charges should be credited to the Railway Administration concerned. The Collector will arrange for the recovery of the amounts due from the land holders and see that the amounts recovered are passed on through the Treasury accounts to the credit of the Railway Administration concerned.

This procedure will apply to works started on or after 1st April, 1937.

Note :—In the case of these works, centage charges will be calculated at the following percentages—

For establishment	10-1/2	percent on the works outlay
For tools and plants	1	do
For audit and accounts	1	do
For pensionary charges	1-1/2	do
<b>Total</b>	<b>14</b>	do

Centage charges at the above rates should be levied (a) in cases where advance payment is made and (b) in cases where it is paid later without resort to a civil suit. If

a suit is necessary, only the actuals limited to 14 per cent on the works outlay, even though the actual expenditure may exceed 14 per cent, should be claimed in the plant. As the particulars necessary for the purpose should be in the form of documentary evidence for production in Courts, a separate account should be maintained in the case of all these works showing the items covered by centage charges, viz., time and traveling allowance of inspecting officers, hire charges of tools and plant and the like for the purpose. No charges for the preparation and checking of plant and estimates should be included in the account. This account should be filed in the Court to show that the Government actually incurred that expenditure in connection with the execution of the work and that the claim is not merely an arbitrary one but is based on actual expenditure. If the question is raised in the Court why the Government have limited the claim to 14 per cent, it may be pointed out that this has been done in the interests of uniformity, as this is the percentage charged by Government in the case of works executed by them on behalf of local bodies and others.

(iii) ***Irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943*** :—In the case of repairs or improvements to irrigation works in private ownership or construction of new works on land situated in an estate as defined in the Madras Estates Land Act, 1908, the expenditure on the works executed by the Public Works Department should be charged under the major head “18. irrigation—Other Revenue Expenditure financed from Ordinary Revenues—A. Irrigation Works—Public Works Department’ and the expenditure on works executed by the Revenue Department should be charged under the major head “18. Irrigation—Other Revenue Expenditure financed from Ordinary Revenues—Minor Irrigation-Revenue Department”. Recoveries of the above expenditure which should include the cost of actual services rendered should be credited in respect of works executed by the Public Works Department to the head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept—Irrigation Works—Public Works Department—Direct Receipts—Recoveries of Expenditure” and in respect of works executed by the Revenue Department to the head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept—Minor Irrigation—Direct Receipts-Recoveries of expenditure”.

In cases where the works are executed by the Public Works Department, the Executive Engineer should on completion of the works, intimate the dates of completion of the works and the actual costs of the works to the Revenue Department, which will watch and effect the recovery of the costs of the works in such cases also. To ensure a regular watch being kept over the recoveries due, Executive Engineers should maintain a special register and review it periodically on the lines prescribed for works connected with railway — affecting tanks.

**Note** :—The provisions of the Note under item “(ii) Railway protection works” will apply in the case of these works also.

**Article 46.** When works already constructed or land already purchased are transferred, free of charge, to local bodies, no re-adjustment of the accounts of cost should be made unless Government otherwise directs.

**Note** :- This direction shall not apply to Irrigation, Navigation, Embankment and Drainage Works for which capital accounts are kept.

## I. — SUSPENSE TRANSACTIONS

### *I. General*

**Article 47.** Suspense transactions should be classified under the minor head “Suspense” of the major head of expenditure concerned, unless they are required to be taken to the accounts of works—vide Article 136. The subdivisions into this minor head should be divided and the nature of transactions to be classified under each are described below.

### *II. Purchases*

**Article 48.** When materials are received from a supplier or from another division or department, their value should be credited to Purchases—

(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 receipts of materials at the earliest opportunity (see Articles 127 and 128); 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.

**Article 49.** When the actual value of the materials is not known, an estimated figure should be adopted, any difference being adjusted, as soon as known, by a plus or minus credit to Purchases, as the case may be.

**Article 50.** When the price of the materials is paid or adjusted by transfer, the payment should be debited to Purchases, and the outstanding credit thus cleared.

**Note** :—If the amount admitted in payment exceeds the amount credited to Purchases, the difference should be debited direct to Stock or to the work concerned.

### *III. Stock*

#### **(a) General**

**Article 51.** To the account head “Stock” should be debited all expenditure connected with the acquisition of stock materials and with all manufacture operations and the expenditure incurred on storage. To it should be credited the value of materials issued to works, sold, transferred, or otherwise disposed of, and the balance of the account will represent the book value of the materials in Stocks plus the unadjusted charges, etc., connected with manufacture plus the unadjusted expenditure on storage.

#### **(b) Manufacture**

**Article 52.** The manufacture transactions (detailed in Section 6 of Chapter III) should be classified in accounts as follows

(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 treated simultaneously as issues of Stock under the sub-heads concerned.

(b) All out-turn should first be brought formally on the Stock account, by credit of its value to “Manufacture”, and the simultaneous exhibition of the articles as receipts of Stock under the sub-heads concerned.

**(c) Land and Kilns**

**Article 53.** When land is acquired for extracting road metal primarily intended for—

(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 classification should be followed in adjusting the charges connected with the land and quarries

(a) When the charges do not exceed Rs. 1,000/- or such other limit as may be prescribed by Government in consultation with the Accountant-General, the amount should be debited direct to “Repairs” or to “Original Works”, according as the quarry is intended to serve the purposes specified in clause (i) or (ii) above.

(b) When the charges do not exceed Rs. 1,000/-, or such other limit as may be prescribed by Government in consultation with the Accountant-General and the road metal is required for the maintenance of 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 relieved gradually, by debit to the collection estimates of each year, in the manner prescribed in Articles 158 for similar charges connected with manufacture operations.

(c) When the charges exceed Rs. 1,000/-, or such other limit as may be prescribed by Government in consultation with the Accountant-General, and the road metal is required for the purpose specified in clause (ii) above, a proper portion of the cost should be debited direct to the original work concerned. Any balance should be debited to the sub-head “Land and Kilns, etc.,” of the Stock Account, and this sub-head should be cleared eventually by debit to “Repairs” in the manner prescribed in Article 158(b).

**LOCAL RULING UNDER ARTICLE 53**

The following Procedure should be followed in Andhra Pradesh :—

(a) When land is acquired for extracting road metal, if the cost of acquiring it and opening up a quarry is Rs. 1,000/- or less, the whole cost shall be debited direct either to “Repairs” or to “Original works” according to the nature of the work for which the quarry was primarily intended, irrespective of whether the produce of the quarry is expected to be used up in full or not the.

(b) In the case of a quarry, the cost of which exceeds Rs. 1,000/- but does not exceed 10 per cent of the estimated cost of the work for which it was primarily acquired, the following procedure shall be followed :—

(i) If the procedure of the quarry is expected to be used up in full on the work, for which it was primarily acquired, its cost shall be debited at once to that work. If, later on, when the work is nearing completion, it is found that the quarry contains surplus metal which is likely to be used on other works, credit shall be given to the work to which the full cost of the quarry was debited in the first instance. The credit which will represent the cost of the quarry proportionate to the quantity of surplus metal

still available, will be set off by a corresponding debit under the sub-head "Land, Kilns, etc., under the suspense head "Stock" which will be finally cleared by debit to the work or works (repairs or original works) on which the surplus metal is utilized.

(ii) If, however, it is known at the outset that the quarry is likely to supply metal exceeding the requirements of the work for which it was primarily acquired, and if such surplus metal is likely to be used on other works, the Executive Engineer shall debit to the former work such portion of the cost of the quarry as he deems proper, and take the balance under the head "Land Kilns, etc.," under "Stock" pending clearance later on by debit to the work or works on which the surplus metal is used.

(c) In the case of a quarry, the cost of which exceeds 10 per cent of the estimated cost of the work for which it is acquired, the procedure laid down in clause (b) (ii) above shall be followed.

#### ***IV. MISCELLANEOUS P. W. ADVANCES***

**Article 54.** Transactions recorded under the head "Miscellaneous P.W. Advances" should be divided into the following classes :—

- (1) Sales on credit.
- (2) Expenditure incurred on Deposit Works in excess of deposits received or in anticipation of receipt of money (Article 32).
- (3) Losses, retrenchments, errors, etc.
- (4) Other items.

**Note :—**No charges should be debited to this head on the ground of absence or insufficiency of sanction or appropriation, except as provided in item (2).

#### ***LOCAL RULING UNDER ARTICLE 54***

Personal advances drawn from the treasury, and audit retrenchments made from bills cashed direct at the treasury do not appear in the accounts of Divisional Offices. Advances made to contractors appear in the accounts of works.

**Article 55.** When stores of any kind are sold on credit, their value (plus, if recoverable, the supervision charges) should be debited to Miscellaneous P.W. Advances under the sub-head "Sales on credit", so that (1) the accounts of Stock or works from which the materials are issued may be kept correctly, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

#### ***LOCAL RULING UNDER ARTICLE 55***

No stores should be sold on credit without specific permission in each case from the Executive Engineer of the division.

**Exception :—**In the Electricity Department, such of the materials in stock as are required may be issued in advance of the counter-signature of the Executive Engineer, in the following cases :—

- (a) for the propulsion of vehicles of officers who have to move urgently on inspections and breakdowns; and



(b) for subordinates out-of-the-way places.

**Article 56.** Under the heading “Losses, retrenchments, errors, etc.”, should appear the followings

- (a) deficiencies in cash or stock,
- (b) actual losses of cash or stock,
- (c) errors in accounts awaiting adjustment, and
- (d) retrenchments and losses of other kinds recoverable from Government servants.

**Article 57.** The head “Other items” should be used 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 be determined at once, (2) recoverable debits not pertaining to the accounts of a work, and (3) recoverable outstandings pertaining to works, the accounts of which are closed.

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**V. LONDON STORES**

**Article 58.** The head “London Stores” is the suspense head through which should be 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 may be brought on the accounts of Stock or works immediately on their receipt without waiting for the advice of the payment made in England by the High Commissioner, (ii) that when the advice precedes the stores the receipt of the latter may be watched, and (iii) that in all cases agreement may be secured between the charge to Stock or works, and the payments made in England.

**Article 59.** When the stores arrive, to the head “London Stores” should be credited, and to the accounts of the works concerned or Stock should be debited, the cost of the quantities actually received, the amount being determined by the conversion of the invoiced sterling value into rupees at the average rate of exchange (which will be communicated by the Accountant-General) for the month in which the payment was made in England.

**Note :**—If the month of payment is not known, the average rate exchange for the month in which the stores were dispatched from England should be adopted provisionally, subject to adjustment on receipt of the advice of payment.

**Article 60.** When the debit for the payments made in England, which will be calculated in rupees at the average rate of exchange for the month of payments, is received from the Accountant-General, the head “London Stores” should be debited and the minor head “Public Works Remittances”, credited.

**Article 61.** 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 debited to “London Stores” and on receipt of the stores the charge should be transferred to the relevant accounts of works or Stock, when the adjustment of cost is made as laid down in Art.59.

### ***LOCAL RULING UNDER ARTICLE 58-61***

Customs duty should be included in the cost of stores and debited either to “Stock” or to the works concerned.

### ***VI. Workshop Suspense***

**Article 62.** Save as provided in Articles 63 and 64 below, direct outlay on the jobs executed in a workshop should be passed through the suspense head “Workshop Suspense”. On the completion of a job, all outstanding charges on it should be debited, as soon as possible, to the head concerned, but in case 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.

**Note** :—Incidental charges connected with the stock of materials should be dealt with under Article 64.

### **J. — WORKSHOP TRANSACTIONS**

**Article 63.** Receipt and expenditure transactions in connection with workshop should be classified 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 classified under the relevant division and sub-division of the major head “68” ; receipts representing recoveries of capital expenditure should be taken in reduction of such expenditure, while revenue receipts and working expenses should be classified under the minor heads opened under the corresponding division and sub-division of the major head “XVII” divided so as to meet the requirements of the proforma accounts of the shop;

**Note** :—The procedure described above will apply mutatis mutandis to the transactions of a workshop established on a quasi-commercial basis in connection with any other system or project for which regular capital accounts are kept

(b) where capital accounts are kept of a workshop intended mainly for the needs of Civil Works Branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be classified under the major head “50”, recoveries of capital expenditure should be taken in reduction of such expenditure; revenue receipts should be booked under the minor head, opened under the major head “XXXIX”, entitled “Receipts from Workshop”, divided so as to meet the requirements of the proforma accounts of the shop; and

(c) where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be classified 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

**LOCAL RULING UNDER ARTICLE 63**

The procedure indicated in clause (c) above is followed in Dowleshwaram and Hyderabad workshops the expenditure and receipts are booked under the heads, “50. Civil Works”, and “XXXIX Civil Works” respectively. In the Seethanagaram workshops the procedure contained in clause (a) above is followed.

**Article 64.** All capital charges on buildings, plant and machinery and stock materials, and all Revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be classified as ordinary Public Works transactions under the major head concerned, in accordance with the preceding Article and under the general directions in this Code. These are charges which neither pertain to any individual job executed in the shop, nor capable of direct apportionment amongst all the jobs, and their distribution over individual jobs should be made in accordance with the rule in Article 177.

**K. — RECOVERIES OF EXPENDITURE**

**Article 65.** The general directions to regulate the exhibition of recoveries of expenditure are given in Chapter 5 of Volume I. The following Article indicate their application to Public Works transactions.

**Article 66.** Subject to the provisions of Article 75 of Volume I, all recoveries of expenditure appearing in the accounts of Public Works offices should be treated as revenue receipts and not as minus expenditure. Recoveries in respect of over payments made during the current year, however, should be adjusted ordinarily by deduction from the current year’s charge under the detailed head previously over charged.

**Article 67.** Receipts and recoveries on Capital account, in so far as they represent recoveries of expenditure previously debited to a capital major head, should be taken in reduction of expenditure under the major head concerned. For convenience of accounting, they should be treated as receipts in the first instance and classified as “Receipts and recoveries on Capital Account”, the necessary transfer at the end of the month being made to the capital major head of expenditure in a lumpsum.

**Article 68.** Recoveries under stock and other suspense accounts and recoveries of expenditure upon works in progress should be treated as reduction of gross expenditure. The recoveries in the latter case should comprise 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.

**Article 69.** Recoveries on account of establishment and tools and plant charges should be treated as follows :—

(i) *Recoveries of establishment charges at percentage rates* :—These recoveries, in so far as they are effected from outside bodies and from other departments of the same Government, should be adjusted by deduction from expenditure under the minor head “Establishment”. Recoveries for works carried out by one Government on behalf of another, however, should be treated as revenue receipts unless the recoveries relate to

expenditure previously debited to a capital head in which case the credits should be adjusted in reduction of expenditure of the capital major head concerned:

Provided that if the works are carried out as a standing arrangement, the recoveries may be adjusted as reduction of expenditure.

(ii) *Recoveries of tools and plant charges at percentage rates* :—Recoveries from other departments of the same Government should be adjusted as reduction of expenditure under the minor head “Tools and Plant”. In the same way, recoveries relating to expenditure previously debited to a capital head of account should also be treated as reduction of expenditure. All other recoveries should be treated as revenue receipts under the major head concerned:

Provided that if the recoveries relate to works carried out by one Government on behalf of another as a standing arrangement, those recoveries may be adjusted as reduction of expenditure.

(iii) *Pro rata share of the charges for establishment and tools and plant* :—The pro rata shares calculated at the end of the year should be treated as reduction of expenditure under the minor heads “Establishment” and “Tools and Plant”, respectively, if the major head to which the total charges were debited in the first instance.

(iv) *Recoveries of charges for leave and pension* :—When the recoveries on account of establishment charges include as a distinct and separate factor, an element of the charges for leave and pensions, the portion of the recoveries representing leave should be treated as revenue receipts under the Public Works major head concerned. Recoveries of pensionary contribution should in the case of Civil Works, be credited to ‘XLIV.—Receipts in aid of Superannuation,’ while such recoveries in the case of the Irrigation Department should, be credited to the Irrigation major heads concerned, as receipts or recoveries of expenditure according as they relate to Revenue or Capital major heads. In cases, however, in which the rates for leave and pension contribution are combined, the recoveries in the case of Civil Works should be taken to “XLIV—Receipts in aid of Superannuation”, while such recoveries in the Irrigation Department should be credited to the Irrigation major heads concerned as revenue receipts or recoveries of expenditure according as they relate to Revenue or Capital major head.

**Article 70.** Recoveries of outlay on water-courses [xxx] which are made by a general levy whether for a specified or indefinite period should be treated as follows :—

(a) *When the actual recoveries are to be set off against the outlay*—as receipts on capital account of the project, if the levy takes the form of a lumpsum recovery of cost in one or more years.

(b) *When the actual recoveries are not to be set off against the outlay*—as revenue receipts of the project, if the levy takes the form of an enhancement of revenue, the exact classification being determined by the form in which the recoveries are made.

**Note** :—Recoveries of outlay on water-courses, where such recoveries have to be set off against the outlay, may at the discretion of Government, be taken in reduction of expenditure under the sub-head. “Water-courses”.

**Article 71.** The recoveries of expenditure which are finally creditable as revenue receipts should be recorded under the minor head. “Recoveries of expenditure of the

major head XVII, XVIII or XXXIX, as the case may be, while those which are adjustable in reduction of expenditure under the capital major head should appear under the minor head “Receipts and Recoveries on Capital Account” of the capital major head concerned.

**Note :**—Receipts on account of sale-proceeds of land, building, special tools and plant or other assets purchased or constructed at the cost of a special project may, at the discretion of Government, be taken in reduction of expenditure under the appropriate sub-head subordinate to the capital major head concerned.

**Article 72. Recoveries on account of the cost of audit and accounts :**—These recoveries, when they are made in connection with works done for Railways, Defence, Posts & Telegraphs and other Departments of the Central Government should be treated as reduction of expenditure under the head “26. Audit”. In all other cases such recoveries should be adjusted as receipts under the minor head “Fees for Government Audit” subordinate to the major head XLVI,—Miscellaneous”.

### L. — DEPOSITS

**Article 73.** The following transactions should be classified under the head “Public Works Deposits” :—

- (a) cash deposits of subordinates as security;
- (b) cash deposits of contracts as security;
- (c) deposits for work (other than Takavi Work) to be done;
- (d) sums due to contractors on closed accounts; and
- (e) miscellaneous deposits.

**Note 1:**—x x x x x

**Note 2 :**—The head “Miscellaneous Deposits” should also accommodate until clearance, all items of receipt, the classification of which cannot be determined at once, or which represent errors in accounting awaiting adjustment.

### LOCAL RULING UNDER ARTICLE 73

The following transactions should also be classified under the head “Public Works Deposits” (see Part V of Appendix 21 of the A. P. Financial Code, Volume II)—

(i) Deposits from consumers or others for service connection works and other works covered by the Indian Electricity Act, 1910 (India Act IX of 1910).

(ii) (a) Sums due to labourers on nominal muster rolls and to monthly work-charged establishment on pay rolls in the Electricity Department (accounted for under the head “Net Wages Account”);

(b) Sums due to contractors on their bills in the Electricity Department (accounted for under head “Contractors’ Balances”).

**Article 74.** Percentage deductions for security deposit made from contractors’ bills should be credited to the head “Public Works Deposits — Cash deposits of contractors”.

**Note :**—As an exception to this rule, when the security is exacted by withholding from payment the required percentage of the value of work actually measured and passed, the amount

so withheld may appear in the suspense account “Contractors — Other Transactions” of the work concerned.

#### **LOCAL RULING UNDER ARTICLE 74**

1. The procedure indicated in the Note to this Article should not be followed in regard to any work when it would result in postponing to the next financial year the debit to works accounts of an amount exceeding Rs. 500 for work actually measured and passed on account of that work.

2. The rule in the main Article above does not apply to works executed under contracts based on lumpsum tenders as defined in the Madras Detailed Standard Specifications except in the following respect, viz., that the amount withheld from the final bill for such works at 2-1/2 per cent on the total value of the work done should be credited to the head “Public Works Deposits” until it becomes due for payment under the terms of the contract.

#### **M. — MISCELLANEOUS TRANSACTIONS**

**Article 75.** The expense attendant upon the necessary examination of the soil for the foundation of works ordered by competent authority should be treated as outlay on works and not as a contingent charge.

**Article 76.** Municipal or other rates and taxes on public buildings, residential or non-residential, when debitable to the Public Works Department, vide Article 40 of Volume 1, should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

**Article 77.** Every payment made to a member of the work charged establishment, whether on account of his wages or in recoupement of actual traveling expenses should be debited to the work on which he is employed. See Article 40 also.

#### **LOCAL RULING UNDER ARTICLE 77**

The traveling allowance drawn by lascars of work-charged establishments for journeys to cash cheques at treasuries or to take moneys from one office to another should, however, be debited to the contingencies of the sub-division or division to which the subordinates are attached.

**Article 78.** The following transactions recorded in the initial cash and stock accounts, which are counter balanced either at once or after an interval by a similar transaction of the reverse character, should be classified as indicated below, care being taken to see that all such transactions are cancelled by each other in due course—

(i) *Cash from treasury* :—A cheque drawn to replenish the cash chest should be debited to this head in the Cash Book, and per contra, the amount of the cheque should be entered at once, as cash received, under the same head. A cheque drawn in favour of self being cashed even though not cashed at once;

(ii) *Transfers within Division* :—Remittances of cash and stock by one accounting officer of the division to another should be debited or credited to this head when the remittance is actually made or received.

**LOCAL RULING UNDER ARTICLE 78**

Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries should be accounted for as remittance transactions — See the ‘Note’ under Article 16 above.

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**CHAPTER III****ACCOUNTS TO BE KEPT IN PUBLIC WORKS OFFICES****SECTION I****Cash Accounts****A. — GENERAL**

**Article 79.** The directions in this section shall apply to cash transactions other than those relating to cash obtained on bills presented at treasuries. The payments on such bills will be brought to account by the Accountant-General himself from the data furnished to him direct by treasury officers.

**B. — CASH BOOK****I. Upkeep**

**Article 80.** An account of their cash transactions should be maintained in the Cash Book, Form P.W.A. 1, by all Government servants authorized, as a regular arrangement, to receive money on behalf of Government, as well as by those entrusted with disbursements out of cash received by them in transfer from the divisional cash chest or obtained by cheques drawn on the treasury.

**Note :—**As an exception to this rule, Government may authorize Divisional Officers not to pass through the Cash Book earnest money received from, and returned to, contractors on the same day the tenders are opened, 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.

**LOCAL RULING UNDER ARTICLE 80**

Cheques accepted in payment of Government dues should be entered in the cash account as :“Receipts” as and when received and as Disbursements when remitted into the treasury for encashment, just like moneys received by a Government servant. If a large number of cheques is received daily, they should be initially entered in a subsidiary register in M.T.C. Form 14-A for watching the encashment of the cheques and only the daily total of receipts and remittances accounted for in the Cash Book.

**Article 81.** The Cash Book should be treated as one of the most important account records of the department. The detailed instructions given in the notes on Form P.W.A. 1, should be observed strictly in practice by all concerned.

## *II. Balancing*

**Article 82.** The Cash Book should be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or daily balance is recommended, and it is advisable that the cash be counted 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 may be record in the form of a note (specifying the actual cash and also the outstanding balances of imprests and temporary advances) in the body of the Cash Book (column 8) SO as not to interfere with the up-to-date totals; the actual words and figures. The details of the actual cash found at the monthly counting should be recorded in Form P.W.A.2 and a certificate of the reconciliation of the book balance with the actual one, recorded below the closing entries of the month.

**Article 83.** Whenever, on the content of the cash chest being counted, the balance as per Cash Book is found to be incorrect, it should, unless the error can be detected and set right at once, be rectified forthwith by making the necessary receipt or payment entry "To cash found surplus to chest" under "Miscellaneous P.W. Advances", as the case may be.

## *III. Rectification of Errors*

**Article 84.** An entry once made in the Cash Book should, in no circumstances, be erased. If mistake has been made and it is discovered before the copy of the Cash Book has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and inserting the corrected 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 correction should be sent at once 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.

**Article 85.** 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, but a transfer entry should be prepared for the necessary correction, a suitable remark in red ink (quoting reference to the correction in accounts) being recorded against the original erroneous entry in the Cash Book.

## **C. — IMPREST ACCOUNT**

**Article 86.** An account of imprest cash should be kept in duplicate by the imprest holder in Form P.W.A. 3, "Imprest Cash Account" in accordance with the directions given in that form. 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 when it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account should, in any case, be rendered to the officer from whom the imprest is held, in time to enable him to examine and



incorporate the account in Cash Book (vide notes on Form P.W.A. 1 and P.W.A. 2) before it is closed for the month on the date fixed for the purpose.

#### ***LOCAL RULING UNDER ARTICLE 86***

In Andhra Pradesh the Imprest Cash Account (Form P.W.A. 3) should be printed so as to facilitate copies being taken by carbon process. The fast sheet should be retained by the imprest holder and the detachable sheet forwarded to the officer from whom the imprest is held, as prescribed in the above Article.

**Article 87.** If any item in an imprest amount appears to the recouping officer to be open to objection, that item may be entered in his Cash Book as “item awaiting adjustment in the imprest account under “Miscellaneous P.W. Advances” to be watched that head until either the objection is removed or the amount is made good by the imprest holder.

#### ***LOCAL RULING UNDER ARTICLE 87***

The imprest should always be recouped in full subject to the observance of the procedure indicated in this Article.

**Exception** :—In the case of the Electricity Department, where the imprest holders are many, the account may be recouped to the amount not admissible, disallowed items being included in the Cash Balance.

#### ***D. — TEMPORARY ADVANCE ACCOUNT***

**Article 88.** 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 Form P.W.A. in the same way as an imprest. The account of a Temporary Advance should be closed as soon as possible.

**Note** :- This rule shall apply also to cash taken out of the chest by the disbursing officer himself to make payments at a distance.

#### ***E. — SETTLEMENT OF ACCOUNTS WITH TREASURIES***

**Article 89.** As soon after the expiry of the month as possible, the divisional office should effect a monthly settlement with all treasuries in respect of the transactions of the entire division in accordance with such procedure as may be prescribed in the Treasury or Financial Rules of Government.

[See Instruction 49 under Treasury Rule 16 in the Andhra Pradesh Treasury Code, Volume I. See also the Local Ruling under Article 61 of the Andhra Pradesh Account Code, Volume II.]

**Article 90.** As sub-divisional cash books are closed on various dates before the last date of the calendar month (vide Article 195), and the accounts of sub-treasuries are similarly treated, transactions recorded in the cash books of the Public Works Department for a month may be reported sometimes 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.

**SECTION 2****Stores Accounts****A. — GENERAL**

**Article 91.** The four classes into which the Public Works Stores are classified, vide Article 37, should be divided into two distinct categories as shown below :—

(1) Stores debited to final heads—

(i) Tools and Plant.

(ii) Road metal.

(iii) Materials debited to works. (2 Stores debited to Suspense— (iv) Stock.

**Article 92.** Save as provided in this volume, the initial records of the stores which fall under category (1) will be kept in such forms and such manner as may be prescribed by Government with the object of controlling their balances until the stores are disposed of finally either by consumption on works or otherwise. The accounts of the stores mentioned in category (2) should be kept in accordance with the directions in Article 94 to 103.

**LOCAL RULING UNDER ARTICLE 91-92****(i) TOOLS AND PLANT****I. General**

1. 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 relating to articles of class (b) are borne by the work concerned. In both cases, estimates for the purchase of the tools and plant should be prepared and sanctioned and the expenditure incurred against sanctioned estimates, in the same way as expenditure on works.

2. Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each subdivision and one in the Divisional Office for tools and plant directly under the Divisional Officer.

**Note 1 :—**The rules relating to numerical accounts of tools and plant apply also to imperishable articles, e.g., typewriters, furniture of rest houses, surgical instruments and hospital furniture of canal dispensaries, etc., whether acquired by charge to heads of accounts other than “Tools and Plant” or received free of cost.

**Note 2** :—The sub-divisional returns in Forms P.W.A.I and II of the monthly accounts of Receipts and Issues, respectively of tools and plant should be carefully filed to either in the Divisional Officer after audit, see Local Ruling 9 below.

3. The accounts of tools and plant issued for use by subordinates of the subdivision, or temporarily lent to contractors, as well as those of articles lent to local bodies and others under competent authority, should be specially reviewed periodically and it should be seen that the articles are returned without unnecessary delay and in good condition.

**Note** :—This rule also applies to tools and plant sent out for repairs.

## II. Numerical Accounts

### (a) Receipts

4. 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 P.W.A. 1. 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-divisional Officer. An acknowledgment should invariably be given when articles lent are received back.

**Note 1** :—In the case of purchasers from suppliers, the record of the detailed account should be kept in the Measurement Book in the manner prescribed under Article 123.

**Note 2** :—The entries in Form P.W.A. I regarding the receipt back of articles lent or sent out (see Local Ruling 3 above) should be made in red ink, with a reference to the original entries on the Account of issues of Tools and Plant.

### (b) Issues

5. All transactions of issues (including those of articles referred to in Local Ruling 3 above) should be posted in the Account of Issues of Tools and Plant, Form P.W.A II. Except in the case of cash sale, 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 determined by the Sub-divisional Officer. See also the Note to Local Ruling 4 under Article 96.

**Note** :—The entries relating to the articles referred to in Local Ruling 3 above should be made in red ink.

### (c) Register of Tools and Plant

6. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the Sub-divisional Office in Form P.W.A III, Register of Tools and Plant. This account should be for the twelve months ending September, that is, it should embrace transactions upto to the date on which the accounts of the sub-division for the month are closed. It should be taken in three parts as follows

Part I — Articles in hand.

Part II — Articles temporarily lent or sent out (see Local Ruling 3 above).

Part III — 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) Live-stock, and (7) Officer 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 Local Ruling 20 below.

7. Parts I and II of the Register should be posted thus :—

(a) The Accounts of Receipts and Issues, Forms P.W.A. I and II 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 P.W.A. iii, in the column for Receipts and Issues, respectively.

(c) Each separate transaction connected with articles lent or sent out (see Local Ruling 3 above) should further be posted in Part II in the section reserved for the contractor or person concerned, article lent, etc., being shown under “Debit” and those received back under “Credits”.

8. 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.

***(d) Check in Divisional Office***

9. The monthly accounts of Receipts and Issue of Tools and Plant in Forms P.W.A. I and II received from the Sub-divisional Officers should be checked in the Divisional Office so as to see that all tools and plant purchased or transferred from other divisions or sub-divisions have been brought on to Form P.W.A. I and that all issues of tools and plant are supported by receipts of the parties concerned and that, in the case of transfers, they have been brought on to the Account of Receipts in Form P.W.A. I of the sub-divisions concerned, The annual returns of the sub-divisions in Form P.W.A. III, Register of Tools, and Plant, should also be checked with the monthly returns in Forms P.W.A. I and II before submission to the Accountant-General (see the Locate Ruling under Article 239).

**III. Payment for Supplies**

10. Payments for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts (see Local Ruling 2 under Article 100). But when the Mathematical Instrument Department is unable to supply any instruments indented for and arranges for their purchase, the supplier’s bill will, if that department so desires, be paid in cash or by a Government Draft.

***IV. Recoveries***

***(a) For use of Tools and Plant***

11. 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 3.

12. When tools and plant are lent to local bodies, contractors or others (see Local Ruling 3 above), the hire and other charges should be recovered regularly in accordance with the rules in the Andhra Pradesh Public Works Department Code.

13. The incidence of the cost of carriage of Government tents belonging to the Public Works Department for use during tours is governed by the rules against Item 56 in Appendix 7 of the Andhra Pradesh Financial Code, Volume II.

***(b) For Sales and Transfers***

14. The Sub-divisional Officer is responsible that, when tools and plant are disposed of, by sale or otherwise, with the sanction of the 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 Public Works Advances as a sale transaction by the issue of a transfer entry.

**Note :—**A Sale Account in Form P.W.A. VII should be prepared in support of every transaction.

15. When tools and plant are transferred to other divisions or departments, the Sub-divisional Officer should note their value in Form P.W.A. ii in red ink just below the entries of quantities, if the value is recoverable under the rules in Section 9 below. The Divisional Office will then make necessary adjustment.

16. Local Rulings 14 and 15 above apply equally to the adjustment or transfer of the cost of special tools and plant charged to a work or project.

On the completion of a work or project on which special tools and plant were used or when these tools and plant are no longer required for use thereon, the Divisional Officer concerned may transfer them, if in efficient condition to another work or project in the same division or in any other division where they may be required for immediate use, after suitable valuation in consultation, if necessary, with the General Superintendent, Public Works Stores Division, Hyderabad crediting the values thus determined to the work from which they are transferred by debit to the new work.

A list of such tools and plant, whether originally purchased from the Public Works Stores Division or from any other source, should, when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in the near future. Such of the plant, as can be used on any works or projects in the near future, should be transferred to the Public Works Stores, with the information regarding the works for which they have to be reserved and the probable date when they will be required for the works.

Whenever it is proposed to return to the Public Works Stores articles purchased therefrom for use on any project work the Executive Engineer of the division concerned should inspect them personally and satisfy himself if the articles, in their then condition, have a value more than, or at least equal to, the transport charges that may have to be incurred in returning them. In such cases only, should be given orders for the return of the articles to the Public Works Stores.

In cases where the Executive Engineer is of opinion that the articles are in such a bad condition that they will not be valued even at an amount equal to the transport charges that may have to be incurred, he should take necessary action to dispose of them locally or to write them off, according to the merits of each case, with the sanction of the competent authority.

The Public Works Stores Division should not take into its stock articles of special tools and plant, unless it is known that they are likely to be required for use somewhere in the near future. Even in the case of ordinary plant offered by any division to the Public Work Stores, such as pumps, roller, portable engines and all other articles that are in common and regular use in the department, the General Superintendent shall have the option taking them over to the Stores stock or not, according to the stock existing at the time of the offer in the Stores.

**Note 1** :—It is not permissible to write back the cost of special tools plant in anticipation of the possibility of the articles being utilized on another work or project at some distant date.

**Note 2** :—No articles may 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 transferred or until, owing to their having become unserviceable sanction has been accorded by the competent authority to write them off.

17. When the General Superintendent, Public Works Stores Division, takes over any tools and plant from a division to the Stores stock under Local Ruling 16 above, he should value it by taking into consideration its life, its then actual condition, the then prevailing market price for new plant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant. Credit to the extent of the value so arrived at should be given to the work concerned by the Public Works Stores Division. In this case, the cost of overhauling and all repairs to the plant and replacements should be borne by the Public Works Stores Division but the freight charges to Hyderabad should be borne by the work from which the Plant is transferred.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Public Works Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the place at which it is kept, or by calling for sealed tenders, or by any other means considered desirable by the sanctioning authority.

If any plant is considered unserviceable, it should be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its competent materials to be transferred to the stock of the Public Works Stores Division, Hyderabad or the Divisional Stores at Vijayawada, or Dowlaishwaram as scrap cast-iron or gun-metal, etc., for remelting, credit of the amount of the sale or the valuation of the scrap, as the case may be, being given to the work to which the value of the plant stands charged.

## V. Verification

18. The rule in Article 102(a) 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 P.W.A. II, 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 a recovery or a sanctioned write-off (see also Local Ruling 20 below).

### VI. Rectification of Accounts

19. Clerical errors in the numerical accounts should be dealt within the manner prescribed in Article 101 for stock accounts, except that no transfer entries are necessary.

20. Discrepancies in quantities and losses should be dealt with as under—

(a) When they are noticed, action should be taken as indicated in Local Ruling 18 above, losses being treated as deficiencies.

(b) When writing up the register. Form P.W.A. III, the deficiencies should be registered in Part III under “Debits” and their clearance should be watched. Articles found surplus should 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 P.W.A. I, without making any entry in the quantity columns, and when posting the account into the Register, Form P.W.A. III, 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 P.W.A. II, with a suitable remark, and when this entry is transcribed into the Register, Form P.W.A. III, 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.

**Note :**—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

### (ii) ROAD METAL

#### I. Quantity Accounts

21. Supplies of road metal should be measured and paid for in the same way as supplied of other materials for works (see Section 5 below). But as metal is often kept in store at the road-side being laid down, a quantity account of it should be maintained in the Sub-divisional Office in Form P.W.A. IV, Statement of Receipts, Issues and Balances of Road Metal, copies on loose sheets being submitted monthly to the Divisional Office within a fortnight of the submission of the monthly accounts.

**Note 1 :**—This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, kunker, etc.). The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

**Note 2 :**—This statement should show the total metal received and issued on each mile of the road and at the end of the account for any road or section of a road, an abstract should be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract to the measurement books showing the receipt of metal and to paid vouchers showing the labour charges for spreading the same. The total balance according to this abstract should agree with the total balance of the statement.

22. Unused balances of road metal should be verified atleast once a year in the manner prescribed in the Andhra Pradesh Public Works Department Code. Whenever the Sub-divisional Officer performs this verification, he should prepare a report of verification of the road metal, showing the balances according to the account in Form P.W.A. IV and the actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be performed when the officer is responsible for the balance of road metal transferred.

## II. Rectification of Accounts

23. Metal found surplus, as the result of check measurement or otherwise, should at once be brought on the quantity accounts. Deficits should, however, not be removed from the quantity accounts until their value has been recovered or sanction has been received for their 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.

**Note** :—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

## III. Schedule of Rates

24. 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 P.W.A. V with such modifications as may be considered necessary to suit local conditions. 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.

### (iii) MATERIALS DEBITED TO WORKS

25. The account procedure relating to materials obtained specially for a work is described in Section 5 below. Special tools and plant charged to works do not fall under the category of “materials debited to works” (see Local Ruling 1 and 2 above).

### (iv) PUBLIC WORKS STORES, HYDERABAD

26. In regard to the Public Works Stores, Hyderabad, the rule in the Public Works Stores Manual should be observed as supplementing the rules in this Code.

**Article 93.** In all cases, the initial record of the detailed count or measurement of all materials received, the cost of which has to be paid for or adjusted by book transfer in the accounts of the division, should be kept in the Measurement Book prescribed in Article 123.

## B. STOCK

### I. — General

**Article 94.** Unless Government directs otherwise, the records and returns of all stores kept or rendered by sub-divisions should take account of quantities only, the value accounts being maintained in the Divisional Office.

**Article 95.** The stock account should be divided into the following sub-heads: (1) Small Stores, (2) Building Materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painters Stores, (7) House Fitting, (8) Miscellaneous Stores, (9) Land, Kilns, etc., (10) Manufacture,



and (11) Storage. Numbers (1) to (8) may be replaced locally by other suitable heads, if necessary.

### ***LOCAL RULING UNDER ARTICLES 94-95***

1. The stock of a division is sometimes kept in a single godown or yard in the charge of a store-keeper or other officer, or each Sub-divisional Officer may have a separate stock in his charge, either at his headquarters or scattered over the sub-division in the direct custody of subordinates or other sectional officers. Against 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, he keeping all the accounts. The rules in this section apply to all divisions.

2. Stock accounts may be maintained in a Sub-divisional Office even though the officer in charge is not authorized to keep a chase account in Form P.W.A. 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 office under his orders and not under the orders of a Sub-divisional Officer.

3. The Vijayawada and Dowlaishwaram Sub-divisions may maintain value accounts of their stock in view of their heavy transactions.

## ***II. Initial Accounts***

**Article 96.** All transactions of receipts and issues—in quantities only—should be recorded by each officer authorized to receive and issue stock on behalf of Government in “Register of Stock Receipts/Issues,” Form P.W.A. , in the order in which and as soon as they occur.

**Note 1** :—These registers need not be kept in cases where a detailed account of any particular kind of stores is maintained in the form of card or leaf ledgers provided that suitable arrangements are made for the completion of the Abstracts of Stock Receipts and Stock Issues (Article 97).

**Note 2** :—Where this course is authorized by Government, the issues of petty stores by a sectional officer direct to works under his supervision may be shown in the accounts collectively once a month when the accounts of the month are closed.

### ***LOCAL RULING UNDER ARTICLE 96***

## **Quantity Accounts**

### ***(a) Receipts***

1. Materials may be received on stock from the following sources

(a) Suppliers,

(b) 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 store-keeper 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 under the Divisional Officer's orders, by the Sub-divisional Officer.

2. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. Only the Divisional or the Sub-divisional Officer is authorized to sign an acknowledgment to be given to a supplier for stores received from him. Any certificate that the store-keeper or sectional officer concerned may be called upon to record regarding the receipt of stores, for this or any other purpose should be in the following form :—

“Received on ..... and duly recorded in the Register of Stock Receipts.  
See also pare Measurement Book No .....

Date .....

(*Signature*)

In the case of the P.W. Stores Divisions, Hyderabad the record of detailed count or measurement is made in a Register in Form P.W.A. VIII, “Stores Receipt Book”. A daily report of receipts — one for each sub-section of the Stores — should also be simultaneously prepared in Form P.W.A. IX, from which the quantity and value ledgers are subsequently posted.

#### (b) *Issue*

3. Materials may be issued from stock for the following purposes

- (a) Use on works either by issue to contractors or direct,
- (b) Despatch to other sub-divisions, divisions or departments, and
- (c) Sale to contractors, employees, other persons or local bodies.

They should be issued only on receipt of an incident in Form P.W.A. X, signed by the Divisional or the Sub-divisional Officer. But when a section 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 authorized under the Divisional Officer's orders to draw materials from his stock upto any assigned limit not exceeding the provision made for materials in sanctioned estimates.

**Note 1** :—When examining Register of Stock Issues and Works Abstract, 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.

**Note 2** :—The term “Works” includes manufacture operations. See definition (41) in Article 9 above.

4. When issuing materials from stock, the store-keeper or sectional officer should examine the Indent in Form P.W.A. X 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 actually made, and simultaneously make an entry in his Register of Stock Issues. Form P.W.A. 4. 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.

**Note** :—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 full particulars of the materials, the rates and the values chargeable to them. Acknowledgments should be taken in the same way when issue are made to contractors by the sectional officer himself without the production of an indent signed by higher authority (see Local Ruling 3 above).

**Article 97.** The receipt and issue transactions of the entire sub-division, as entered in Form P.W.A. 4, should be abstracted monthly, by the Sub-divisional office in a single “Abstract of Stock Receipts” (Form P.W.A. 5) and in a single “Abstract of Stock Issues” (Form P.W.A. 6), in accordance with the instructions printed on these forms. 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 Article 94.

**Article 98.** These abstracts should be completed in the Divisional Office in respect of (1) the values of quantities shown as received and issued, (2) the calculation of the storage charges on the issues and (3) cash or adjustment charges on account of manufacture operation, storage and incidental charges, such as those for carriage, the loading and unloading of stock materials. The cash and transfer entry debits and credits to stock should be agreed with the transactions pertaining to Stock brought to account in the Cash Book and the Transfer Entry Book, vide Article 207. Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general book requirements. These charges should be adjusted against the particular sub-head under which the item is classified or the sub-head “Storage” of the Stock account, according as the charges have been incurred before or after the acquisition and delivery of the stores at the godown.

**Article 99.** The general account of receipts, issues and balances of the suspense head “Stock” for the entire division should be kept in the Suspense Register prescribed in Article 164.

### ***III. Subsidiary Accounts***

**Article 100.** Sub-divisional and Divisional Offices will keep Subsidiary Registers of Stock in such form as the Government may determine in consultation with the Accountant-General, the objects being to effect a periodical reconciliation, after verification of the quantity accounts with the general accounts (vide Article 99) and to revise the Issue and Storage rates fixed by competent authority.

### ***LOCAL RULINGS UNDER ARTICLE 100***

#### ***I. Quantity Accounts***

#### **Half-Yearly Balance Return**

1. (a) The total quantities of the receipts and issues of each article of stock as recorded in the Monthly Abstracts. Forms P.W.A. 5 and 6, should, before the Abstracts

are transmitted to the Divisional Office be posted in the Half-yearly Balance Return, Form P.W.A. XI, in the columns provided for the month concerned under both "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-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 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.

## ***II. Value Accounts***

### **(a) Payment for stock received**

2. The general rules in Chapter 4 of Volume I and the relevant instructions in Sections 3,5 and 9 below should be observed carefully.

### **(b) Receipts for Stock Issued**

#### **(i) Issue Rates**

3. 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, so that there may be no ultimate profit or loss in the stock accounts. It should provide for carriage and other incidental charges, if any, actually incurred on the acquisition of stores in addition to the original price paid.

**Note 1** :—It is not necessary that the Issue Rate for an item should be the same in all subdivisions, but a uniform rate should ordinarily be prescribed for all localities in a sub-division.

**Note 2** :—The Issue Rates should be worked out to the nearest anna, as far as possible.

**Note 3** :—In the case of the plant and machinery of the Public Works Stores Division, Hyderabad which are done under "Stock" (see Local Ruling 2 under Article 37), the original book value should include the original price fixed and the cost of carriage to the Stores. This value should be depreciated annually by the percentage fixed for "depreciation" in the Andhra Pradesh Public Works Department Code.

The Superintending Engineer, Headquarters Circle, should sanction every year an estimate for working expenses of plant and machinery in the Stores Division under the sub-head "Stock", and the depreciation charges referred to in the first sub-paragraph of this note should be debited thereto by credit to "Stock". The handling charges as well as all repair and renewal charges which are not recovered from the party hiring the plant should also be debited to the estimate. The handling charge realized from the hirers of plant and machinery and the portion of the hiring charges comprising the percentages for repairs and renewals and depreciation shall be credited to the estimate and the net figures

shall, at the end of the year, be transferred to “50. Civil Works—Civil Works—Losses on stock” or to the receipt head “XXXIX Civil Works — Miscellaneous”, according as the net result is to a loss or a profit. The portion of the hiring charges realized representing “interest” should be credited direct to the head “XXXIX. Civil Works-Miscellaneous”.

4. As purchases are made or contracts for the supply of materials as entered into, variations in cost should be watched, and if there are appreciable, Issue Rate may, and in important cases should, at once be raised or lowered, as may be necessary. Further, when closing the Half-yearly Register of Stock (Local Ruling 11 below), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

**Note** :---In the Godavari Head-works Division, stock issue rates may be revised once a year, in the case of items under which there have been no receipts during the year.

5. 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 issues outside the division which the Divisional Officer may prescribe:

(a) Issues to contractors should be restricted to the bona fide requirements of the works. Excess issues to contractors and sales should be charged at the market rates;

(b) Issues to other divisions and departments may be made at a rate higher than the Issue Rate.

#### (ii) Storage Charges

6. A storage rate is fixed annually for the Public Works Stores, Hyderabad and the Stores attached to the Krishna Central and Godavari Head Works Divisions on the basis of the actual storage charges (see Article 9) incurred in the year preceding the year previous to the year in question. This rule may, with the sanction of the Government, be extended to any other Stores in which appreciable storage charges are incurred.

#### (iii) Mode of Recovery

7.(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.

**Note** :—A sale account in Form P.W.A. VII 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. 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) The 10 per cent supervision charge should be realized in addition to the value of stock in all cases in which it is recoverable but the amounts recovered on this account 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** :—The 10 per cent charges referred to in clause (c) above should not be levied on stock materials issued to the works mentioned in items (a), (b), (c) and (d) of Rule 5 of Appendix 3, as centage charges are leviable separately on them.

### III. Half-yearly Register of Stock

8. 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 P.W.A. XII, Half-yearly Register of Stock, which is in three parts :—

Part I - The Register

Part II - The Summary

Part III - The Review

9. Part I should, as regards quantities, be posted monthly from the sub-divisional abstracts. Forms P.W.A. 5 and 6 and balanced half-yearly, in the same manner as the sub-divisional half yearly balance returns, (see Local Ruling I above). 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 item, there is no objection to values being recorded in red ink, immediately below the respective quantities.

**Note** :—The Register should be laid before the Divisional Officer within a week after the submission of the Monthly Account to the Accountant-General.

10. 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. The closing balance of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II (see Local Ruling 12 below).

11. The register should then be closed, the following instructions being observed in respect of money columns 20 to 24 :—

(a) *Market Rates (column 24)* :—This column should be filled up, in respect of each item under the order 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 would 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 rates for issues during the following half-year. The rate should be fixed, separately for each item in accordance with the principles laid down in Local Ruling 3 above, but should in no case be in excess of the market rate. When opening the register for the following half-year, the rates as shown in this column should be transcribed into column for Current Issue Rates of the 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 Rates. The entries in this column should be totalled by sub-heads of stock for each sub-division, and to or from this total should be added or deducted, as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for inane reasons (to be recorded). If the resultant figure does not agree with the corresponding book balance as brought out in column 29 (see Local Ruling 10 above), an adjusting entry (plus or minus representing respectively the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

12. *Part II, Summary, is intended to serve two purposes* :—(1) to prove the value balances brought out in column 19 of Part I (see Local Ruling 10 above), and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision of rates and (2) to abstract the value balance, 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.

13. When Part II is completed, the Divisional Accountant should write up his report in Part III and submit to the Divisional Officer, who will then review the Register of Stock and record his remarks and orders in Part III.

**Note** :—The review should be directed to seeing 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 and to the prevailing market conditions. The object is to make sure that the stock on the register consists only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

14. Annual instead of half-yearly stock registers may be submitted by the Executive Engineer, Krishna, West Godavari Headworks and Visakhapatnam Divisions, and reviewed once in a year. It is open to the Government, in consultation with the Accountant-General, to prescribe the maintenance of yearly registers of stock in respect of other divisions also and to permit that they may be closed and reviewed annually. Important revisions of Issue Rates necessitated by fluctuations of cost should, however, be made at once and not deferred till the close of the year. (see Local Ruling 4 above).

#### ***IV. Ledger***

15. The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable form, in cases, e.g., electrical stores, where the number of articles handled is large and the frequency of transactions renders it desirable to maintain, in respect of each article, a day-to-day record of the quantities received and issued, presenting the resultant balance after each transaction. Where this system is adopted, the following instructions should be observed:-

(a) The card or leaf ledgers should be written up in respect of quantities only; if values are entered therein for any purpose, they will not be recognized for purposes of accounts.

(b) They should not replace the Register of Stock. Form P.W.A. XII, but should, on the other hand, be reconciled therewith at convenient intervals.

(c) If the maintenance of the Registers of Stock Receipts and Stock Issues, Form P.W.A. 4, is dispensed with under Note 1 to Article 96, the Abstracts of Stock receipts and Stock Issues, Forms P.W.A. 5 and 6, should be written up, as transactions take place, either by a responsible official or on the authority of written reports signed by such an official, and supported by the necessary vouchers.

(d) The ledgers may, if necessary, be kept in a convenient position in the store godown, but they should be kept locked up and the keys should be in the custody of the person responsible for making entries in the ledgers.

#### *IV. Rectification of Errors*

**Article 101.** (a) Any errors that may be discovered in the Registers of Receipts and Issue or in the Monthly Abstracts, before the accounts for the month are closed, should be set right by the Sub-divisional Officer. Such corrections should be made nearly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials. Mistakes noticed subsequently should not be corrected except in accordance with a formal transfer entry or under instructions received from the Divisional Office.

(b) Clerical errors in value accounts should be dealt with generally in accordance with the directions in Article 84. Corrections of errors discovered after the accounts of the month are closed, should be made, when permissible (i) by entries of value (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 transfer entries in other cases.

#### *LOCAL RULINGS UNDER ARTICLE 101*

1. Store-keepers and sectional officers may similarly correct their respective Registers of Receipts and Issues before submitting them to the Sub-divisional Office.

2. Erroneous entries noticed in a Half-yearly Balance Return, which has not 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.

**Article 102.** Other corrections which may be necessary as the result of stocktaking or periodical revision of rates or declaration of stores as unserviceable, should be effected in the following manner :—

(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 Forms P.W.A. 5 and P.W.A. 6. 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.

(b) The net surplus or deficit resulting from the periodical revision of rates should be adjusted by making suitable value entries, without any correction in quantities, in the Abstracts of Receipts and Issues, Form P.W.A. 5 or P.W.A. 6, as the case may be, the values being classified in accordance with the principles enunciated below.



(c) (1) 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.

(2) The value of the deficit should, however, not be debited to final heads, but kept under “Miscellaneous P.W. Advance” pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its writeoff ordered, a transfer entry should be prepared to clear the head “Miscellaneous P.W. Advances” by debit to (i) the works for which the stores were collected specially, 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 consideration of the objects for which the stores were stocked.

#### ***LOCAL RULING UNDER ARTICLE 102***

Alterations in rates made on occasions other than the closing of the Register of Stock should be noted at once in Part I of the Register of Stock Form P.W.A. XII, by making a fresh entry (with the month of change) in column (10). The resultant rectification of the value of stock balances should, in all cases, be made only when the Register of Stock is closed. (vide clause (e) of Local Ruling 11 under Article 100).

**Article 103.** No correction should be made in the accounts in respect of stores declared to be in excess of requirements. Such stores should continue to be borne on the Stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

#### ***LOCAL RULING UNDER ARTICLE 103***

The stock-taking of a sub-division may go on gradually throughout the year. When the stocks of an article in a sub-division are scattered and it is not possible to test the aggregate book balance of any article for the whole sub-division by an actual verification of all the stocks of it at the same time, the following expedients may be adopted under the orders of the Government

(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 Officer.

(b) These accounts should be submitted to the Sub-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 whole stock of a particular article in charge of a Sectional Officer 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. The difference should be adjusted in the manner prescribed in Article 102 without waiting for the results of the verification of stocks in other sections.

**Note 1 :—**Before the adjustment of a difference is accepted finally by the Sub-divisional Officer, he should test the correctness of the Sectional Officer’s book balance by reference to the records of his own office.

**Note 2** :—In the case of materials to be declared unserviceable, no adjustment should be made until the orders of the competent authority have been obtained on a Survey Report in Form P.W.A. VI.

### C. — SPECIAL TOOLS AND PLANT

**Article 104.** If the cost or depreciated value of any Special Tools and Plant obtained for, or used on a project is required to be distributed over different units of the Project, the forms of subsidiary accounts to be kept to facilitate that distribution may be settled by Government after consultation with the Accountant-General.

## SECTION 3

### *Transfer Entries*

#### A. — GENERAL

**Article 105.** (1) 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, should be made—

[For the adjustment of the value of material issued to a work from stock and debits to “London Stores” on account of the value of stores received from England, see Articles 128 and 60 respectively].

(a) in order to correct an error of classification in the original accounts;

(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;

(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 “Purchases” or “London Stores” as the case may be, on account of materials received for works from sources other than stock—vide Articles 127 and 128;

(ii) for credit to “Public Works Deposits” on account of balances due to contractors on closed account—vide Article 138;

(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, e.g., transfer of Tools and Plant to another Division, Department or Government when the value is recoverable from them;

(v) for credit to the heads concerned of the several percentages leviable under the rules, e.g., those on account of supervision (when not recovered in cash), establishment, tools and plant and workshop charges—vide Article 177;

(d) in order to respond to a remittance transaction advised by the Accountant General or direct by the division or department concerned, if the corresponding debit or credit to the remittance head had not appeared already in the accounts;

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

(i) item which have ceased to be debitable to the estimate for the work, and

(ii) suspense charges which can no longer be kept within the accounts of the work (vide Article 136); 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 to be made (otherwise than in cash) have become due, e.g., by the transfer of stores to any other work or account.

(2) Sometimes it may be more convenient to classify items pertaining to several heads (or works), under a single head in the 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 transaction relating to it may be taken to the account of a single party in the first instance, but before the accounts of a month are closed, the necessary distribution over all the accounts should be directed by transfer entry.

### **B. — TRANSFER ENTRY ORDERS**

**Article 106.** For every transfer entry either a Transfer Entry Order should be prepared in Form P.W.A. 7 or an order recorded on another document (e.g., Survey Report, and Final Bill of a contractor's closed account placed under "Public Works Deposits") which sets forth all the necessary particulars. (see Article 212).

**Note 1 :—**In case in which submission to the Accountant-General of the Transfer Entry order with Monthly Account, vide Article 232, is not required, 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 (Article 110).

**Note 2 :—**A single transfer entry may cover a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

#### **LOCAL RULING UNDER ARTICLE 106**

When a transfer entry is initiated by a Sub-divisional Officer, Form P.W.A. 7 should be prepared in triplicate by using carbon paper. The Divisional Officer should file one copy in support of an abbreviated entry in the Transfer Entry Book and forward the second copy to the Audit Office in support of the monthly account. (see Article 232).

**Article 107.** A Transfer Entry Order may be initiated by the Sub-divisional Officer, and should be so initiated by him in all cases falling within clauses (a), (b), (c) and (e) of Article 105 (1) which come within his cognizance.

**Article 108.** The Divisional Officer should see 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 Article 105 (1), proposed by Sub-divisional Officers, are countersigned by himself in token of acceptance.

**Note: —** 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.

**Article 109.** All Transfer Entry Orders should set forth such explanation of the correction or adjustment proposed as establishes clearly the correctness and necessity of the entry.

**Note :—**In cases of corrections involving a reduction in the charges against the estimate of a work, not only should, full particulars of the vouchers and accounts in which the erroneous

charges originally appeared be specified, but also the circumstances in which the charges were allocated wrongly under the estimate for the work should be set forth clearly. It is not sufficient to state that the charges were classified erroneously in the first instance.

### C. — TRANSFER ENTRY BOOK

**Article 110.** All transfer entries which have been approved for action should be registered in the Transfer Entry Book, Form P.W.A. 8, maintained in the Divisional Office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly, Divisional Office should see that no adjustments which are required to be made under any rule or order are omitted.

**Article 111.** Though no transfer should be made from one sub-head to another in the accounts of work except on the authority of a formal Transfer Entry Order approved by the Divisional Officer, the order should not be entered in the Transfer Entry Book but filed with the Works Abstract for the month in which the transfer is effected.

## SECTION 4

### Revenue Receipts

#### A. — GENERAL

**Article 112.** Except in the following cases, revenue should not be credited to the head concerned until it is realized :—

(a) supervision charges on sales of stock on credit.

(b) sale-proceeds of such articles of tools and plant as are creditable under the rules of Government to the minor head “Recoveries of expenditure” by debit to Miscellaneous P.W. Advances.

In the case of recovery of hire charges from contractors for departmental lorries and other heavy tools and plant lent to them, the procedure indicated in Note 3 under Article 127 shall be followed.

#### B. — REGISTER OF REVENUE

**Article 113.** Save as provided in Article 116, all revenue receipts of the division should be classified and abstracted in a Register of Revenue, Form P.W.A. 9, maintained in the Divisional Office. The receipts relating to each Irrigation, Navigation, Embankment or Drainage project for which a separate revenue account is kept, should be registered separately, and all the other receipts pertaining to a major head should be booked collectively. In States, the receipts relating to transactions of the Central Government should be recorded in a separate register.

**Note 1** :—Revenue receipts pertaining to (a) Military Engineer Services, (b) Royal Air Force, (c) Indian Navy, (d) Railway Works, (e) Posts and Telegraphs Department Works, and (f) Archaeological Works of the Central Government referred to in Article 215 should be posted in separate registers.

**Note 2** :—Revenue receipts from Irrigation, Navigation, etc., works realized in the Civil Department and paid direct into treasuries under the rules of Government will be brought to account to the credit of the revenue heads concerned direct on the books of the Accountant-General without being passed on the Divisional Officer for adjustment.

**LOCAL RULING UNDER ARTICLE 113**

In regard to irrigation revenue collected in the Revenue Department as part of the land revenue, the Accountant-General will carry out the necessary adjustments in the accounts in consultation with the Board of Revenue.

**Article 114.** In this register a column should be opened for each minor head of revenue (and detailed heads subordinate to it, as required) other than “Deduct—Refunds” for which a single deduction is made from the total revenue of the month. The details of the amounts which make up the figure to be deducted should be recorded in a separate Register of Refunds of Revenue, which may also be in the same form as that of the Register of Revenue.

**LOCAL RULING UNDER ARTICLE 114**

For the accounts procedure relating to refunds of rent, see the Note under Local Ruling 4 under Article 116.

**Article 115.** All receipts falling under the minor head “Receipts and Recoveries on Capital Account” should be abstracted also in the same form as that of the Register of Revenue, separately for each major head of expenditure, a separate account being kept for each project the expenditure on which is booked separately. Receipts falling under the minor head “Recoveries of expenditure” should appear in the Register of Revenue for the major head concerned under three distinct detailed heads, namely, (1) Establishment recoveries, (2) Tools and Plant recoveries and (3) Other recoveries.

**LOCAL RULING UNDER ARTICLE 115**

The detailed head “Tools and Plant recoveries” should be sub-divided into (a) percentage recoveries, and (b) other items. In Andhra Pradesh the Establishment and Tools and Plant charges are met in the first instance from the single major head “50. Civil Works” and the three detailed heads, mentioned in the above Articles are, therefore, opened only under the head “Recoveries of expenditure” appearing in the Register of Revenue for XXXIX Civil Works”.

**Article 116.** If in respect of rent receipts of the buildings and lands and special services, subsidiary accounts are kept in a separate Register of Rents prescribed by Government, entries should not be made in & tail in any of the registers mentioned in Articles 113 to 115. The monthly totals only (excluding the amounts realized by Treasury Officers under the same accounts circle) for each class of the rents for which separate detailed heads have been opened under the minor head “Rents” should be transferred from the Register of Rents to those Registers.

**Note:** -The amounts realized by deduction from pay bills cashed at treasuries subordinate to the same Accountant-General as the Divisional Officer will be credited by the Accountant- General direct in his books to the revenue heads concerned.

**LOCAL RULINGS UNDER ARTICLE 116****Register of Rents**

1. A register in Form P.W.A. XII (Register of Rents of Buildings and Lands) should be maintained in the Divisional Office to show the monthly assessments, realize

tions and balances of rents for all residential buildings (including office buildings used as residences) and such other buildings, land, etc., as may be available for being let. No building or site other than those which fall in the categories indicated below should be excluded from this register on the plea that it is intended to be occupied rent free or is not likely to be rented, but all such buildings and sites be grouped separately.

(a) Residences for the use of the Governor

(b) Buildings situated within the precincts of Jails. Hospitals, Police lines or Educational institutions which are allotted rent free (i.e., free of rent of all kinds, including rent for building, meter, water-supply, sanitary and electric installations, etc.), under the orders of the Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties.

**Note 1** :—Private buildings which have been hired for use as residences, or are used as such wholly or in part, should be included in this register.

**Note 2** :—Rent-free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable. Not need rent-houses and other travellers bungalows be entered, although rent receipts from them are also treated as rents of buildings which are required to be booked under the minor head “Rents”.

2. The entries relating to the assessment of rent should be made month by month, and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.

**Note** :—If any property is occupied free of rent, or if the rate for any month’s assessment is neither the standard rate nor the 10 per cent of the occupant’s emoluments, a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of, the 10 per cent concession recognized by Fundamental Rule 45-A-IV (b)] a reference to the specific orders of the Government allowing it should be recorded in the remarks column of the Register of Rents of Buildings and Lands.

3. The Divisional Officer should credit the accounts of the tenants in the Register of Rents of Building and Lands with the recoveries as certified by the Treasury Officer or disbursing or drawing officer concerned each month, whether the actual adjustment is carried Out fl his accounts or not. (see ‘Note’ under 116 and item (1) in Article 184).

4. The total realizations of each month should be abstracted at the foot of the register, so as to show separately (1) cash realized in the division, (2) recoveries by other disbursing officers adjusted in the divisional accounts and (3) recoveries at treasuries of the State adjustable in any buildings are provided with special services such as furniture, etc., for which rent charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself, and in the abstract also the realizations on account of each of these services should be shown separately.

**Note** :—Refunds of amounts recovered towards rent should be shown as minus realizations in the Register of Rents of Buildings and Lands and thus distinguished from the gross realizations oil account or rent.

### **MISCELLANEOUS LOCAL RULING**

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 Miscellaneous Recoveries (Form P.W A.XIV) 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.

## **SECTION 5**

### **Works Accounts\***

\*[N.B. :—The procedure prescribed in this section is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department, which is some-what different, is outlined in the departmental Manual].

### **A. — GENERAL**

**Article 117.** (a) Expenditure on the construction or maintenance of a work may be divided broadly into two main classes, viz., (I) Cash, and (2) Stock charges. As explained in Sections 1 and 2 of this Chapter, these charges should be recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under the main classes, there are other transactions affecting the cost of a work. For example, there may be charges incurred in order divisions, departments or Governments, 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 directions in Articles 65 to 72.

(c) Furthermore, in the case of certain works, there are departmental charges, known as Establishment, Tools and Plant and Audit and Accounts Charges, which are levied on those works under the rules of Government and included in the cost of those works.

(d) All these transactions pass into the general accounts of the division in the manner described in Chapter IV and are thence incorporated in the accounts of the State. As, however, the units of classification adopted in the general accounts in respect of expenditure are the heads of account not designed to correspond with individual estimates for works, or contract accounts, separate accounts have to be maintained 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.

### **LOCAL RULING UNDER ARTICLE 117**

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 large 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.

**Article 118.** In recording the cost of an individual work in the accounts, no attempt should be made to include in the cost any charges for general services like Establishment and Tools and Plant, the entire cost of which should be 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, department or Government and the claim made by it includes an authorized charge on account of such general services, such charge should be 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.

**Note :—**The cost of special establishment employed on the acquisition of land taken up for a work when debitable to the Public Works Department should be treated as a part of works expenditure.

### ***LOCAL RULINGS UNDER ARTICLE 113***

1. When the cost of special tools and plant is included in the cost of a work, the rules in Section 2 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 Local Rulings 16 and 17 under Article 92.

2. Lumpsum 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 3.

**Article 119.** All initial accounts and vouchers connected with charges relating to works must specify invariably—

- (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 part, and
- (3) any charges which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

## **B. — DETAILED RECORDS**

### ***I. Cash Charges***

#### **(a) Introductory**

**Article 120.** Cash charges on works consist of payment to (1) labourers and members of work-charged establishment of their wage, and (2) contractors and others for work done or other services rendered.

#### **(b) Muster rolls**

**Article 121.** Save as provided below, an account of labourers employed daily on each work, the amount of wages due to each and the amount paid and left undischarged



during the month, should be kept in a Muster Roll in such form and according to such methods as may be prescribed by Government in consultation with the Accountant-General.

### ***LOCAL RULINGS UNDER ARTICLE 121***

A muster roll should be prepared in Form P.W.A. V-A or XV-B, as the case may be. and dealt with in accordance with the instructions contained in the Andhra Pradesh Financial Code (Chapter VIII), the Andhra Pradesh Public Works Department Code and the following further rules, which have been prescribed by the Government in consultation with the Accountant-General :—

(i) Discrepancies between labour reports and muster rolls should be investigated as soon as the latter are received.

(ii) The Sub-divisional Officer should check the attendance of labourers as frequently as possible, especially when the aggregate payment to be made on nominal muster rolls in connection with a work is likely to exceed P.s. 500/-.

(iii) All muster rolls relating to works executed departmentally outside the Scheduled Areas should, as a rule, be passed by the Sub-divisional Officer before payment, but the Executive Engineer may relax this rule in exceptional cases when its enforcement would cause undesirable delays. Such relaxation carries with it also the permission to pay the amounts of the nominal muster rolls from the permanent imprest with the Sectional Officers.

In regard to work executed departmentally in the Scheduled Areas, the Sectional Officer is authorized to pay muster rolls from his imprest without pre-audit by the Sub-divisional Officer, provided that the amount of work done by the coolies does not fall short of the standard fixed in the scheduled of rates. The Sub-divisional Officer should check the attendance of labourers as frequently as possible. When the amount of work done by the coolies on a work in the Scheduled Areas falls short of the standard fixed in the schedule of rates by not more than 10 per cent, the Sub-divisional Officer may pay the muster rolls in full if he considers that there are adequate reasons for doing so. He should record the reasons whenever he does so.

(iv) Unpaid items should be carried forward from muster roll to muster roll until they are paid, and the payments of such items should be recorded and certified in Part II of the muster roll in the same way as payments of current items. A Divisional Officer may, if he prefer, adopt any other procedure for paying wages previously left unpaid, provided that a systematic record is maintained of items remaining unpaid on the basis of the original entries made in Part II of the muster roll and of the subsequent payments, and that suitable precautions are taken to prevent double payments.

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 above.

**Note** :—This procedure is not applicable to the Electricity Department, where unpaid wages are not taken as liability in the account of works but are directly debited to them by credit to “Deposits”. Their payment is watched through an “Arrear Wages Register”.

(v) When daily labour is engaged through a contractor and payment is made to him on the basis of the number of labourers employed day by day, the subordinate in charge of the work should submit a daily report to the Sub-divisional Officer and also to the Divisional Officer in cases where the estimated cost of labour is likely to exceed Rs. 500 in Form P.W.A. XV indicating the number of labourers of each class employed each day, so that they may keep a check on the expenditure and deal with the contractor's claim where received.

**Note 1 :—**The Sub-divisional Officer and the Divisional Officer should check the attendance of labourers as frequently as possible to verify the labour reports.

**Note 2 :—**In cases where the contractor is paid only a definite percentage of the specific rates of wages paid to each coolie supplied by him, the labourers may be paid direct by Government at specified rates the transaction being accounted in a Nominal Muster Roll that may be maintained by the Public Works Department at the discretion of the Executive Engineer, after providing for such a procedure in the agreement with the contractor.

**Article 122.** A Muster Roll need not be kept in exceptional and urgent cases, such as urgent silt clearance of canals or the closing of breaches, where labourers are employed casually for short period. Nor need they be kept in the case of petty works and repairs done on Petty Works Requisition when the entries of daily labour are few and can be endorsed on the form of requisition itself.

#### ***LOCAL RULING UNDER ARTICLE 122***

Payments on a casual labour roll in Form P.W.A. XVI in which the names of the labourers are not given should not be made except by a Gazetted Government servant or an upper subordinate.

#### **(C) MEASUREMENT BOOKS**

**Article 123.** A detailed account of actual measurement in quantities of work done otherwise than by daily labour or on lump-sum contracts, and of supplies made by a contractor, should be kept in a Measurement Book in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

**Article 124.** Measurement Books may not be used in cases where, under the rules of Government, standard measurement books of buildings are maintained in order to facilitate the preparation of estimates for periodical repairs and are utilized for the purpose of preparing contractor's bills for such repairs.

#### ***LOCAL RULINGS UNDER ARTICLES 123-124***

1. A measurement book should be prepared in Common Form No. 298 in accordance with the instructions contained in the Andhra Pradesh Financial Code (Chapter VII), the Andhra Pradesh Public Works Department Code and the following further rules, which have been prescribed by the Government in consultation with the Accountant-General.

2. All the books belonging to a division should be numbered serially and the pages of each book should be machine numbered and a register of them should be maintained in Form P.W.A. xvii, in the Divisional Office showing the serial number of

each book, the name of the sub-division to which issued, the date of issue and the date of 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 name of the Sub-divisional Officer or Sectional Officer to whom each measurement book is issued. Books no longer in use should be withdrawn promptly even though not completely written up.

Completed measurement books containing measurements of works executed under contracts for which running accounts are maintained should be sent to the Divisional Office for final record after the final bills have been paid to the contractors concerned. Until then, such books, if not required for reference by the Sub-divisional or Sectional Officer, should be sent to the Divisional Officer for temporary record until they are required for making payments, when they should be taken back.

Completed measurement books containing wholly measurements of works or supplies for which payments are made on hand receipts or “first and final” bills, or measurements of items of works carried out departmentally for which payments are made on nominal muster rolls, or both, should be sent to the Divisional Office for final record immediately after all bills relating to the measurements recorded therein have been paid.

**Note 2 :—**Boat notes, which take the place of measurement books in regard to materials located into and unloaded from boats, should be treated as measurement books. This procedure is not applicable to the River Conservancy Sub-division, Guntur Division.

**Note 3 —**In the Electricity Department, “stores received books”, recording receipt of stores and “lorry log books” recording purchase of petrol, tyres, tubes and other accessories for departmental lorries are also treated as measurement books.

3. Subject to the exceptions authorized in the Andhra Pradesh Public Works Department Code, 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.

4. When measurements relating to the supply of materials are recorded, the purpose of the supply should be indicated in the measurement book in one of the following forms according to the circumstances :—

(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 ..... “.

5. When standard measurement books of buildings are maintained as contemplated in Article 124 above, the following rules prescribed by the Government in consultation with the Accountant-General should be followed carefully :—

(i) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by an officer of atleast the standing of a Sub-divisional Officer in his own handwriting to the effect that they are correct for the purpose of preparing both the periodical repair estimates and the contractor’s bills. Any corrections necessary should be attested by a Sub-divisional Officer or an Executive Engineer;

(ii) All the standard measurement books maintained in a division should be numbered in an alphabetical series, so as to be readily distinguished from ordinary measurement books and a register of them maintained in the Divisional Office in Form P.W .A. XVII, Part II. A similar register should be maintained in each Sub-division showing the books belonging to it, and the registers kept under lock and key in the custody of the Divisional or the Sub-divisional Officer concerned. The original standard measurement books should be kept in the personal custody of the Divisional Accountant in the Divisional Office.

(iii) Certified copies of standard measurement books relating to works in charge of a Sub-divisional officer should sent to him to be kept in his personal custody and the entries relating to them should be made on separate pages of the sub-divisional register of measurement books.

**Note** :—This need not be done when the Divisional Office and Sub-divisional Office are at the same station.

(iv) For the use of Sectional Officers, standard measurements of each work copied in loose sheets and signed by the Executive Engineer should be sent to the Sub-divisional Officer who will issue them to the Sectional Officers concerned.

**Note:-** —This need not be done when the Sub-divisional Office and Sectional Office are at the same station.

(v) When corrections have to be made owing to additions or alterations in a building, the Sub-divisional Officer concerned should make the corrections, in his copy of the measurement book. At the same time, he should intimate them to the Executive Engineer who will have the book in his office corrected under his initials. The copies with the Sectional Officers in which corrections have to be made should be called for by the Sub-divisional Officer, corrected under his initials and returned,

(vi) On the 30th April each year, the Divisional Officer should send a certificate to the Superintending Engineer that all the standard measurement books in the division have been inspected by him, that the entries therein have not been tampered within, and that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up-to-date records.

(vii) When a payment has to be based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has not previously been billed for in any form.

(viii) Separate measurement books should be set apart for noting the details of such bills so as to facilitate the review of payments based on standard measurements.

(ix) All bills so paid should be specially checked in the Divisional Office with reference to the standard measurements contained in the records of that office.

**Note** :—Standard measurement books may also be maintained for boats and ballacuts that require periodical repairs and the above rules are applicable to such measurement books.

6. Sub-divisional Officers should be required to submit the measurement books in use to the Divisional Office from time to time, so that atleast 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. The following are the detailed rules on this subject:-

(a) The review conducted under these rules will be in addition to that conducted by Divisional Accountants on all final bills on running accounts and first and final bills which are received in the Divisional Office for pre-audit.

(b) A register should be maintained in the prescribed form in Sub-divisional and Divisional Offices for noting the progress of the receipt, review and return of measurement books. Twenty-five percent atleast of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculations in fifty percent of the entries selected for review, should also be checked by the Divisional Accountant. He need not, however, personally check the arithmetical calculations, when bills come up for pre-audit, but a cent percent check should be done by the Divisional Officer under his supervision.

(c) The percentage check (referred to above) of the entries made in every measurement book in use in the division in a month should be made within the following four months. For this purpose, each Sectional Officer and Sub-divisional should make a note of the numbers and pages of the measurement books in which fresh entries are made by them every month and report these particulars direct to the Executive Engineer within the first week of the following month. From these monthly reports of Sectional Officers and Sub-divisional Officers, the books that should be reviewed should be regularly entered in the register.

(d) There should be an even flow of books sent for review so that the work may not be rushed in a few months of the year.

(e) The books for monthly review should be received in, and returned from, the Divisional Office on dates to be fixed by the Executive Engineer of each division.

(f) The review should be conducted generally with reference to the rules in this section and the Andhra Pradesh Public Works Department Code. It should also be seen that measurement books do not contain any entries relating to labour engaged through contractors.

(g) The payments based on the entries reviewed should be traced into the various a. counts and verified. Similarly, supplies or issues of materials should be traced into the material-at-site accounts, ledger, etc., and verified.

(h) Every page reviewed should be initialed and dated by the Divisional Accountant with the remark "Reviewed" and a corresponding entry made in the prescribed progress register. The register should also be submitted to the Executive Engineer monthly and his initials taken.

**Note :—**The review of measurement books used by the officers and subordinate employed under the Sanitary Engineer should be made by the Manager of the Sanitary Engineer's Office. A register of progress of review of measurement books should be maintained in the Deputy Sanitary Engineer's and the Sanitary Engineer's Office.

**(d) Bills and Vouchers**

**Article 125.** (a) All payments to members of work-charged establishment and to contractors and suppliers will be detailed in bills and vouchers drawn up on such form and according to such methods as the Government may prescribe in consultation with the Accountant-General.

(b) An account of items remaining unpaid on the passed bill of members of work-charged establishment, on the day fixed for closing the accounts of the month, should be kept in a suitable register of items remaining unpaid.

(c) A separate running account should be maintained in respect of each contract. Transactions relating to two or more working estimates should not be brought on to the same running account. Transactions relating two or more separate parts of the same working estimate for which separate works abstracts are prepared, (vide Article 134), should also appear in separate running account.

**Note :—**In exceptional cases, where more than one working estimate is covered by a single contract, the contract (agreement) need not be split up but the estimates may be consolidated to facilitate the maintenance of proper accounts in respect of that contract. If this procedure cannot be observed, some special accounts procedure may be devised on the merits of each case by the Accountant-General concerned. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relating to different accounts heads or where separate estimates, whether relating to different accounts heads or not, are covered by a single running rate contract as in 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.

**LOCAL RULINGS UNDER ARTICLE 125****(i) Forms of Bills and Vouchers**

1. The authorized forms of bills and vouchers are the following:-

- (a) First and final bills - Form P.W.A. XVIII.
- (b) Running account bill A - Form P.W.A. XIX.
- (c) Running account bill C - Form P.W.A. XX.
- (d) Lump sum contract bill - Forms P.W.A. XXI and XXII.
- (e) Hand receipt - Common Form No. 476.

The use of the forms is explained in the following paragraphs and a few explanatory footnotes are printed on the forms.

**2. First and final bill :—** Form P.W.A XVIII :—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.

**3. Running account bill A:-** Form P.W.A. XIX :—This form is intended for contract for work only, executed on the piece work system. It should be used :—

(1) if it is proposed to make advance payment under the rules in the Andhra Pradesh Public Works Department Code, or Local Ruling 16 below, or

(2) if an on-account payment is to be made, but an advance payment already made for the same work is outstanding.

**4. Running account bill C :—** Form P. WA. A2 :—This form is used both for contracts for work executed on the piece work system and for contracts for supplies. It is intended to be used for contracts for work, when only on-account payments are made. It is not to be used if an advance payment is to be made or if on advance payment in respect of the work is outstanding against the contractor.

**5. Lump sum contract bill :—**The forms of bills used for payment in connection with contracts based on the lump-sum tender system as defined in the Andhra Pradesh Detailed Standard Specifications are Forms P.W.A. XXI and XXII.

Form P.W.A. XXI is intended for intermediate payments which may be made to the contractor in accordance with his contract. No details of work done need be given in the case of item 3 of Part I—“Account of work” in this bill form. Details of measurements should, however, be given in the case of items 1 and 2 of this part of the bill form and reference should also be given to the numbers and pages of the measurement books in which the measurements are recorded. Form P.W.A. XXII is intended for final payment made to a contractor. The details of items (ii) to (v) alone, in Part I—“Account of work executed”—of this bill form should be given. For the rest, the certificate prescribed in the bill form itself is sufficient. As a further precaution, the contractor should be required to add to his acknowledge in his own handwriting a statement that he received the payment in full settlement of all demands.

**Note :—**The form of final bill is printed on yellow paper to distinguish it from that of the intermediate bill. (See Note 2 under Local Ruling 15 below).

6. The form of bill 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 Local Ruling 16 below).

**7. Hand receipt:- Common Form No. 467 :—**This is a simple form of voucher intended to be used for all miscellaneous payments and advances, for which none of the special Forms P.W.A. XVIII, XIX and XX is suitable.

## (ii) Preparation, Examination and Payment of Bills

8. 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. He need not work out personally all “contents” or “area, but he is responsible for the correctness of those entries. The rates allowed should be entered by the Sub-divisional Officer in the abstract of measurements. The bill should then be prepared, from the measurement entries, in one of the forms prescribed in Local Rulings 1 to 7 applicable to the case.

[See also the relevant rules in the Andhra Pradesh Public Works Department Code.]

9. Before signing the bill, the Sub-divisional Officer 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.

**Note 1** :—The items and totals in contractor’s bills should be rounded in accordance with the instructions in Chapter XIV of the Andhra Pradesh Financial Code.

**Note 2** :—Before signing a first and final bill or the first bill on a running account, the Sub- divisional Office should see that the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements.

**Note 3** :—In the Electricity Department, the acknowledgments for payments may be for the net amount of bills excluding recoveries.

10. (a) If the Sub-divisional Officer is not empowered to make the payment, the bill should be submitted with the measurement book to the Divisional Office; when the payment will be authorized by the Divisional Officer after the necessary scrutiny;

(b) In the case of materials received from firms in India by a Sub-divisional Officer, on orders placed by the Executive Engineer, the following procedure should be observed :—

A register in Form P.W.A. XXIII should be maintained in the Executive Engineer’s Office to watch the disposal, from start to finish, of all indents for stores placed by him on firms in India. A sufficient number of pages of this register should be allotted for the orders placed on account of each sub-division, all such orders being noted as they are issued in Columns 1 to 3 of the register.

The firms should be required to send in their bills along with the consignments direct to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the store are received, and should then pass on the measurement book and the bill to the Executive Engineer for pre-audit giving a reference to the measurement book in the bill and vice versa. The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book, and return the bill with the measurement book to the Sub-divisional Officer. The Sub-divisional Officer should then pay the bill and note the fact in the measurement book.

11. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for work or supplies measured, a remark to the effect

Sub-divisional Officer

“Bill submitted to the on \_\_\_\_\_ on .....”

Executive Engineer



should be endorsed on the abstract of measurements. The officer who signs the pay order should, immediately on signing it, cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The officer who actually disburses the amount should enter the number and date of the voucher of payment with the remark “paid on ..... by voucher No. ....” on the abstract of measurements.

**Note :—**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 dates on which the measurement and check measurement was made. (Memo. No. 75658/1051/Accts/71-2, Dt. 29-3-1972)

12. Payments should not be made for bricks at a supplier’s private kiln until they are handed over to the charge of the Public Works Department Officers.

13. To ensure the proper performance of the duties imposed on the Divisional Accountant, he should have no hand either in preparing the bills of contractors or suppliers or in making cash payments to the latter, as such duties will impair his usefulness as examiner of claims and payments.

14. Contractors who are able to prepare their, own bills should be supplied with Forms P.W.A. XVIII, XIX, XX, XXI and XXII and loose measurement sheets for recording measurements, for their information, in support of the quantities entered in the bills. The Public Works Department officers and subordinates should, however, record measurements independently wherever necessary in their measurement books. The contractor’s bills, when presented, should be checked by the subordinate in charge of the work with the measurements recorded by him in his measurement books and check-measured by the Sub-divisional Officer before payments are made.

15. (a) Payments for work done or supplies made in a running account on bill Forms P.W.A. XIX and XX should ordinarily be made monthly. Both the “quantities” and “amount” of each distinct item of work of supply should be shown separately in the bill except (1) in the case of advance payments made under Local Ruling 16 (b) below when quantities need not be specified, (ii) in the case of completed items or sub-works, the full details of which were included in previous bills, and (iii) in the case of such of the incomplete items or sub-works as remain unaffected since the previous bill.

In respect of items (ii) and (iii) above, it is sufficient if the amounts paid on earlier bills are shown in the subsequent bills, reference being given therein to the item numbers of the previous intermediate bills and the pages of the measurement book, in which full details were recorded. Full details (names, quantities, rates and amounts) should, however, be shown in the final bill for all sub-works and items.

(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.

**Note 1 :—**If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on

obtaining a qualified acknowledgment. [See Section 38 of the Indian Contract Act, 1872 (India Act IX of 1872)].

**Note 2** :—A form printed on yellow paper is never to be used except for final payments.

**Note 3** :—Payment of any amount after the contractor has accepted final payment in settlement of all demands requires the special sanction of the Government, with the exception that disbursing officers are not precluded from entertaining a bonafide claim, which was omitted from the bill by mistake or through inadvertence and paying it without the sanction of the Government.

16. (a) If the system of making advance payments to contractors for a work executed under the piece work system has been adopted, certificate 2 printed on Running Account Bill A (Form P.W.A. XIX) must be signed by Sub-divisional or Divisional Officer, and the lumpsum amount paid on account of each item should be specified against it in Part I of the Bill.

**Note** :—In the case of the Public Works Workshops, Hyderabad the certificate described above may be given by the General Foreman or the Assistant Superintendent of the Workshops.

(b) (1) An advance payment 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.

(2) A description of the stage to which the work has reached e.g., “Superstructure completed, half roof-timbering fixed”, should be recorded on each bill.

(3) The advance payments made previously on such bills should be recovered on each bill. Detailed measurements should be taken at various stages of the work at the discretion of the Sub-divisional Officer or the Executive Engineer and a bill based on such detailed measurements should be prepared and all amounts paid for works not measured in detail should be adjusted from such bills.

(4) Not more than two consecutive bills may be paid without detailed measurements, and whenever Rs. 5,000/- or 25 per cent of the estimate, whichever is less, has been paid on such bills, detailed measurements must be taken and the advance payments cleared. In no case should final payments be made without detailed measurements.

(5) The system should be extended only in the case of works executed by contractors of standing approved by the Executive Engineer.

(6) These rules should not be applied to works the measurements of which should not be postponed, such as earth-work and work in tank-beds.

### (iii) Payments to Work-charged Establishment

#### (a) Pay Bills

17. Wages of members of the work-charged establishment should be drawn and paid on Form P.W.A. XXIV, “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 sub-division or for one or more sections of its, 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 men are employed, sanction to the entertainment of the establishment should be quoted in each case, and the Sub-divisional Officer should certify, in the space provided for the purpose, that the men being employed on the work and on the duties for which his appointment was sanctioned.

**Note 1** :—Deductions on account of fines, Income-tax, etc., should be shown by special entries against the names concerned.

**Note 2** :—If the acknowledgement of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt, Common Form No. 476, which should then be attached to the bill as a sub-voucher.

### (b) Unpaid Wages

18. 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 (Common Form No. 476), 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 payment should be recorded against the original entries in the register. [See Article 125(b) above]

**Note** :—The above procedure is not applicable to the Electricity Department, where unpaid wages are not taken as a liability in the accounts of works but are directly debited to them by credit to “Deposits”. Their payments are watched through an “Arrears Wages Register”.

### (c) Travelling Expenses

19. No bills need be prepared in support of claims for travelling expenses. Payments should be made on Hand Receipts (Common Form No. 476) 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.

## II. CHARGES ON ACCOUNT OF MATERIALS

### (a) Introductory

**Article 126.** Issues of materials to works, whether from stock or by purchase, transfer or manufacture, shall be divided into two classes—

(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 executed.

(2) *Issues Direct to Works* — Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

**LOCAL RULINGS UNDER ARTICLE 126****Account of Materials-at-site****(i) Major Works**

1. In the case of major works in transactions relating to the materials-at-site are not likely to be heavy, an account in Form P.W.A. XXV should be maintained of all departmental materials brought on the site of a work from any of the sources mentioned in the above Article, showing the sources and quantities of all receipts and of their issues to the work as the transactions occur. This account should be kept both by quantities and values in the case of works whose accounts are kept by sub-heads, and only by quantities in other cases.

In the case of big schemes, such as water-supply and drainage works and other major works in which the transaction relating to materials-at-site are likely to be heavy, the following procedure should be observed: An annual register in Form P.W.A. XXVII should be maintained in the Divisional and Sub-divisional Offices and Sectional Offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in Form P.W.A. XXVI iii duplicate should be prepared by the Sectional Officer showing only those items of materials in which there are receipts and issues in a month and sent to the Sub-divisional Office. One copy of the return will be retained in the sub-division for posting the annual register maintained therein and the other copy sent to the Divisional Office for similar action. In the case of big works to which more than one Sectional Officer is attached, the Section statements will be consolidated in the sub-division and the consolidated return sent to the Divisional Office, to that the annual register may be posted up-to-date.

**(ii) Minor Works and Repairs**

A numerical account of materials-at-site of works should be maintained by the Sectional Officer and the Sub-divisional Officer in charge of a work in the form of the annual register in Form P.W.A. XXVIII giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in Form P.W.A. XXIX showing only those items of materials in which there are receipts and issues on a work in a month, should be submitted by each Sectional Officer to the Sub-divisional Officer for scrutiny and necessary action. At the end of each year or on the completion of a work or in the event of the charge of the work passing from one subordinate to another, the monthly return should, however, exhibit the closing balances of all materials-at-site of the work. Each Sub-divisional Officer should forward to the Executive Engineer Monthly a certificate to the effect that he has obtained from his Sectional Officers the accounts of materials-at-site of all minor works and repairs and scrutinized them.

The forms mentioned under the heads (i) and (ii) above provide also for the record of the estimated quantities in all cases and the value of materials in the case of major works only, so that, in the case of works executed departmentally and also in cases where any or all the items of contract are for labour, both the acquisition and the actual use of materials can be controlled with reference to the estimated requirements. In the case of works executed by contract, however, the record of estimated requirement of materials applies only the materials, the supply of which is retained in the hands of the Govern-

ment. It is important that the estimated requirement should be duly corrected whenever a revision of the original renders it necessary, and a note should be recorded at the foot of the account that this has been done.

**Note :** Materials belonging to a contractor should never be mixed up with departmental materials. Form P.W.A. XXV is intended to account for departmental materials alone.

2. All departmental materials brought on to the site of a work for use on that work from any of the following sources, should be entered as receipts in the “materials- at-site accounts” immediately on their receipt, giving a brief reference to the measurement book or in the case of receipts from stock to the invoice in Form P.W.A. X or to the Register of Stock, Issues in Form P.W.A. 4 in cases governed by the last sentence of Local Ruling 4 under Article 96 :—

(1) Suppliers;

(2) Store Department, London;

(3) Stock or manufacture;

(4) Other works; and

(5) Other division, departments and Governments.

**Note 1 :—**Materials already brought on to the site of the work and accounted for as receipts in the site accounts, should be shown as minus receipts in the same when they are transferred to stock or to another work, etc.

**Note 2 :—**It is important, as far as possible, that materials should be obtained only when actually required and to the extent of actual requirements.

**Note 3 :—**All petty items, the aggregate of which comes under Rs. 100, may be lumped together under a single head “Petty items” in the materials-at-site accounts, only the value being shown.

**Note 4 :—**The procedure in the Electricity Department is different in certain respects as indicated in the department Manual.

### (b) Issues to Contractors

**Article 127.** On the authority of the contractor’s detailed acknowledgment of the materials made over to him for use on works under the rules of the Government, the cost recoverable from him should be debited at once to his personal account by charge to the suspense head ‘Contractors—Other transactions’ in the works accounts, the adjustment being made at such rates as may be determined by Government. The adjustment should be effected by affording credit to the suspense head ‘Materials’ by being posted in the Issue Column, or where the suspense head is not maintained as in the case of minor estimates as a minus debit to the final head (vide Article 140). If the amount charged to the contractors account differs from that originally debited or debit to the suspense head ‘Materials-at-site’ for the materials then only the latter amount should be credited to ‘Materials-at-site’ in the works and site account, the difference being treated as additional final outlay under separate sub-head ‘Additional charges for materials issued to contractors’ plus or minus, according as the amount charged to the contractor is less or more than the cost originally debited to the ‘Materials-at-site’. This is necessary in order to be able to balance the sub-head ‘Materials-at-site’.

LOCAL RULINGS UNDER ARTICLE 127

1. With reference to the materials-at-site accounts maintained in Andhra Pradesh (see Local Ruling I under Article 126), the procedure prescribed in the above Article will be modified to the extent indicated below

The cost chargeable to a contractor for materials issued to him in accordance with the rules in the Andhra Pradesh Public Works Department Code should be charged to the suspense head “Contractors—Other transactions” in the Works Accounts, and credited to the suspense head “Materials-at-site” by being posted in the “Issue” column, or where this suspense head is not maintained, as in the case of minor estimates, as a minus debit to the final head. If the amount charged to the contractor’s account differs from that originally debited or debitabe to the suspense head “Materials-at-site” for the materials, then only the latter amount should be credited to the head “Materials-at-site” in the works and site accounts.

2. 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 lumpsum 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 by an on-account payment.

3. As the issue of materials to contractors under the foregoing rules is permissible solely for the bonafide requirements of Government Works, Sub-divisional Officers should make such arrangements, as may be deemed suitable, for limiting the total issues to a contractor in connection 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 are lower than the prevailing market rates, or the latter are expected to rise all materials issued to a contractor from time to time, for use on a work, is within the estimated requirements of the contract by means of the “materials-at-site” account form, if the top portion of the form is filled up. (See Local Ruling 1 under Article 126).

(c) Issues Direct to Works

**Article 128.** (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 materials to be credited	Head of account	Mode of effecting adjustment of cost
(1)	Stock (including manufacture)	Stock	Though Stock accounts at the end of the month.
(2)	Transfer from another work	Work concerned	By special transfer entry in Form P.W.A.VII prepared as soon as the materials are received.
(3)	Transfer from another division, department or Government	Purchases	Do

(4)	Suppliers	Do	Do
(5)	Obtained through the India Store	London Stores	Do
(6)	Indian Charges on (5)	Head concerned	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 (Article 129), and also entered in the” materials-at-site” account in cases in which the works accounts are maintained by sub-heads.

(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 with the full name of the work as entered in the estimate. (vide Article 119).

**LOCAL RULING UNDER ARTICLE 128**

The value to be credited will be as follows :—

	Source of receipt of materials	Value to be credited
(1)	Stock (including Manufacture)	At the issue rates plus storage charges.
(2)	Transfer from another work	At a valuation See Article 130.
(3)	Transfer from another division, department or Government	At the rates charged by the division, department or Government concerned.
(4)	Suppliers	At the rates payable to the supplier under their contracts.
(5)	Obtained through the India Store Department, London.	The English cost — See Article 59.
(6)	Indian Charges on item (5)	Actual charges incurred See Article 61.

The full value credited to the head concerned and debited to the work should also be entered in the “Materials-at-site” Account, when the works accounts are maintained by sub-heads.

**Article 129.** (a) When materials are issued direct to a work, their cost should either be treated as a final charge or debited to the suspense head “Materials” in the accounts of the work, as prescribed in Article 136.

(b) When the suspense head “Materials” is used, a detailed account of materials issued to, or returned from, the work will be kept in such form as Government may prescribe in consultation with the Accountant-General, in. order that the total issues of each kind of materials may be watched with reference to the estimated requirements.

(c) Government will also lay down rules for the periodical verification of unused balances of materials debited to works and for the disposal of the Verification Reports.

**LOCAL RULING UNDER ARTICLE 129**

The following rules have been issued by the Government in consultation with the Accountant-General :—

### I. Account of Materials-at-site

(i) The cost of materials brought to the site of a work should be debited to the suspense head “materials-at-site” in the Works Accounts or treated as a final charge according as it is a work for which detailed accounts by sub-heads are kept or not.

### II. Issue direct to Works

#### DETAILED ACCOUNTS

(ii) (a) In the case of Minor estimates, the cost of materials brought to site is charged finally to the work, there being no sub-head “Materials-at-site” in the works account. No further adjustment is necessary when materials are actually used up on the work. The detailed control over unused material can be exercised by means of the numerical account in the “Materials-at-site” accounts in Forms P.W.A. XXVIII and XXIX.

(b) In the case of Major estimates, which have the suspense head “Materials-at-site” in the works accounts, the value of materials as they are issued, should be posted day after day in the “Issue” accounts in Form P.W.A. XXV grouped according to the sub-heads of issue. At the end of each month, the total of the issues under each subhead should be charged under the respective sub-head of the Works Abstract, by credit to the suspense head “Materials-at-site”.

**Note :**—See Note I under Local Ruling 2 under Article 126.

### III. Verification of unused balances

(iii) Unused balances of Materials-at-site should be verified atleast once a year in the manner prescribed in the Andhra Pradesh Public Works Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Sub-divisional Officer in Form P.W.A. XXV itself and submitted to the Divisional Office. The following instructions should be observed in preparing the report :—

(a) The closing balance (total of receipts and balances minus the total issues up to end of the month) should be entered against line B in the form and the difference, if any between the balance and actual balance as verified against line D.

(b) The quantities of principal items of materials probably used in work should be noted against Line E. These should be calculated on the basis of the “progress” of work done on each sub-head as worked out in a separate statement in Form P.W.A. XXXI.

(c) Deducting these quantities from the total quantities of the materials issued to the work shown in line A of the form, the paper balance of the unused materials should next be arrived at and setforth against line F.

(d) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the differences shown in lines D and F, (ii) if the work has been completed, to dispose of the surplus balances shown in line C and by signing the printed certificates applicable to the case and scoring out the others.

(e) The differences shown in line F may be due to (1) adoption of the method of determining the actual consumption, (2) unreasonable wastage, or (3) shortage in some other form. The discrepancies shown in line D may be due to differences between



the actual receipts or issues with those entered in the accounts, or to errors in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences should be carefully investigated and adjusted in accordance with rule (viii) below.

(iv) 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 Article 130 (2) the balance at debit of the suspense head “Materials-at-site” representing the unused surplus materials may be reduced to a minimum.

(v) On the completion of a work, the surplus materials-at-site should be disposed of without delay, in accordance with the rules in the Andhra Pradesh Public Works Department Code and the Andhra Pradesh Financial Code (Chapter VIII).

(vi) If the Gazetted Officer or subordinate in direct charge of a work is transferred before the accounts of the work 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 rule (iii) above should be prepared by the Sub-divisional Officer and submitted to the Divisional Office.

(vii) 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 P.W.A. XXV and submitted to the Divisional Office in the manner described in the rule (iv) above 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 were are expected to be closed within three months,  
or
- (3) the balances were verified at any time during the year.

(viii) Reports of verification of materials in Form P.W.A. XXV prepared under rules (iii), (iv), (vi) and (vii) above should be dealt with in the Divisional Office in the manner described below :—

(a) A register showing the clearance of the suspense head “Materials-at- site” in the accounts of the work should be maintained in Form P.W.A. XXX. A separate folio of the register should be reserved for each work for which a materials-at-site account is kept. and for facility of reference, the register should have an index.

(b) Each report of verification in Form P.W.A. XXV should be entered in Part I of Form P.W.A. XXX as soon as received.

(c) The difference, if and between the closing balance and the actual balance as verified (line D of Form P.W.A. XXV) should be recorded in Part II of Form P.W.A. XXX and the paper balance of unused materials (line F of Form P.W.A. XXV) in Part III of Form P.W.A. XXX. Part IV of Form P.W.A. XXX is intended to show how the materials remaining unused, i.e., the actual balance of materials on completion shown in line C of Form P.W.A. XXV are proposed to be disposed of. Parts I, II and III should

be operated on the receipt of each intermediate report of verification as well as of the final report, but Part IV on the completion of the work only.

(d) Petty deficiencies and surpluses held to be due to the adoption of the method 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 method in use.

(e) Shortages and losses for which any contracts are held responsible should be adjusted by prompt recovery either in cash or by debit to their personal Ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the Works Abstract also, to show the credit to the work. If they are recoverable from other persons, the debit should be transferred to “Miscellaneous Public Works Advances” by credit to the work by a transfer entry.

(f) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub-head “Contingencies” or to the other sub-heads concerned, or even to a sub-head opened for the purpose, as the case may be, according to the statistical value of the recorded cost of final sub-heads of work.

(g) Materials found in excess should be credited to the work, under the appropriate sub-heads and shown as “Receipts” in the column “Materials-at-site” in the works accounts and also in the materials-at-site accounts.

(h) 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 rendered valuation should be adjusted in the works accounts by a change to the sub-heads concerned by credit to the sub-head “Materials-at-site”.

**Note :—**The adjustments in clauses (1), (g) and (h) in the works accounts are only between the sub-heads therein and do not affect the total outlay on the work. No adjustment therein are, therefore, required in the case of minor estimates for which no sub-heads are kept. It is sufficient if the correct verified balances are carried forward in the case of (I) and (g) in the numerical site accounts for future purposes.

**Article 130.** If any surplus materials-at-site of works are transferred to works in progress or brought on to stock account, their value should be credited to the work to which they were issued originally and debited to the work to which they are transferred or to the stock account, as the case may be.

#### ***LOCAL RULING UNDER ARTICLE 130***

A list of surplus materials not disposed of should be maintained in the Sub-divisional and Divisional Offices as a supplement to the half-yearly stock return unless the Superintending Engineer considers this unnecessary.

[See also Article 200 in Chapter VIII of the Andhra Pradesh Financial Code]

#### **(d) Carriage and Incidental Charges**

**Article 131.**(a) The cost of carriage of stock materials to site of work, and of all carriages in connection with the movement, from place to place, of other materials issued to or provided specially for a work should be debited direct to the account of the work, the exact classification of charge being as indicated below

Nature of Issue of materials	Heads to be debited in the account of the works
I. Issues to contractors allowed under the terms of their contracts—	
(a) To the promised place of delivery.	The sub-head “Additional Charges for Materials issued to Contractors” or “Final Charges” according as the accounts of the work are or are not kept by sub-heads.
(b) Beyond the place of delivery, if incurred.	The personal accounts of the contractor under the suspense head “Contractors-Other Transactions”.
II. Issues to contractors allowed otherwise than under the terms of contracts.	Do
III. Issue direct to works	The sub-head to which the cost of the materials is debited.

(b) When surplus materials are returned form 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 from a work should be adjusted in the same way as the cost of carriage.

(d) In all cases the places from and to which materials are conveyed, the distance, the quantity and the approximate weight should be stated clearly in the payment vouchers.

III. Book Adjustments

Article 132. The detailed rules governing these adjustments are given in Section 3 of this Chapter.

C. — CONSOLIDATED RECORDS

I. Works Abstracts

(a) General

Article 133. 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 in Works Abstract, Form P.W.A. 10, if the accounts of works are required under the rules of Government to be kept by sub-heads, or in Form P.W.A. 11 if they are not required under those rules to be so kept. In the case of petty works the accounts of which do not involve suspense transactions (e.g., advance payments, secured advances or other transactions of contractors) and for which the estimate, account and completion reports are prepared on single form prescribed by Government, no separate Works Abstract need be prepared.

[The procedure indicated in this and subsequent Articles should be followed also for purposes of classifying and collecting by objects of expenditure, the charges debited to the head 'Stock' from time to time — vide Article 98].

**Note** :----Percentage charges on account of Establishment, Tools and Plant and Account and Audit, levied on works expenditure, should not be shown in Works Abstracts and Registers of Works, though they are included eventually in the Cost works. (vide Note 2 on Form P.W.A. 27).

**Article 134.** Ordinarily, there should be one Works Abstract for each working estimate. It, however, the estimate is for a large work which is divided into several sub-works, a separate Works Abstract may be prepared for each sub-work provided that no part of an estimate should be separated from the rest if any contract for the execution of work connected with it covers also work connected with the other parts.

#### ***LOCAL RULINGS UNDER ARTICLE 134***

1. The maintenance of works accounts by sub-heads is unnecessary for all repair works, whatever their cost may be, and for original works in the following cases :—

(i) when a work or sub-work is executed entirely by one contractor, irrespective of the total value of work done; or

(ii) when the cost of a sub-work or part of a sub-work for which a separate Works Abstract has been kept under Articles 133 and 134 does not exceed Rs. 10,000; or

(iii) when the Superintending Engineer considers that the circumstances of the work render such accounts useless or impossible to maintain, in which case a copy of his order specifying the reasons should be forwarded to the Accountant-General.

2. Except in the cases mentioned in Local Ruling 1 above, a separate account should be maintained, in the case of Major Estimates, for each sub-head estimated to cost not less than Rs. 1,000 for State Works, in the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads should be lumped together. For such work and for those Minor Estimates for which the Superintending Engineer or other sanctioning authority directs that accounts to be kept by sub-heads, the detailed Works Abstract Form P.W.A. 10 should be used. For other Minor Estimates the simpler Works Abstract Form P.W.A. 11 in which the account of the final outlay is not kept by sub-heads should be used. Form P.W.A. 11 should also be used for petty works when the accounts of the work involve transactions which cannot be suitably recorded in the Petty Works Requisition and Account (Common Form No. 145).

#### **(b) Sub-Heads**

**Article 135.** Subject to the following directions and subject also to such detailed rules as may be made by Government in this behalf, the various sub-heads into which the final charges of a works should be distributed will be determined by the classification sanctioned in the abstract of the estimate

(a) Miscellaneous charges of a general nature, which do not pertain to any subhead in particular, should be treated as separate sub-heads e.g., work-charged establishment, contingencies etc.

(b) If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should be debited ordinarily 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 effect seriously the cost or rate of the sub-head, it should be debited to the sub-head “Contingencies” or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimate.

(c) If any receipts or recoveries are credited under the rules to the account of a work of which accounts are kept by sub-heads, a special sub-head should be opened in the Works Abstract for the reception of all such credits.

(d) In the case of works carried out on lumpsum contracts, the expenditure need not be booked by sub-heads if all the charges represent nothing but payments on a lumpsum contract.

### ***LOCAL RULINGS UNDER ARTICLE 135***

#### **(a) Major Estimates**

1. 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.

2. After a Major 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 the Andhra Pradesh Public Works Department Code. 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.

3. 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; but 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.

4.(a) The account of each sub-head in the Works Abstract should ordinary 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 Local Ruling 2 under Article 134 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 the other case 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 within the following cases under the written orders of the Divisional Officer which should specify reasons :—

(1) If the duration of construction under the sub-heads 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.

5. The charges classified under a final sub-head should include all ordinary expenses incidental to construction.

6 In the accounts of Major Estimates 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 there for are either more or less than the actual cost to the Government. This sub-head should bear all losses on this account and receive credit for all profits as explained in Article 127. The carriage and incidental charges on account of materials issued to contractors should also be debited to this head, if under Article 131 they are chargeable to the work.

#### **(b) Minor Estimates**

7. If the Superintending Engineer has directed the accounts of a Minor estimate to be kept by sub-heads (see Local Ruling 2 under Article 134, Local Rulings I to 6 above will apply. In the case of Minor Estimates 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 clause (ii) of the Local Ruling under Article 129 in respect of Major Estimates may be adopted and a column opened for the suspense head “Materials-at-site” 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 Works Abstract Form P.W.A. 11.

#### **(c) Recoveries of Expenditure**

8. In the case of works, the accounts of which are kept by sub-heads all recoveries which may be taken in reduction of the expenditure on works in progress should be credited to a special sub-head in these accounts. In the case of other works, the progress of the realization of receipts should be watched through the Register of Recoveries (vide Miscellaneous Local Ruling after Article 116), which should be posted from sanctioned estimates in respect of credits anticipated therein, and from the accounts in respect of receipts realized from time to time.

**Article 136.** In addition to the head “Final charges”, or the final sub-heads in the case of works of which accounts are kept by sub-heads, the following suspense accounts should be 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 of which the correct classification cannot be determined immediately:

(1) “*Materials*”— for the record of the cost of materials issued direct to work.

**Note :** ---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. The “labour” divisions only will thus appear in the Works Abstract as separate sub-heads of final outlay. The charges booked under the suspense head “Materials” should be transferred to the final sub-heads of works by the Divisional Office at the time of closing the accounts of the works. (vide Article 145).

(2) “*Contractor’s*—Advance Payments”— for the record of advance payments and of their recoveries.

**Note :** ---In the case of lumpsum contracts, payments for measured-up additions and alterations, as well as for the work covered by the lumpsum for which no detailed measurements are necessary should be treated like advance payments and brought to account in the works accounts under the suspense head “Contractors— -Advance Payments”. If a percentage or any other portion of the value of work done is withheld as security for the due fulfillment of the terms of the contract, the net amount remaining after the deduction of the portion withheld, should be entered as the advance payment.

(3) x x x x

(4) “*Contractors --- Other Transactions*” — for the record of all other debits or credits to contracts awaiting settlement.

**Note :**—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”.

(5) “*Labourers*” - for the record of unpaid wages of labourers and of their subsequent payment.

**Note :**-----See Note under item (4) above.

#### **LOCAL RULINGS UNDER ARTICLE 136**

1. In Andhra Pradesh the suspense account “Materials-at-site” will be used in the place of the account “Materials” referred to in the above Article. (See Local Rulings under Articles 126, 127 and 129).

2. All “Intermediate payments” made to the contractor in the case of lumpsum contracts and so acknowledged by him are regarded as advances made to him on account of the work concerned and are brought to account in accordance with the above Article.

3. From the final bill paid to the contractor (Form P.W.A. XXII) the total advances made to him in the running account bills (Form P.W.A. XXI) or other recov

erable 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 head concerned, in which the plus figures will already be outstanding.

### (c) Record of Progress

**Article 137.** Entries of “Progress” in the Works Abstract will be made according to such instructions as the Government may lay down in this connection.

#### *LOCAL RULING UNDER ARTICLE 137*

Entries of “progress” in the Works Abstract 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 sub-ordinate 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

(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 measurement covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be reported as to describe as approximately as possible in items 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 report 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 Local Ruling 4 under Article 135.

### (d) Liabilities against the work

**Article 138.** If a contractor delays receiving final payment for more than one month after his final bill has been passed, the account of the work as passed on the bill should be incorporated in 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 of Government. If the final account of a contractor shows that he has already been overpaid or that the account closes with a balance due by him and if an immediate recovery is not practicable, the balance should be removed from the Works Abstract by debit to the head “Miscellaneous P.W. Advances”.

**Article 139.** If any wage 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. If unpaid wages of labourers are claimed and paid subsequent to the closing of the accounts of a work, the accounts of the work may be re-opened at the discretion of the Divisional Officer.



(This Article is not applicable to the Electricity Department where the works are debited even in the first instance with the gross wages and their accounts are closed as soon as the works are completed. The unpaid wages are accounted for under “Deposits”).

### ***LOCAL RULINGS UNDER ARTICLE 139***

1. If any wages of labourers remain unpaid after the completion of a work and the closing of its accounts, the amount should be shown in any Completion Report or Statement that may be prepared under the rules in the Madras Public Works Department Code, 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.

**Note** :—If unpaid wages of labourers are claimed and paid subsequent to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the Divisional Officer 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 work may be re-opened at the discretion of the Divisional Officer.

2. 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 Contractor’s closing balances” and the suspense head “Labourers” in the Works Abstract should be examined monthly.

3. Liabilities are not incorporated in the accounts of works except in the following cases

(a) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated (See Article 136);

(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 (see Articles 127 and 128); and

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account (see Article 138 and 139).

Disbursing officers are, however, responsible for keeping a strict watch over all liabilities with a view to setting them promptly — See Local Ruling 2 above.

4. If any liabilities relating to works are incurred on behalf of contractors, arrangements should be made for withholding sufficient balances from their bills or for making the necessary recoveries from them in due course. On the analogy of the rule in Article 119, 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) recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

**(e) Preparation, Completion and Disposal**

**Article 140.** 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 and readjustment of final charges being posted as minus entries.

When the form of the Works Abstracts contains the column 'Materials', the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head 'Materials' from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to the contractors, the cost should be credited then and there under the sub-head 'Materials Issues' or under the final head in the case of minor estimates, by debit to the head 'Contractors — Other transactions' even though the debits to the work on account of materials may be made later on. In the case of departmental works, the suspense head 'Materials' may be cleared at the end of the month, through the 'Materials-at-site Account' by debiting the cost of the materials to the respective sub-heads for which they have been issued by credit to the suspense head 'materials'. At the end of the month, stock and adjustment transactions should be added, written back of final charges being posted as minus entries.

In the detailed statements provided for the purpose, quantities of work executed should be posted in accordance with the instructions mentioned in Article 137 and the closing balances of contractors' accounts should be detailed so that the correctness of the up-to-date totals under the suspense heads, (1) Contractors — Advance Payments, (2) x x, and (3) Contractors — Other Transactions, should be proved. 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.

**Note 1 :—**The posting of stock and adjustment transactions may, if preferred, be done entirely in the Divisional Office.

**Note 2:-** Posting made in the Sub-divisional Office should be in black ink and all postings and corrections made in the Divisional Office in red ink.

**Note 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 in Advance in the returns for the following month and these should be corrected, if necessary, on return of the Works Abstracts from the Divisional Office.

**LOCAL RULINGS UNDER ARTICLE 140**

1. When the form of the Works Abstract contains the column "Materials-at-site" (see Local Ruling 1 under Article 136), the charges debitable to the work on account of materials should be posted in the receipts column of the suspense head "Materials-at-site" from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to contractors the cost should be credited then and there under the sub-head "Materials at-site—Issues" or under the final head in the case of Minor Estimates, by debit to the

head “Contractors—Other transactions”, even though the debit to the work on account of materials may be made later on—see Local Ruling 1 under Article 127. In the case of departmental works, the suspense head ‘Materials-at-site’ may be cleared at the end of the month through the “Materials-at-site accounts” by debiting the cost of materials to the respective sub-heads for which they have been issued, by credit to the suspense head “Materials-at-site”.

The balance at the debit of the suspense head “Materials-at-site” in the Work Abstract should be reconciled with that in the detailed account in Form P.W.A. XXV. 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 wider 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”.

2. 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. 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.

## ***II. Register of Works***

### **(a) Form and Preparation**

**Article 141.** A permanent and collective record of the expenditure incurred on all works carried out during a year should be maintained in the Divisional Office in Registers of Works, Form P.W.A. 12 and P.W.A. 13 (corresponding respectively to the two forms of Works Abstracts, Forms P.W.A. 10 and P.W.A. 11) in accordance with the instructions printed on these forms. These registers should be posted monthly from Works Abstracts. When Works Abstracts are prepared, under Article 134, for the sub-works or parts 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 to compare the cost of the work and its sub-works with the provision in the estimate.

[The procedure indicated in this and subsequent Articles should be followed also for purposes of and collecting classifying by objects of expenditure the charges debited to the head “Stock” from time to time vide Article 98.]

**Note :**—The maintenance of a register in Form P.W.A. 13 for petty works for which the estimate, account and completion reports are prepared on a single form prescribed by Government (vide Article 133) is optional.

### ***LOCAL RULING UNDER ARTICLE 141***

The object of this register is to get an analysis of the cost of sub-works and subheads, so as to make it possible to determine the rate of cost of work and to foresee, as far as possible, excesses over estimates.

**Article 142.** Before the date of submission of the monthly accounts to the Accountant-General, 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.

**Note :—**If the transactions of a division are very large, the Divisional Officer may allow an extra period of a few days for the completion of the Registers of Works, but the submission of the monthly accounts to the Registers of Works, but the submission of the monthly accounts to the Account-General and the completion of the Works Abstracts should not be delayed on this account.

#### ***LOCAL RULINGS UNDER ARTICLE 142***

1. Actual as well probable excesses, whether in the total cast of a work or subhead or in the rate of cost of a sub-head, should receive special attention and Works Slips in Form P.W.A. XXXII should be prepared and submitted to the Superintending Engineer when necessary (see the Andhra Pradesh Public Works Department Code).

2. It should be seen, with special reference to works on which there have been 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 nearing completion, the delay in closing their accounts should be required into. (see also Article 143). If the slow progress of expenditure is due to delays in measuring work done or in settling up bills, the cause at work should receive attention.

**Note :—**The above Article and rules are not applicable to the Public Works Workshops, Hyderabad but the Register or workshop jobs should be inspected monthly by the General Superintendent to see that it is being posted up-to-date. He should also test-check the entries in the case of atleast 5 per cent of the jobs under execution and record a certificate to that effect.

#### **(b) Closing of Accounts on Completion of Works**

**Article 143.** 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. 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.

**Article 144.** 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, have been 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 Articles 138 and 139). If the whole or any part of the expenditure on the work is recoverable from another Government, department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

**Article 145.** (a) The suspense account ‘Materials’ should be cleared and the total cost of materials should be distributed over the final sub-heads or other accounts concerned in accordance with such rules as the Government may lay down for the purpose.

(b) The sub-head “Additional Charges for Materials issued to Contractors” should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balances under this head before he permits 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 contractor and the actual cost to Government should not be accepted as correct without closer examination.

**LOCAL RULING UNDER ARTICLE 145**

The steps to be taken to clear the suspense head “Materials-at-site” have been detailed in Articles 129 and 130 and the Local Rulings under them.

**Article 146.** The accounts of annual maintenance estimates should be closed in the month fixed by Government concerned, as the last month of the working year for the purpose. Ordinary, it will be possible to complete all the repair work and to settle the account of contractors and other suspense accounts, before the expiry of the working year. If, in any exceptional case, any work remains to be done and it is proposed to carry it on to completion, action should be taken as described below—

(1) The expenditure incurred in the next working 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 working 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 working year. All unsettled liabilities and assets should then be treated as those pertaining to the next working year’s estimate.

X X X X X X X X

**Article 147.** When the work is completed and the accounts of it have been settled and written up as indicated in Articles 144 and 145, 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 his satisfying himself that all action has been taken under those Articles. 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.

**LOCAL RULING UNDER ARTICLE 147**

When a Deposit is completed and the accounts have been closed, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

**Article 148.** 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, the “Excess passed by me” should be added to the completion note recorded under Article 147. If, however, the excess is such that the Divisional Officer cannot pass it within his powers, the completion note in the Register of Works should be amplified thus:—

“Work completed in ..... 19 ..... Completion Report/Statement submitted with the office letter No ..... dated ..... “.

**Note** :—The Completion Report/Statement will be submitted to competent authority in the form prescribed by Government.

### ***LOCAL RULING UNDER ARTICLE 148***

When the Divisional Officer has no power to pass an excess over a sanctioned estimate, a Detailed Completion Report in Form P.W.A. XXXIII should be prepared or the item should be prepared or the item should be included in a consolidated Completion Statement of Works and Repairs in Form P.W.A. XXXIV, as may be required under the rules in the Andhra Pradesh Public Works Department Code. The orders passed subsequently by the competent 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.

#### **(c) Correction of Errors after the Closing of Accounts**

**Article 149.** Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed, the accounts may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees or any other limit prescribed by Government, in which case a note of the error or omission should be made in the relevant documents concerned.

### ***III. Contractors' Ledger***

#### **(a) Form and Use**

**Article 150.** The accounts relating to contractors should be kept in the Contractors' Ledger, Form P.W.A. I, a separate folio or set of folios being reserved for all transactions with each contractor for whom a personal account is maintained. (vide Art.151).

**Article 151.** Except in the following cases, a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been executed :—

(a) if the work or supply entrusted to him is not important and no payment is made to him except on a First and Final Bill on completion of the work; if any materials are issued to the contractor or any payments are made on his behalf, a ledger account should be opened:

(b) if, under the rules of Government a consolidated monthly account for “on account” payment of petty contracts employed on the same work or section of a work is prepared in preference to a separate bill for each payee, a single ledger head, “Petty Contractors” should be opened for the running accounts of all such contractors.

### ***LOCAL RULINGS UNDER ARTICLE 151***

1. No personal ledger accounts need be maintained in the case of payments made to petty labour contractors engaged in the Public Works Workshops, as the work order form itself contains in it the agreement with the contractor and provides also for recording therein payments made to him from time to time.

2. The procedure referred to in clause (b) of the above Article is not in force in Andhra Pradesh.

**(b) Posting**

**Article 152.** Except when a contractor's account is to be closed and the procedure prescribed in Article 138 is observed in respect of unpaid bills, the value 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 and postings should be made from the supporting cash, stock or adjustment vouchers, liabilities not yet liquidated should be excluded altogether. The value of materials issued to a contractor should be debited to his account on the authority of his acknowledgement. (see Article 127).

**Note 1:** —Security deposits of contractors should not be included in their personal account in the ledger. (vide Article 74).

**Note 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 connection with his contract for the latter work, two distinct sets of entries should be made in the ledger, one 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.

**Note 3 :**—If there are several contracts in connection with a work or account, the transactions relating to each should be distinguished, preferably by quotation of the number and date of the agreement or work order.

**Note 4 :**—If a petty contractor's account has to be removed from the combined ledger head "Petty contractors' account" [vide Article 151 (b)] to a separate personal account for him, the total value of work done up-to-date and total payments up-to-date should be debited or credited respectively, to the "Petty contractors' account" and taken on to the personal account as credits and debits.

**LOCAL RULING UNDER ARTICLE 152**

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.

**Note :**—As the Sub-divisional Officers are responsible for clearance from works accounts of all outstandings against contractors, a list of balances due to and from piece-workers and contractors should be maintained by them, and this may, preferably, be done in the same form as the contractor's ledger.

**(c) Balancing and Reconciliation**

**Article 153.** The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be in such detail as to show in respect of each separate work or account (Stock or Purchases), the amount outstanding under each of the suspense accounts, Advance Payments, x x x and 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.

**Note :**—The Petty Contractors' Ledger account should also be closed and balanced in the same way, the balance being recorded as pertaining wholly to the suspense head "Other Transactions".

LOCAL RULINGS UNDER ARTICLE 153

1. In the case of running account bills, the 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 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 :—

Classes of balance	Serial number of entry in memorandum of payments on bill form	
	<i>Running Account bill</i>	<i>Running account bill</i>
	A	C
(1) Advance payments	2	.....
(2) Other Transactions	4	2

*Note* :—See Note 3 under Article 152.

2. 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 Work Abstracts 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.

**Article 154.** Periodically, all the personal accounts in the ledger should be examined and it should be seen (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.

LOCAL RULINGS UNDER ARTICLE 154

1. Entries in column 9, “Total value of work or supplies”, in Form P.W.A. 14 not bearing the initials of the Divisional Accountant vide note 2(vii) in the form, 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 earned forward to a new volume.

Scrutiny of Accounts by Contractors

2. A Contractor requiring copy of his running accounts bill or an extract from his account in the Contractors’ 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 this acceptance of it.



**SECTION 6*****Manufacture Accounts*****A. — GENERAL**

**Article 155.** When materials are manufactured departmentally, either for the general requirements of works for a particular work, a separate account, called a Manufacture Account, should be kept of the transactions connected with each manufacture under a distinct sub-head “Manufacture” of the suspense head “Stock”. (vide Article 95).

**Note :—**The account of road metal digging are not treated at manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with Article 53.

***LOCAL RULING UNDER ARTICLE 155***

A Manufacture Account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed.

**Article 156.** Save as provided in this section, the detailed account of the expenditure on a particular manufacture process should be maintained in the same way as the accounts of a work (vide Section 5) and, in addition, an account should be 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.

**B. — OPERATION ACCOUNTS**

**Article 157.** To manufacture account should be debited directly (1) the value of the raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed, and (3) other incidental charges connected with the operations.

**Article 158.** The following directions should apply to certain incidental charges:-

(a) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connection with a manufacture operation which does not extend beyond a single season, should be debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture operation 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. (vide Article 95). To this account should also be debited the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable installments by debit to the “Operation” accounts of the several seasons, the number of installments and the amount for each season being determined in each case under the orders of competent authority.

**Note :—**When the land, kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent recovered should be credited to this special account and not to Revenue.

(c) If the manufacture is undertaken on behalf of other divisions, departments or Governments, or local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules of Government, for outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge should be made on account of general establishment and ordinary tools and plant charges or on account of interest on the capital cost of land, kilns, plant, etc., unless Government directs otherwise.

#### ***LOCAL RULINGS UNDER ARTICLE 158***

1. The decision as to the suitable installments 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 or Stock, Form P.W.A. XII and not deviated from without the further order of that authority.

2. All the charges referred to in clause (d) of the above Article should be included in any pro forma accounts of the manufacture operations of the division which may be prepared, under the orders of the Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

#### **C. — OUTTURN ACCOUNTS**

**Article 159.** To a manufacture account should be credited the values of the manufactured articles and of the surplus materials sold or otherwise disposed of.

**Note 1:—**The rates for valuing manufactured articles will be such as may be fixed by competent authority.

**Note 2 :—**If the rate, at which any article of outturn manufactured for a particular work is valued, turns out to be different from the issue rate of a similar article already in stock, value of the two articles may be averaged for the purpose of stock accounts unless Government decides otherwise, allowance being made necessarily for the different quantities at the different values.

#### ***LOCAL RULINGS UNDER ARTICLE 159***

1. 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.

2. If the rate, at which any article of out turn, manufactured for a particular work, is 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.

3. 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 Article 52. See also Article 151(c).

**Article 160.** A detailed outturn accounts for each month should be prepared in Form P.W.A. 15, Outturn Statement of Manufacture, and should be attached to the Works Abstract for the operation. The account should show, month by month, the quantities and values of each class of articles manufactured and also the corresponding figures shown in the estimate (if any).

#### **D. — CONSOLIDATED ACCOUNTS**

**Article 161.** The record of the monthly transactions connected with manufacture operations should be kept in the Divisional Office in a separate Register of Manufacture, Form P.W.A. 16, instead of the ordinary forms of the Register of Works (vide Article 141).

**E. — CLOSING OF ACCOUNTS**

**Article 162.** The accounts of manufacture operations should 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 should be closed periodically or atleast once a year.

**Article 163.** Before the accounts are closed, the difference between the “operation” and “outturn” should be adjusted under the orders of competent authority. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment should be made by a suitable entry (without any fresh quantities) in the Outturn Statement, Form P.W.A. 15, 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 effect the “Operation” account only. In all cases, the total “operation” and “outturn” should equal each other when the Manufacture Account is closed.

***LOCAL RULING UNDER ARTICLE 163***

Except when the Manufacture account show a “loss”, the adjustment of differences between “operation” and “outturn” can be made under the order of the Executive Engineer. When the account show a loss, the same should be written off under the orders of the Superintending Engineer or higher authority.

**SECTION 7*****Accounts of Deposits and Suspense Transactions*****A. — ACCOUNTS OF HEADS OTHER THAN “LONDON STORES” AND “WORKSHOP SUSPENSE”**

**Article 164.** Subject to the provisions of Articles 165 and 166 below, a debited account of the transactions relating to the suspense heads “Purchases”, “Stock” and “Miscellaneous P.W. Advances” should be maintained in the Divisional Office in a Register called the Suspense Register, Form P.W.A. 17, separate sets of folios being reserved for each of the several classes of items under the heads concerned (vide Articles 48 and 54). The account of the debit head “Public Works Deposits” should also be kept in the same form.

**Article 165.** In respect of items relating to deposit works (including items falling under the class “Expenditure incurred on Deposit works in excess of deposits received”) which are accounted for in detail in the schedule of Deposit Works (vide Article 219), a single entry for the monthly transactions relating to all such works should be made both in the Deposit and the Suspense (Miscellaneous P.W. Advances), Registers, as the case may be.

**Article 166.** As the detailed accounts for individual transactions relating to Stock are kept in Forms P.W.A. 4 to P.W.A. 6 prescribed in Section 2 of this Chapter, the monthly totals only in respect of each sub-head of stock should be posted in the Suspense Register the transactions of the several Sub-divisions being detailed 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.

**LOCAL RULINGS UNDER ARTICLE 166**

1. The head “Stock” is opened in all divisions in which stocks of materials are maintained for general purposes. In divisions in which no stocks are maintained, this account should be opened only when any manufacture operations are undertaken.

2. The clearance of balances under “Transfers within Division” should receive special attention.

**B. — ACCOUNTS OF SUSPENSE HEAD “LONDON STORES”**

**Article 167.** The transactions under this head should be recovered in detail in a monthly schedule, Form P.W.A. 18.

**LOCAL RULING UNDER ARTICLE 167**

All balances under this head should be watched with a view to early clearance. special reference being made at once to the Accountant-General in respect of each item of stores received, for which no advices of payment have come to hand—see Article 58.

**C. — ACCOUNTS OF “WORKSHOP SUSPENSE”**

**Article 168.** The detailed account of the transactions under this head will be kept in suitable form to be settled by Government in consultation with Accountant-General. so as to show the cost of each job or operation and its adjustment from time to time.

**LOCAL RULING UNDER ARTICLE 168**

The transactions under the head “Workshop Suspense” will, in the case of Public Workshop, Hyderabad be accounted for in Form P.W.A. XXXV in accordance with the instructions contained therein. The form to be used in the case of other workshops will be that which is prescribed in the special orders applicable to each workshop.

**Article 169.** The recorded expenditure on a job should be removed from the suspense head only when, and to the extent that, an adjustment is effected against the deposit received or against the service or other head concerned (vide Article 176). This removal should be 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 plus and minus debit entries.

**D. — UNADJUSTED BALANCES**

**Article 170.** In the accounts for March each year, the outstanding items in the Deposit Register and the Suspense head “Purchases”, which under the rules of a Government are to be treated as lapsed, should be credited to the Revenue head concerned. Any subsequent of such an item should be treated as refund of receipts under the head to which the item was credited and the repayment should be noted in the Deposit or Suspense Register against the entry for its credit to Government.

**LOCAL RULINGS UNDER ARTICLE 170**

The rules relating to the lapsing of deposits and their subsequent repayment are contained in Chapter XI of the Andhra Pradesh Financial Code.

**Article 171.** The balance wider the sub-head “Storage” of the Suspense head “Stock” outstanding at the end of year should also be adjusted finally as a surplus or

deficit, (vide Article 102), i.e., as profit or loss on stock according as it is a minus or plus balance, and should not be carried forward to the following year.

**Article 172.** Items or balances under the suspense head “Miscellaneous P.W. Advances” which become irrecoverable, or any balances under the head “London Stores” due to short deliveries, which cannot be cleared by recovery of cost, should not be removed from the accounts until a competent authority has sanctioned their being written off. For balances under the head “Workshop Suspense”. (see Article 62).

### ***LOCAL RULING UNDER ARTICLE 172***

The powers delegated to subordinate authorities to write off irrecoverable balances, etc., are shown in Appendix 23 of the Andhra Pradesh Financial Code.

## ***SECTION 8***

### ***Workshop Accounts***

#### **A. — GENERAL**

**Article 173.** The directions in this section shall not apply to the accounts of small shops kept in divisions 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. (vide Sections 5 & 6).

**Article 174.** Larger workshops, with special plant or machinery, should 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 shall be that prescribed locally for similar undertakings. When they are run mainly departmental purposes, the accounts should be kept in accordance with the general directions laid down in this section. In their case, the extract forms to be used and the procedure to be observed will be settled by Government in respect of each workshop in consultation with the Accountant-General concerned.

### ***LOCAL RULINGS UNDER ARTICLE 174***

1. The Public Works Workshops at Hyderabad, Vijayawada and Dowlaishwaram and the Electricity Department workshops at Mettur are intended mainly for departmental purposes. In respect of these workshops the rules in this section should be applied in conjunction with the relevant special rules and orders issued by the Government and the Accountant-General from time to time.

2. For every job, there must be an estimate of cost (providing for all charges, including the prescribed percentages of indirect charges — see Article 177), sanctioned by competent authority, and accepted by the indenting officer, local body or individual. (see also the Andhra Pradesh Public Works Department Code). 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.

**Note 1:** —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 before hand.

**Note 2** :—Note Ito Local Ruling 9 under Article 125, in so far as it relates to the omission pies in calculating the value on each item of work should be applied here also.

### **B. — DETAILED ACCOUNTS OF JOBS**

**Article 175.** Subject to the provisions of Articles 63 and 64, all direct charges pertaining exclusively to any job should be debited at once to the accounts of that job under the suspense head “Workshop Suspense” 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.

**Note** :—All liabilities should be taken into account, even though undisbursed, so that the general charges may be allocated correctly, month by month, and the recorded expenditure on each job may represent, as far as possible. the actual cost up-to-date.

### **LOCAL RULINGS UNDER ARTICLE 175**

In the case of the Public Works Workshops, the direct charges on a job are made up of—

- (i) cost of labour actually employed,
- (ii) cost of materials used,
- (iii) cost of castings.\*
- (iv) a share of the running charges of machines.\*
- (v) a share of the running charges of forges,\*
- (vi) a share of the general charges actually incurred, and
- (vii) incidental charges such as packing and carriage.

\* [These items will occur in the case of the Public Works Workshops, Hyderabad only].

2. The debits under the suspense head on account of “General Charges” will be relieved by a distribution of the same to the jobs in hand at a fixed percentage on cost of labour on the basis of the average of the actual of the previous years, any gain or loss resulting therefrom being credited or debited to State revenues — see also Local Ruling 2 under Article 177.

**Article 176.** In the case of jobs of all classes, the cost of operation should be cleared or adjusted in transfer (vide Article 169) as the case may be, month by month, hut 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 Article 62)—

- (a) when the total cost during the year is not larger than Rs. 500 or any other limit may be fixed by Government in consultation with the Accountant-General;
- (b) when the monthly settlement of account is inconvenient to the indenting division or department.

**Note:-** 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 Article should be

effected against the deposit, the unexpended balance being refunded under the rules of Government only when the job is completed and the account of it settled.

**LOCAL RULINGS UNDER ARTICLE 176**

1. When an employee of the Division is exempted under the rules in the Andhra Pradesh Public Works Department Code form paying the estimated cost of a job in advance, the cost of the operations should be charged monthly to the head “Miscellaneous Public Works Advances”, pending recovery which is usually made by deduction from pay.

2. The following procedure should be adopted in regard to the adjustment of the cost of jobs in the Public Works Workshops at Hyderabad, Vijayawada and Dowlaishwaram—

Class of jobs	Public Works Workshops at	
	Hyderabad	Vijayawada and Dowlaiswaram
(1)	(2)	(3)
Jobs estimated to cost Rs.500 or less	Once a year in the accounts for March or in an earlier month if the job is completed earlier.	Same as in column (2)
Jobs estimated to cost more than Rs.500.	As soon as the expenditure reaches a limit of Rs.500 or multiples thereof, the balance, if any, being adjusted at the end of the official year.	Monthly.

3. Part debits on account of the cost of operations in connection with large jobs undertaken by the Public Works Workshops, which are raised in advances of the actual supply of the manufactured articles in accordance with Local Ruling 2 above, should be held in Suspense in the Works Accounts under a temporary sub-head “Workshop Liabilities” pending the receipt of the articles. That sub-head should be relieved and the sub-head “Materials-at-site” or the sub-head concerned debited, on receipt of the articles.

This procedure is applicable to minor works and repairs also. In respect of these, the part debits raised by the Workshops may be accounted for under the suspense head “Contractors—Other transactions” in the works accounts with a suitable note and the same cleared on receipts of the articles.

**Article 177.** In addition to the direct charges mentioned in Article 175, to the account of each job may be debited, not through the Workshop Suspense Account but directly wider the head of account concerned, suitable percentages to cover the indirect charges determined by Government. The following are examples of the charges usually levied :—

- (a) Supervision charges,
- (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 the percentage fixed by the Central Govt. for Audit and Accounts Establishment),
- (f) Profit.

See also Article 64.

**Note** :—The percentages realized on account of establishment charges should be treated as a reduction of expenditure or as revenue receipts, as the case may be, in accordance with the directions in Article 69. All other percentages should be treated as revenue receipts.

#### **LOCAL RULINGS UNDER ARTICLE 177**

1. The percentages fixed to cover the indirect charges are indicated in Appendix 3 to this Code and in the Andhra Pradesh Public Works Department Code.

The percentage for supervision charges should be calculated on the 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. The percentage on account of profit usually charged in other cases is not charged on jobs executed for other divisions of the State.

2. The rates for “general” and “indirect” charges for the Public Works Workshops at Hyderabad, Vijayawada and Dowlaishwaram will be fixed from time to time, by the Government. In order to arrive at an accurate apportionment of the overhead charges and to minimize the losses in the Workshops, the percentages will be revised once a year when the profit and loss accounts of the previous year are received the revision of the rates being based on the average of the actuals of the three preceding years. (see the Local Ruling under Article 179). The distribution of the rate for Indirect charges between Establishment, Tools and Plant, interest on Capital, Depreciation of buildings, etc., and Pensionary charges, will also be fixed by the Government in consultation with the departmental authorities and the Accountant-General.

**Note 1** :—Percentages and general charges should not be calculated on fractions or to fractions of a rupee; fractions less than half a rupee should be disregarded and fractions of half a rupee and over taken as one rupee.

**Note 2** :—The totals of bills for jobs should be rounded off to whole annas, subject to the condition that the minimum charge for each job should be one rupee.

**Article 178.** The indirect charges mentioned in Article 177 should be brought to account whenever the settlement of the account of direct charges is effected under Article 176.

#### **LOCAL RULING UNDER ARTICLE 178**

In the case of the Public Works Workshops, Hyderabad the indirect charges for Establishment, Tools and Plant will be calculated monthly on the total charges of the month and adjusted through the Workshop Suspense Account. The indirect charges for Interest on Capital, Depreciation of buildings and Pension will not, however, be debited to the Suspense Account but added, at the time of adjustment, to the direct charges by credit to the heads concerned.



In the case of the Public Works Workshops at Vijayawada and Dowlaishwaram, all indirect charges will be calculated monthly on the total charges of the month and adjusted through the Workshop Suspense Account under the head of account concerned.

### C. — MANUAL ACCOUNT

**Article 179.** Proforma accounts of each workshop will be prepared annually in such form and in such detail as may be prescribed by Government in consultation with the Accountant-General.

#### *LOCAL RULING UNDER ARTICLE 179*

The following rules have been made by the Government in consultation with the Accountant-General :—

(1) Annually, proforma accounts of each workshop should be prepared, consisting of -

(i) the Capital Account, showing the values (after making due allowance for depreciation) of the buildings, machinery and plant. and stock, and the outstanding balance 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 building, 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) 1 percent 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 “XLVI. Miscellaneous — Fees for Government audit” in the regular accounts (vide Note 2 to Rule 10 an Appendix 3); and on the other side the percentage charges made in accordance with the Local Ruling under Article 177 excluding the 1 percent for audit and accounts establishment credited to “26. Audit” or ‘XLVI. Miscellaneous — Fees for Government” Audit”, under Note 1 to Rule 10 in Appendix 3.

**Note :-** The stock account should be treated as a part of the workshop account, only if, and to the extent that, the reserve stock is declared by the 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 supervision charges) arising out of it, should appear in the profit and loss account of the workshop.

(2) The Accountant-General should review the annual accounts of a workshop, in consultation with, the officer in charge of it, and submit a report to the Government on its financial working, specially bringing out the necessity or otherwise, of revising the percentages fixed by the Government for the several charges referred to in Article 177 above,

**Note :-** 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 hut also the progressive figures to the close it the year, commencing from a suitable date.

**SECTION 9*****Transactions with Other Divisions, Departments and Governments*****A. — GENERAL**

**Article 180.** When a transaction has to be cleared by a book transfer, the transfer should be affected by debiting or crediting into the remittance or other head concerned in the Cash or Stock Accounts if it appears therein, or by an entry in the Transfer Entry Book. (see Articles 14 to 19 also).

**Note 1 :—**Such percentage charges on account of supervision and establishment and tools and plant as may be livable under the rules, should also be included, by a transfer entry, in the amount transferred.

**Note 2: —**The cost of workshop jobs need not be adjusted monthly. (vide Article 176).

**B. — TRANSACTIONS ORIGINATING IN THE DIVISION**

**Article 181.** When a transaction originates in a Public Works Division, the necessary transfer should appear ordinarily in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost should be adjusted in accordance with the directions in Articles 175 to 177.

**Article 182.** In respect of work done in a division for other divisions, departments or Governments, the intimation of the transfer will be given after audit (see Notes below), by the Accountant-General to the Accounts Officer concerned, or to the division or department for which the work, is done, if in the same State. The division undertaking the work should bring the transaction to account under the remittance or other head concerned, and submit vouchers to the Accountant-General in the same way as for works of the division itself.

**Note 1:-** For the purpose of this Article, work done should include jobs executed in workshops.

**Note 2 :—**The provision regarding pre-audit may be relaxed in the case of any item appearing in the accounts for March, and requiring adjustment with another Government. (vide Article 234).

**LOCAL RULINGS UNDER ARTICLE 182**

1. In the case of work which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the amount of the estimate and appropriation for the works should be divided into two parts in the correct proportion to represent, respectively the works expenditure and the percentage charges.

2. In the case of work done or supplies made by the Public Works Workshops. Hyderabad, Dowlaishwaram or Vijayawada, to a civil department of the Government the estimated cost of the job or supplies indented should be credited in advance into a treasury under “P.W. Remittances-III Other Remittances — Receipts on account of Public Works Department-Public Works Workshops and Stores Division or Godavari Headworks Division or Krishna Central Division” respectively. The expenditure incurred will be admitted up to the amount of deposit made by such authority, any unexpended balance being credited and expenditure in excess of the deposit, if incurred, being debited, as the case may be after the work or supply is completed, based on the final accepted invoices.

**Article 183.** For other transfer transactions between Public Works divisions subordinate to the same or different Governments, the originating division should send an Advice of Transfer Debit (or Credit), Form P.W.A. 19, accompanied by necessary vouchers in the case of debits, to the division concerned as soon as the transaction occurs. The division required to adjust the amount should, if it accepts the transfer, acknowledge it on prescribed form of Acceptance of Transfer, Form P.W.A. 20. The entry in the accounts of the debiting division should be supported by the Acceptance of Debit, or Advice of Credit, as the case may be.

**Note:** —In cases of transfer debit transactions, all relevant vouchers, including such as do not pass ordinarily beyond the Divisional Office, should accompany the Advice. If this requirement cannot be complied with, in any case, in respect of a cash voucher which cannot be replaced by a certificate of payment, an advice should be attached to the Monthly Accounts for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

### **C. — TRANSACTIONS ORIGINATING IN ANOTHER DIVISION, DEPARTMENT OR GOVERNMENT**

**Article 184.** Transactions originating in another division, department or Government should as a rule be adjusted in divisional accounts only on receipt of intimation of the debit or credited through the Accountant-General. The following are, however, exceptions in which the adjustment be made without receipt of intimation from the Accountant-General :—

(1) recoveries of rent realized on behalf of the Public Works Department by disbursing or Accounts Officers of other accounts circles, provided these entries are supported by certificates (signed by the disbursing or the Accounts Officers, as the case may be) to show that the amounts adjusted in the accounts have been realized from the parties concerned;

(2) transactions for which advices and acceptances of transfers are exchanged direct between one division and another; (vide Article 183);

(3) any other transactions authorized by the Accountant-General.

### **LOCAL RULING UNDER ARTICLE 184**

All entries in the schedule of credits civil departments will be advised by the Accountant-General, but there is no objection to the P.W.D. raising credits to the Forest Department for forests supplies in anticipation of debits appearing in the exchange accounts.

**Article 185.** The Divisional Officer should examine every transfer advised to his division for adjustment, but should not reject a transfer because the voucher is not in order, or is wanting. Nor should a transfer sent for adjustment be partly accepted and partly rejected; it may be rejected altogether if it does not pertain clearly to the division; otherwise, it should be accepted provisionally in full and the dispute, whether as to the amount or as to other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer.

**Note:** —Railway debits for amounts due on warrants and credit notes passed on by the Accountant-General for adjustment in the divisional accounts should be accepted in full, subject only to readjustment later on of under or overcharges. The adjusting officer is not responsible for

the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the property of the charges as against the head of the service concerned; the calculations made by the Railway Accounts Department, which are test checked by the Railway Audit Department, should be accepted as correct.

**Article 186.** When a charge is transferred to another division, Department or Government for adjustment, the transfer must be supported either by the necessary vouchers, complete in all respects, or by a certificate (signed by the Accounts Officer of the department originating the transfer) to the effect that the payment vouchers have been audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

#### **D. — SETTLEMENT OF ACCOUNTS**

**Article 187.** In cases in which Advices and Acceptances of Transfer are exchanged direct by Divisional Officers of two accounts circles, those officers shall be jointly responsible for clearing remittance transactions expeditiously in direct communication with each other. If an item cannot be accepted, and the intimation of its rejection issues too late to reach the originating officer within the month in which he has brought it to account the officer who is called upon to adjust it, should also inform his own Accounts Officer, of the number and date of the originating officer's Advice of Transfer and of his own intimation of objection, giving him also brief particulars of the debit or credit, and the grounds of objection.

**Article 188.** In cases in which no advices and Acceptances of Transfer are exchanged, the Divisional Officer should examine, as expeditiously as possible, the transfers which the Accountant-General intimates to him for adjustment in the divisional accounts, and report all his objections to the Accountant-General, whether the transfer is brought to account provisionally or rejected.

**Article 189.** The directions given in Articles 187 and 188 shall apply also to transfer transactions, not relating to the execution of works, with (1) Railways, (2) Military Engineer Services, and (3) Posts and Telegraphs Department (Telegraph Section).

#### **LOCAL RULINGS UNDER ARTICLES 187-189**

1. Except in respect of transactions of the following classes, the Divisional Officer may authorize the Divisional Accountant to sign Advices and Acceptances of Transfer for him :—

- (i) When the transfer advised is a credit or minus debit,
- (ii) When the transfer accepted is a debit.

So far as Public Works Stores Division, Hyderabad is concerned, the Assistant Superintendent of Stores is authorized to sign Advices and Acceptances of Transfer in the excepted cases mentioned above.

2. The Divisional Accountant will be responsible to see that there is clear authority of the responsible disbursing officer of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered

as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that, when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.

## **SECTION 10**

### *Accounts of Cemetery Endowments*

**Articles 190-194. X X X**

## **SECTION 11**

### *Other Directions*

#### **A. — MONTHLY CLOSING OF THE ACCOUNTS**

**Article 195.** The initial accounts of cash and stores, which are maintained in Sub-divisional Offices under the directions contained in Sections 1 and 2, should be closed on the 25th or such earlier date between the 19th and the 25th as may be fixed by the Accountant-General for the purpose, in order that the accounts returns of the subdivisions may reach the Divisional Office in sufficient time for the compilation of the monthly account of the division and its submission to the Accountant-General by the prescribed date.

**Note:-** In cases where Sectional Officers are authorized to maintain separate initial accounts of stock in their charge, which have to be incorporated in those of the sub-divisions they may be permitted, except in March, to close their monthly accounts three days before the date of closing fixed for the sub-division. The limit of three days may be relaxed by the Accountant General in exceptional cases.

#### **LOCAL RULING UNDER ARTICLE 195**

The transactions of the calendar month subsequent to the closing of the accounts should be treated as that 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.

**Article 196.** The cash and stock accounts of the Divisional Office should be closed on the last working day of the calendar month. The Transfer Entry Book of the 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, supervision charges etc., should be made.\*

\*[See Article 212 below]

#### **B. — REVIEW OF UNSETTLED ACCOUNTS**

**Article 197.** The several registers and schedules relating to the suspense and deposit heads of account, the Contractors' Ledger, Works Abstracts and Registers of Works should be reviewed monthly, so that the action 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 to bring about all possible reduction in the number and amounts of outstanding items at the close of the year.

**LOCAL RULING UNDER ARTICLE 197**

The procedure prescribed in this Article should also be followed in regard to the Rent Registers and other records of assessment and realization of revenue referred to in Section 4 of Chapter III of this Code.

**Article 198.** Similarly, special action should be taken early in March to bring to account all remittance transactions and other liabilities and assets awaiting settlement, and to effect clearance, in the accounts of March, of as many outstanding items as possible. Liabilities as well as outstanding debits and credits remaining unadjusted at the end of March, should be watched individually to secure their clearance before the accounts of the year are closed finally. It is not sufficient that the Divisional Office should bring 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 Accountant-General may be sought, where necessary.

**Note** :—In connection with transactions with other Governments and with Railways it should be borne in mind that the Central Accounts Section of the Reserve Bank close their books for the year on the 15th April. (vide Article 234).

**C. — CLOSING OF THE ACCOUNTS OF THE YEAR**

**Article 199.** The financial year terminates on the 31st March and actual transactions taking place after that date should on no account be treated as pertaining to that year. In order, however, that as many of the unadjusted outstandings of the year as possible should be cleared and the errors in accounts coming to notice after 31st March should be rectified, if possible, within the accounts of the year, the Transfer Entry Book and the Stock Accounts should be kept open for inclusions of transfer entries relating to rectification of errors and for settlement of outstandings, but (in the case of stock of accounts) for actual transactions. These accounts should be closed on the 20th May or on such date as may be prescribed by the Accountant-General (see Article 236).

**Note** :—Accounts of transactions with other Governments and with Railways must be settled completely and communicated to the Accountant-General by the 12th April at the latest (Article 234).

**LOCAL RULINGS UNDER ARTICLE 199**

1. The Government has fixed the 20th of May as the last day for the March Final Accounts to be sent by Public Works Disbursing Officers.

2. If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after the 31st March, in the same way as adjustments in rectification of errors noticed after that date.

**D. — CORRECTIONS IN ACCOUNTS**

**Article 200.**(a) If an item in the accounts which properly belongs to a revenue or expenditure head is classified wrongly 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 are closed, no correction is admissible except as permitted in Article 251 of Volume IV and except in cases affecting the accounts of works including these failings

under Article 149. [This refers to Vol. 1V of the Comptroller and Auditor-General's Account Code 1.

**Note 1** :—Errors in suspense accounts are governed by the rule in clause (b).

**Note 2** :—If an error is detected after submission to the Accountant-General of the Divisional Officer's Supplementary Account of the year (vide Article 236), it should be reported to the Accountant-General for his instructions, unless the amount is not more than ten rupees.

(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, a suitable note of it should be made in the account concerned.

**Article 201.** All corrections in accounts which may be advised by the Accountant-General on his auditing the documents should, after verification, be carried out in all relevant records in red ink and attested by the dated initials of the Divisional Accountant. A reference to the audit note or other advice should also be noted against the correction.

#### **LOCAL RULINGS UNDER ARTICLE 201**

The Divisional Accountant is responsible that all corrections advised by the Accountant-General are specially brought to the notice of the Divisional Officer.

### **E. — PROFORMA ACCOUNTS**

**Article 202.** If, for the purposes of any pro forma account which the Accountant-General 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 on it should be booked separately in the general accounts, even though, under rule, it may not be customary to estimate or account for such expenditure separately. Detailed instructions in this connection will be issued by the Accountant-General in consultation with the Government concerned, where necessary.

#### **LOCAL RULING UNDER ARTICLE 202**

1. The proforma accounts showing the results of the working of irrigation, navigation embankment and drainage projects, productive as well as unproductive, for which capital and revenue accounts are kept, are prepared annually by the Accountant General in accordance with the rules prescribed in Appendix 3 to Volume IV of the Comptroller and Auditor-General's Account Code. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

2. In the case of buildings in charge of the Public works Department, which are available for occupation as residences, capital revenue accounts are prepared triennially by the Accountant-General, for each circle of superintendence, in accordance with the rules prescribed in Appendix 2 to Volume IV of the Comptroller and Auditor-General's Account Code and any further orders that the Government may have issued. For this purpose, Divisional Officers should furnish the Accountant-General annually with the necessary data, in respect of such buildings, of their divisions as may have to be included in the circle accounts in the prescribed forms.

**Note 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 and 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) the 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 the Andhra Pradesh Public Works Department Code.

**Note 2** :—Note 1 applies also to expenditure on the provision of special services in connection with residential buildings such as furniture etc., for which rent is charged separately.

**Note 3** :—If a building is actually occupied prior to closing the accounts of expenditure of constructions, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy, and should, therefore, be fixed provisionally with the sanction of the competent authority.

**F.—ACCOUNTS IN OFFICES TO BE RECONSTITUTED**

**Article 203.** 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 Accountant-General for the instructions to be observed in regard to accounts in giving effect to the arrangements.

**LOCAL RULING UNDER ARTICLE 203**

- |   |   |
|---|---|
| (i) Works in progress and suspense accounts works,                  | On all the occasions referred to in this Articles.  |
| (ii) Appropriations and sanctions not yet completely operated upon. | the necessary transfer between offices, of un settled accounts (for examples, see margin), of liabilities not yet brought to account, of quantity |
| (iii) Stock and other suspense account                              | accounts of tools and plant and road metal and  |
| (iv) Remittance accounts.   | of relevant account and establishment records   |
| (v) Deposit and cash balances.                                      | (including unused forms of cheque books and   |
| (vi) Unrealized rent & other revenue.                               | receipt books), should received the special   |
| (vii) Interest-bearing securities.                                  | attention of all concerned.   |

**CHAPTER IV**

**ACCOUNTS RETURNS RENDERED BY  
PUBLIC WORKS OFFICERS**

[**N.B.** :—The procedure prescribed in this Chapter is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department, which is some what different, is outlined in the departmental Manual].

**A. — GENERAL**

**Article 204.** The directions contained in this Chapter shall regulate the procedure relating to the compilation of divisional accounts and to their submission to the Accountant-General.



**LOCAL RULINGS UNDER ARTICLE 204**

The duties of the Divisional Accountant in regard to the audit of works transactions are laid down in Chapter 6 of Section IV of the Audit Code (1950 Edition) and the rules in this Chapter should be taken as supplementing those rules.

**Note** :—In the Electricity Department, where Chief Accountants have been appointed the rules regarding the duties and functions of the Divisional Accountant are covered by separate orders of the Government which are incorporated in the departmental Manual.

**B. — SUB-DIVISIONAL ACCOUNTS**

**Article 205.** Arrangements should be made, under the orders of the Divisional Officer, for the despatch of the sub-divisional returns mentioned below, to the Divisional Office on such date as may render possible the compilation of the monthly or other periodical accounts of the division on the due dates

- |  |  |
|--|--|
| (a) Copies of the Cash Book<br>(supported by vouchers)   | Twice a month or often as may be directed by the Divisional Officer, the copy for the last period of each month together with the Cash Balance Report being sent on the date fixed for closing the Cash Book;<br>(vide Article 195). |
| (b) Abstracts of Stock Receipts and Issues, Forms P.W.A. 5 and P.W.A. 6 supported by receipted invoices or other vouchers, and extracts from Registers of Stock Receipts and Issues. (Copies)                          | Within three days of the date on which the accounts of a month are closed.   |
| (c) Works Abstracts (accompanied, where necessary, by Statements of Outturn from Manufacture and Transfer Entry Orders) for each work in progress in connection with which there was any transaction during the month. | —Do.—  |
| (d) Petty Work Requisition and Accounts for each petty work in progress, in connection with which there was any transaction during the month (in original).  | —Do.—  |
| (e) Transfer Entry Orders, Form P.W.A. 7, relating to the accounts of the month, other than those proposed from time to time and transmitted separately.<br>(vide Article 108).  |  |
| (f) Such other returns as may be necessary for the compilation of the accounts required to be submitted to the Accountant General under orders of Governments. (vide Article 239).                                     |  |

**Note 1** :—The totals of the “Cash” columns on both sides of the copy of the sub-divisional cash book should be expressed in words in the sub-divisional Officer’s own hand in token of his having satisfied himself that it is a true copy and correct in all respect.

**Note 2** :—The Accountant-General 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.

**Note 3** :—The Accounts Returns received from sub-divisions should be further checked in accordance with the rules prescribed in this behalf in the Audit and Departmental Codes.

**LOCAL RULING UNDER ARTICLE 205**

1. In addition to the returns mentioned in the above Article Sub-divisional Officers should submit to the Divisional Office the following returns in the manner indicated against each:

(i) Accounts of Receipts and Issues of Tools and Plant (Forms P.W.A. I & II) supported by the necessary vouchers and acknowledgments in original.	Within three days of the date on which the accounts of a month are closed.
(ii) A certificate regarding the scrutiny of the Materials-at-site Account of a minor works and repairs.	Between the 10th and 15th of the following month. (see Local Ruling 1 under Article 126).
(iii) Statement of Receipts, Issues and Balances of Road Metal (Form P.W.A. IV).	Monthly—(see Local Rulings 21 and 22 under Article 92).
(iv) Such statements or reports in connection the recoveries of rents of building and lands as the Divisional Officer may require the Sub-divisional Officer to prepare.	Monthly—(see Local Ruling 2 under with Article 116).
(v) Estimate of probable requirements of if prescribed by the Divisional Officer.	Monthly—(see Subsidiary Rule 55 cash, under Treasury Rule 16).
(vi) Balance Return of Stock (Form P.W.A. XI).	Half-yearly, on date fixed by the Divisional Officer (see Local Ruling under Article 239).
(vii) Register of Tools and Plant (Form P.W.A. III).	Yearly on or before the 15th October.
(viii) Reports of verification of stores, including materials-at-site of works.	Immediately after each verification

A covering letter in Form P.W.A. XXXVI should be sent to the Divisional Office along with the return specified in items (b) to (e) in the above Article and in item (i) above.

A detailed list in Form P.W.A. XXXVII should be sent with all Works Abstracts and Petty Works Requisitions and Accounts — items (c) and (d) in the above Article. The Materials-at-site Account. Form P.W.A. XXV or XXVI, should also be sent with Works Abstracts, when necessary.

2. 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 Subsidiary Rule 55 under Treasury Rule 16).

### C. — COMPILATION OF MONTHLY ACCOUNTS

#### I. — *Introductory*

**Article 206.** Save as provided in Article 207, all the transactions of the divisions, as recorded in the initial accounts of cash and stock and in the Transfers Entry Book, should be posted direct from those sources in one or other of the schedules prescribed in this section, the details being in some cases recorded in supporting schedule dockets. (vide Article 209).

**Article 207.** The cash and stock transactions booked under the head “Transfer within Division” should not be included in any of the schedules leading to the monthly accounts. Nor should be following transactions be posted in the schedules from the initial accounts specified against each:

(i) transactions recorded in the Cash Book under the head “Cash from Treasury”. (These are brought to account through the Transfer Entry Book as a part of the entry “Total amount of cheques drawn”);

(iii) transactions brought to account in the initial account stock (Forms P.W.A. 5 and P.W.A. 6) through the Cash Book or the Transfer Entry Book, e.g., stock purchased in cash, stock sold for cash and stock received from works.

#### **LOCAL RULING UNDER ARTICLE 207**

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in item (ii) in this Article 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 Abstract of Stock Receipts and Stock Issues, Forms P.W.A. 5 and 6. (see Instruction (2) printed on these forms).

**Article 208.** Before the actual compilation of the various schedules and schedule dockets, etc., is undertaken, the Abstract Book Form P.W.A. 23, may be written up from the original Cash Books. Abstracts or Receipts and issues of Stock and the Transfer Entry Book in accordance with the instructions printed on the standard form. The book will consolidate all the transactions of the division and will, thereby, facilitate the location of errors and omissions made in the compilation of the Monthly Account from the schedules and also serve as an independent check over the compiled accounts.

#### **LOCAL RULING UNDER ARTICLE 208**

The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the Monthly Accounts 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 P.W.A. XXXVIII. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions, Form P.W.A. XXXIX, Register of Miscellaneous Sanctions, will be found suitable.

**Note 1** :—Form P.W.A. XXXVIII and XXXIX may also be used in respect of sanctions to contingent expenditure when this is not brought to account in the Monthly Account but separate pages of these registers should be set aside for this purpose.

**Note 2** :—Sanctions to estimates for works should be entered in the Register of Works, even though a collective register of all sanctioned estimates be maintained by the Divisional Officer for his own information.

## ***II — Schedule Dockets***

**Article 209.** 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 (see Article 226), are received and are scrutinized, they should be posted into Schedule Dockets in Form P.W.A. 24, a separate from being used for—

(a) each work to be accounted for in a schedule of Works Expenditure, Form P.W.A. 27 or in the Schedule of Deposit Works Form P.W.A. 33 (vide Article 219);

(b) each manufacture or other item of expenditure debitable to Stock and to be accounted for in the Schedule of Debits to Stock, Form P.W.A. 28, (vide Article 216); and

(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 Article 20) should be posted as refunds, with brief particulars of the transactions.

**Article 210.** At the end of the month, the schedule dockets should be completed in respect of the Stock transactions. All the Stock debits and credits of the month as recorded in the lower part of Form P.W.A. 5 and P.W.A. 6, Abstracts of Stock Receipts and Stock Issues, respectively, other than those brought to account through the Cash Book and the Transfer Entry Book, (vide Article 98), should be posted in the schedule dockets. 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.

**Article 211.** 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) of Article 209. 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 the Accountant-General (vide Article 232) should then be attached to the respective schedule dockets which should be numbered in a separate series for each month.

**Note 1** :—Accountant-General may, at their discretion, permit Divisional Officers to post the schedule dockets at the end of the month from the Works Abstracts, as soon as the latter are completed and checked. Accountant-General may as so, at their 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 the Accountant-General. In that case, the Divisional Accountant should record a certificate in the last column of the schedule of Works expenditure against the relevant item that the vouchers in support of the item are such as are not required to be submitted to the Accountant-General under the rules.

**Note 2 :—**Some of the schedules mentioned in clause (c) of Article 209 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.

### ***LOCAL RULING UNDER ARTICLE 211***

The audit of schedule dockets is conducted in the Accountant-General's office on the assumption that petty vouchers and initial stock accounts in support of the certified amount of untouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test audit. The Divisional Accountant is therefor, personally responsible for the accuracy of these amounts as stated in schedule dockets.

**Article 212.** For percentage recoveries made on account of establishment, tools and plant and accounts and audit charges, a single schedule docket should be prepared in Form P.W.A. 25 which should embrace all Government as well as non-Government works on which there percentages may be leviable under rule.

**Note :—**This form serves as the transfer entry order relating to these recoveries (vide Article 196) and should, therefore, be signed by the Divisional Officer.

### ***III. — Schedules***

#### ***(a) Schedule of Monthly Settlement with Treasuries***

**Article 213.** After the settlement of account mentioned in Article 89 has been effected with treasuries, a Schedule of Monthly Settlement with Treasuries should be prepared in Form P.W.A. 25 separately in respect of the treasuries of each accounts circle.

### ***LOCAL RULING UNDER ARTICLE 213***

Form P.W.A. 26 is required for submission to Audit in original. The office copy of the details recorded in it should be signed by the Divisional Officer, and carefully recorded for a period of twenty years.

#### ***(b) Schedule of Revenue Receipts***

**Article 214.** The following schedules, which are only extracts of the Registers prescribed in Articles 113 to 115, should be prepared in the same form as that of the corresponding registers:

- (i) Schedule of Revenue Realized.
- (ii) Schedule of Refunds of Revenue.
- (iii) Schedule of Receipts and Recoveries on Capital Account.

**Note :—**A separate schedule should be prepared for each class of receipt for which a separate register is maintained under Article 113.

### ***LOCAL RULING UNDER ARTICLE 214***

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 total of major head should be also be prepared.

#### ***(c) Schedules of works expenditure***

**Article 215.** (a) After a reconciliation has been effected between the totals of works, works abstracts and relevant schedule dockets of schedule of works, expenditure

should be prepared in Form P.W.A. 27, separately for expenditure relating to each of the following classes:

(i) each major head (or a division thereof shown separately in Appendix 2 to Volume I) under which expenditure is recorded, a separate schedule should be prepared for “Central” and “State” expenditure in the case of “50—Civil Works” in States;

(See footnote to Article 10 above).

**Note :**—This form is not used for manufacture transactions, (vide Article 216).

(i) Military Engineer Services;

(ii) xxx;

(iii) Railway Works;

(iv) Indian Navy;

(v) Posts and Telegraphs Department Works;

(vi) Archaeological Works of the Central Government connected with the conservation of ancient monuments which are debitable to the Archaeological Department;

(vii) all other Government works including occasional works of classes (ii) to (v); and

(viii) all non-Government works other than Deposit Works for which separate schedules are prepared, (vide Article 219);

(b) Only those works on which expenditure has been incurred during the month should be included in the schedule. The entries should be 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 which form part of a single project or system should, in the cases, be grouped together,

### ***LOCAL RULING UNDER ARTICLE 215***

In the case of projects under construction, the schedule of works expenditure should show the total expenditure up-to-date on each of the heads subordinate to the minor heads (e.g., head works, main canal and branches, etc.), as also the total amount of estimate for comparison.

As regards “Revenue Accounts”, the expenditure under “Extensions and Improvements” and “Maintenance and Repairs” should be arranged by works under the several detailed heads given in Appendix 2.

### ***(d) Schedules of suspense transactions***

**Article 216.** (a) All debits to stock should be collected in Form P.W.A. 28. Schedule of Debits to Stock. The entries in this schedule should be arranged in four

groups — (1) “Manufacture” (2) “Land, Kilns, etc..” (3) “Storage” and (4) “Other sub-heads. Under (1), should be detailed all manufacture operations in progress and under (2), all works in progress in connection with the acquisition of land, construction and repairs of kilns, etc. Under (3) should be shown, the expenditure which is incurred, after the acquisitions of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards etc. Under (4), should be shown (a) individually, all items of expenditure on the carriage, handling etc., of stock materials, when the cost of such processes is debitabale to the sub-head of stock under which the materials are classified (vide Articles 98 and 131), (b) individually, all items of acquisition of stock materials for which an estimate is required, and (C) collectively, all other items of acquisition of stock materials. In respect of each manufacture operation, the outturn of the month (vide Article 156) should also be shown in the schedule. The operation and outturn should be entered in two separate lines.

(b) An account of suspense head “Stock” should next be prepared in Form P.W.A. 29, Stock Account. Part I of the main account which should show the receipts, issue and balances, classified by sub-heads. Separate figures should be given in respect of the sub-heads “Manufacture”, “Land Kilns, etc.,” and “Storage” and all other subheads (vide Article 95) should be lumped up. Part II, the Detailed Account of Issues, should be written up first, and from this part and the Schedule of Debits to Stock, Form P.W.A. 28, should be prepared Part I.

#### ***LOCAL RULING UNDER ARTICLE 216***

1. If the Divisional Officer is specially authorized by the Government to sanction the carriage, handling, etc., charges up-to a specified money limit, it will devolve upon the Divisional Accountant to conduct the audit of individual items of expenditure against the Divisional Officer’s sanctions but all items of this class should be detailed in the schedule.

2. In Andhra Pradesh, separate figures should be given for all the sub-heads mentioned in Form P.W.A. 29.

**Article 217.** The schedules relating to purchases and Miscellaneous P.W. Advances should be prepared in Form P.W.A. 30 (or Form P.W.A. 31, vide Note I below) and Form P.W.A. 32, respectively, on the basis of the entries made in the Suspense Register, Form P.W.A. 17, (vide Article 164).

**Note 1** :—In respect of Purchases, the Accountant-General may authorize the use of Form P.W.A. 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.

**Note 2** ;—In the schedule of Miscellaneous P.W. Advances for the months other than March, items which do not exceed Rs. 5/. each may be shown in a lumpsum if the Accountant- General so authorizes.

**Article 218.** The schedule for the Suspense head “London Stores” has already been described in Article 167. The schedule for “Workshop Suspense” should be prepared in such form as may be prescribed by Government in consultation with the Accountant- General. (See the Local Ruling under Article 168).

*(e) Schedules of Deposit Transactions*

**Article 219.** After the reconciliation mentioned in Article 211 has been effected, a consolidated record of the transactions of a month relating to all Deposit Works of the division should be prepared In Form PWA 33, Schedule of Deposit Works, This schedule should show in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up-to-date. The amount of deposit received for each work should be numbered as a single item, but the transaction which relate to (1) the share available for works expenditure, and (2) the total amount recoverable as establishment, tools and plant and audit and accounts charges, if any, should be shown separately, thus—

For Works Expenditure

For Percentage Charges

**Note :—**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.

**LOCAL RULING UNDER ARTICLE 219**

The percentage leviable should be adjusted month by month as the works expenditure is incurred, but the Accountant-General may authorize the adjustment to be made once a year in the accounts March, provided that if the accounts of work are closed in an earlier month, the adjustment must be made in that month.

**Article 220.** After the transactions relating to Deposit Works have been posted in the Deposit Register, Form P.W.A. 17, a schedule of complete transactions, as accounted for in that Register, should be prepared in Form P.W.A. 34. It should show for each item the opening balance, the receipts and adjustments of the month, and the closing balance.

**Note :—**The Accountant-General may authorize the use of alternative Form P.W.A. 35 under the conditions prescribed in Note 1 to Article 217. This form is in two pans - Part I, Abstract Account, which should show the totals for each class of deposits, and Part II, Detailed Extract from the Deposit Register. In Part II, only such items should be extracted from the Deposit Register as are affected by the month's transactions, but in the schedules for the months of June, September, December and March all current items should be shown, those not affected by the month's transactions being also included.

**LOCAL RULING UNDER ARTICLE 220**

The Schedule of Deposits should also include the cost of all Court of Wards' Estate works entrusted to the Public Works Department for execution.

*(f) Schedule of Takavi Works*

**Article 221.** x x x x

*(g) Schedules of Debits/Credits to "Adjusting Account between Central and State Government" and "Adjusting Account with Railways"*

**Article 222.** (a) In Form P.W.A. 37, separately for debits and credits under each major head, should be brought together all transactions which originate in the division and have to be adjust by the Accountant-General through the major heads "Adjusting



Account between Central and State Governments” and Adjusting Account with Railways” (vide Article 15).

(b) In State divisions, the transactions included in the Schedules of Debits! Credits to “Adjusting Account between Central and State Governments” should be grouped according to the prescribed head of classification, while in the Central Divisions the transactions included in them should be detailed by each Government.

(c) Similarly, in both the Central and State divisions, the transactions included in the Schedules of Debits/Credits to “Adjusting Account with Railways” should be grouped according to each Railway.

**Note :-** Percentage recoveries for audit and accounts should appear in these schedules in the case of State divisions only.

(d) Items or groups of items for which details are given in the separate schedules, e.g., Schedules of Receipts (Form P.W.A. 9) and works Expenditure (Form P.W.A. 27 or P.W.A. 41), should be shown as a single item.

### ***LOCAL RULING UNDER ARTICLE 222***

In the place of the suspense Schedules prescribed in this Article, a separate account should be compiled in Andhra Pradesh for Central transactions as Part II of the Monthly Account, Form P.W.A. 42. The transactions relating to the Central Government under the Public Works Revenue and Service heads and Miscellaneous heads of account will be accounted for in Part II, while those relating to the Andhra Pradesh Government and other State Government under the above heads and other Debt and Deposit heads will be included in Part I. Each Part of the account should be supported by requisite schedules prepared in accordance with the detailed instructions issued by the Accountant-General (See also Article 228 and 229).

*(h) Schedule of Debits/Credits to “inter-state Suspense Accounts”*

**Article 223.** In divisions under the administrative control of a State Government, any transactions which originate in the division on behalf of any other State Government should be collected Form P.W.A. 38, separately for debit and credit transactions. The items in the schedule should be detailed by each Government.

*(i) Schedules of Debits/Credits to Remittances*

**Article 224.** All Remittance transaction other than those mentioned in Articles 222 and 223 should be collected in Form P.W.A. 39, separately for debits and credits and the entries grouped under the headings given in the sample entries in the form.

*(j) Schedule of Debits/Credits to Miscellaneous Heads of Account*

**Article 225.** Subject to such instructions as may be issued in this behalf by the Accountant-General, all disbursements and receipts, which cannot be account for in any of the other schedules prescribed in Articles 213 to 224 should be collected in Form PW.A. 40. The transactions to be accounted for in this schedule must be such as are adjustable finally in the books of the Accountant-General under one of the non-Public Works major heads for revenue and expenditure or a debit head appertaining to the amounts of the Government to which the division is subordinate.

**Note 1** :—In Central divisions income-tax recoveries from work charged establishment and receipts on account of cemetery endowments should appear in the Schedule of Credits to Miscellaneous Heads of Account. Similarly, in these divisions, percentage recoveries for accounts and audit should appear as- credits or minus debits in the Schedule of Credits or Debits to Miscellaneous Heads of Account, according as the amounts are creditable to “XLVI— Miscellaneous — Fees for Government Audit” or “26 audit” (vide Article 72).

**Note 2** :—Save as provided above, no transactions should be accounted for under the final or debt head concerned and shown in the Schedules of Credits or Debits to Miscellaneous Heads of Account, except under the authorization of the Accountant-General. Ordinarily, they should be shown under the remittance head “Public Works Remittances—III other Remittances” and included in the Debit or Credit Schedule (Form P.W.A. 39), as the case may be.

#### ***LOCAL RULING UNDER ARTICLE 225***

Expenditure on Famine Relief Works should be entered in the “Schedule of Debits to Miscellaneous Heads of Account, Expenditure on Local Loan works should also be entered in this Schedule supported by a Schedule of Works Expenditure.

#### ***IV.—Consolidated Account of Contingent Expenditure***

**Article 226.** When cash required to meet contingent charges is drawn from treasuries by cheques, all contingent charges (including stock and adjustment charges) should be consolidated in the form prescribed in Treasury Rules of the Government concerned for the monthly detailed bill of contingent charges countersigned after payment (headed “Not payable at the Treasury”). Particulars of charges need not be entered in this account except in the case of miscellaneous items which do not fall under one of the classified sub-heads for specific charges.

#### ***LOCAL RULING UNDER ARTICLE 226***

In Andhra Pradesh the procedure prescribed in this Article applies only to the Electricity Department. In the Public Works Department, the cash required to disburse contingent charges is obtained from treasuries directly by bills in the same way as cash required for payment of pay and allowances, in accordance with the rules prescribed in this behalf in the Andhra Pradesh Treasury Code and in Andhra Pradesh Financial Code.

#### ***V.—Classified Abstract of Expenditure***

**Article 227.** A consolidated account of all expenditure debited against the grant of the division should be prepared in Form P.W.A. 41. Classified Abstract of Expenditure. The figures relating to the several major heads (or divisions thereof shown separately in column 1 of the Classification table in Appendix 2 to Volume 1) should be entered in separate sections, arranged in the order indicated in the Appendix; and in case of the major head “50. Civil Works” in State the “Central” and “State” transactions should be shown in two different sections.

(See footnote to Article 10 above).

**Note 1** :—When works for Military Engineer Services, Indian Navy, Railways, Posts and Telegraphs Department and Archaeological Department are undertaken as a standing arrangement, (vide Article 215), and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in Form P.W.A. 41, in accordance with the classification prescribed in respect of the works concerned. (vide Article 17).

**Note 2:** —Refunds of Revenue should be excluded from this Abstract, as they are treated as minus Revenue, vide Article 21. On the other hand, “Receipts and Recoveries on Capital Account” should be included in this Abstract as minus expenditure. as they are take in reduction of the charges under the major head concerned.

**VI.—Monthly Account**

**Article 228.** Finally, the Monthly Account should be prepared in Form P.W.A. 42. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and register, and shows also the openings and closing cash balances. On the back of the form are recorded (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of the subordinate disbursing officers.

**Article 229.** The entries in the Accountant should be divided into three group s:  
(1) Revenue entries, which are totals of receipts of the Government concerned under the several major heads, as taken from the Registers of Revenue Realized, Form P.W.A. 9,  
(2) Expenditure entries which are the totals of expenditure of the Government concerned for the several divisions of major heads and are posted from the Classified Abstracts of Expenditure, Form P.W.A. 41, and (3) Other Heads, under which both receipts and disbursements are posted from the Schedule of Deposit, [x x x x x] “Adjusting Account between Central and State Governments”, Adjusting Account with Railways”, “Interstate Suspense Account”, “Remittances” and Miscellaneous Heads of Account Forms P.W.A. 34 to P.W.A. 40.

(See footnote to Article 10 above).

**Note 1 :**—The entries posted under the several heads in the monthly account should be checked with corresponding entries in the Abstract Book (Form P.W.A. 23).

**Note 2 :**—The totals of the columns for receipts and disbursements must agree and, if there is any difference due to cash being in transit between two disbursing officers, its amount should be included in the closing balance and the certificate of cash balance should be amplified to explain the amount and the steps taken to adjust the difference.

**D. — SUBMISSION TO ACCOUNTANT-GENERAL**

**Article 230.** The Monthly Account should be submitted so as to reach the Accountant-General’s Office by such date between the 7th and 10th of the month following that to which it relates, as may be fixed by the Accountant-General in consultation with the Divisional Officer. It should be supported by the following documents

**Note:** —In the Electricity Department, certain of these accounts returns are, with the approval of the Government, not sent to the Accountant-General. These are specified in the Departmental Manual, which should be taken as supplementing this Code.

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|--|--|
| (1) Schedule of Revenue Realized,<br>Form P.W.A, 9, and    | Extracts from the Registers.<br>vide Article 214 |
| (2) Schedule of Refunds of Revenue<br>Form P.W.A. 9        | Vide Article 214                                 |
| (3) Classified Abstracts of Expenditure,<br>Form P.W.A. 41 | Vide Article 227                                 |

(4) Schedules of Works Expenditure, Form P.W.A. 27	Vide Article 215
(5) Consolidated account of contingent expenditure (with necessary vouchers).	Vide Article 226
(6) Schedule Docket of Percentage Recoveries, Form P.W.A. 25.	Vide Article 212
(7) Stock Account, Form P.W.A. 29 (with Sale Accounts in support of the Cash Credits to Stock).	Vide Article 216
(8) Schedule of Debits to Stock, Form P.W.A. 28.	
(9) Schedule of Purchases, Form P.W.A. 30 or P.W.A. 31,	Extracts from the relevant and sections of the Suspense Registers, vide Article 217
(10) Schedule of Miscellaneous P.W. Advances, Form P.W.A. 32	
(11) Schedule of London Stores, Form P.W.A. 18.	
(12) Schedule of Workshop Suspense (in the form prescribed by Government).	Vide Article 218
(13) Schedule of Receipts and Recoveries on Capital Account, in the same form as that of the registers.	Vide Article 214
(14) Schedule Dockets, Form P.W.A. 24 (with necessary vouchers, transfer entry orders, survey reports and sale accounts attached to each).	Vide Articles 209 to 211
(15) Schedules of Credits and Debits to "Adjusting Account between Central and State Govt.", Form P.W.A. 37.	Vide Article 222
(16) Schedules of Credits and Debits to "Adjusting Account with Railways", Form P.W.A. 37.	Ditto
(17) Schedules of Credits and Debits to "Inter-State Suspense Account", Form P.W.A. 38.	Vide Article 223
(18) Schedules of Credits and Debits to Remittances, Form P.W.A. 39.	Vide Article 224
(19) Schedules of Credits and Debits to Miscellaneous Heads of Account, Form P.W.A. 40	Vide Article 225

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|---|------------------|
| (20) Schedule of Monthly Settlement with Treasuries, Form P.W.A. 26 (with supporting Consolidated Treasury Receipts and Certificates of Issues signed y Treasury Officers). | Vide Article 213 |
| (21) Schedule of Deposits, Form P.W.A. 34 or P.W.A. 35, Extract from the Deposit Register, Form P.W.A. 17.  | Vide Article 225 |
| (22) Schedule of Deposit Works, Form P.W.A. 33 (with Reports of Progress of Expenditure).   | Vide Article 219 |
| (23) xxxx   |                  |
| (24) List of Accounts submitted to Audit, Form P.W.A. 44.   |                  |

**Note 1** :—The Consolidated Account of Contingent Expenditure is not required to accompany the Monthly Account if contingent charges are drawn by bills presented direct at treasuries.

**Note 2** :—if the Divisional Officer is required by any rule to make formal report, periodically, of the progress of expenditure on a Deposit Work, to the administrator or depositor concerned, a 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 Accountant- General may, after audit of the schedule, verify the report and forward it to the local body or persons concerned.

**Note 3** :—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 the audit of the refunds made in such cases is conducted by the Accountant-General on the authority of the orders of the Court.

#### **LOCAL RULING UNDER ARTICLE 230**

The Divisional Officer should sent the reports described in Note 2 under the above Article in regard to all deposit works. The reports should be sent in Form P.W.A. XL. When two or more works relate to the same depositor, they may be dealt with in the same report.

“The Schedule of settlement with treasuries of list of documents referred to in the above article may however be sent separately by the 20th of the succeeding month in case there is delay in the reconciliation of departmental figures with those of the treasury”.

[G.O.Ms.No. 276, Fin. & Plg. (Accs-II) Dept., Dt. 18-10-1979]

**Article 231.** The schedule relating to the suspense and deposit accounts should be submitted to the Accountant-General month after month, so long as there are balances outstanding under the account concerned, whether there have been any transactions during the month or not. In respect of the Schedule of Deposit Works, Form P.W.A. 33., the Accountant-General may dispense with the submission, every month, of Part II of the Schedule, provided (1) that this part is submitted invariably with the accounts for March, and (2) that, if Part II for any month contains works any expenditure on which has been debited to Miscellaneous P.W. Advances, on extract from Part II relating to such works

only is submitted to him. Subject to these exceptions, the remaining schedules are necessary, only if there have been any transactions during the month.

**Article 232.**(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 should 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, when the Divisional Officer is authorized to sanction the posts held by them;

(iii) other vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 25/-;

**Note** :—Vouchers not submitted to the Accountant-General should be “cancelled” by means of a perforating or endorsing stamp and kept carefully to be made available for test audit whenever demanded by him.

(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; and

**Note** :—When a voucher of this class is not submitted to the Accountant-General the reasons should be noted against the entry of its amount the schedule docket or in the schedule of Work Expenditure. (vide Article 211).

(vi) transfer entry orders of the classes enumerated below

(a) those involving debits to Remittance heads otherwise than in respect of expenditure on works;

(b) those relating to charges which are supported by vouchers received in transfer;

(c) 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;

(d) All vouchers (other than Muster Rolls) in support of debits to contractors should be submitted to the Accountant-General even though falling under any of the exceptions to clause (a).

**Note 1** :—The provisions in clauses (a) and (b) of this Article apply also to vouchers received from other divisions, departments or Governments in support of transfer debits raised by them.

**Note 2** :—The term “Vouchers” used in clause (a) includes Advices of Transfer Credit and Acceptances of Transfer Debit received from other division, departments, etc., in the case of the docket for Schedule of Debits to Remittances.

(a) All vouchers in support of payments for land acquired should be submitted to the Accountant-General.

(b) All survey reports of stores and sale accounts should also accompany the Monthly Account. Sale accounts in support of cash credits to stock should be attached to the Stock Account, Form P.W.A. 29; survey reports and sale accounts in support of other credits to stock should be attached to the schedule dockets pertaining to the works or accounts debited and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

**Article 233.** An extract from the Contractor’s Ledger should also be prepared in Form P.W.A. 43 and submitted to the Accountant-General with the Monthly Account, unless Government has prescribed in consultation with the Accountant-General that the transactions covered thereby should be audited by the latter locally at the periodical inspections of divisional and other offices.

**LOCAL RULING UNDER ARTICLE 233**

In the Electricity Department, the Contractors’ Ledgers will be audited only during local inspection.

**Article 234.** In connection 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 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 31st March, 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 31st March;

**Note :—**The Original Cash Balance Reports of subordinate disbursing officer should be initialled by the Divisional Officer before transmission to the Accountant-General.

(b) to Part II of the Schedule of Monthly Settlement with Treasuries, Form P.W.A. 26, should be sub-joined a statement in the form given below, in respect of the cheques drawn to meet payments of works:-

Particulars	Number of cheques issued	Amount
1. For the whole month	.....	.....
2. During the last five working days of the month.	.....	.....

(c) the Schedules of Credits/Debits to the heads “Adjusting Account between Central and State Governments”, “Adjusting Account with Railways” and “Inter-State Suspense Account” should invariably be despatched so as to reach the Accountant-General, not later than the 7th of April of the succeeding year and all correcting entries affecting those schedules should be intimated to the Accountant-General so as to reach him by the 12th of April at the latest.

**Article 235.** 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 Accountant-General in Form P.W.A. 46, Annual Certificates of Balances.

**Note :—**If the closing balance under any head is nil, it does not follow necessarily 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 but the wording of it may be amended suitably if the closing balance is nil.

**Article 236.** In addition to the ordinary accounts for March, a Supplementary Account for that month, which shall comprise the transfer entries and corrections permitted in Article 199, should be submitted to the Accountant-General with all the necessary accompaniments, so as to reach him by the 1st June or such other date as may be prescribed by him.

**Note :—**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 this account concerned are also given. Similarly, in the Extract from the Contractor's Ledger, Form P.W.A. 43, only the accounts of those contractors whose accounts are affected in any way should be given.

#### ***LOCAL RULING UNDER ARTICLE 236***

The procedure indicated in the second sentence of the Note under this Article is applicable to the "Schedule of Rents of Buildings and Lands" also.

**Article 237.** x x x x

**Article 238.** The Divisional Accountant should sign not only the Monthly Account, but also all the schedules etc., accompanying it. The Divisional Officer need not sign all these documents; he should, however, sign the monthly Account and the List of Accounts, Form P.W.A. 44, unless he is absent from headquarters, in which case he should send to the Accountant-General, as soon as he can examine his books and papers on return, a report in Form P.W.A. 45 (with a duplicate copy of the Monthly Account signed by himself), without which the Accountant-General will not pass the Monthly Account finally. The Consolidated Account of Contingent Expenditure, (vide Article 226), should be signed invariably by the Divisional Officer.

**Note :—**It is desirable that the Divisional Officer should make arrangements for the review by himself of all the vouchers before they are submitted to the Accountant-General and that, unless the circumstances are exceptional, the Divisional Officer should sign the accounts himself.

#### ***LOCAL RULING UNDER ARTICLE 238***

The procedure prescribed in the above Article in regard to the Monthly Account and the List of Accounts should be followed also in regard to the Schedule of Monthly Statement with Treasuries and the Schedule Docket relating to percentage recoveries (see Article 212).

**Article 239.** In addition to the accounts prescribed above, such other accounts (e.g., Subsidiary Accounts of Revenue, Stores, Stock and Tools and Plants, and interest bearing securities, or proforma accounts) should be submitted to the Accountant-General as Government may prescribe or the Accountant-General may require.



LOCAL RULING UNDER ARTICLE 239

The Divisional Officer should submit the following accounts to the Accountant-General in the manner noted against each:

A. — MONTHLY RETURNS TO BE SUBMITTED ALONG WITH THE MONTHLY ACCOUNT (see Article 230)

- (i) Extract from Account of Receipts of Tools and Plant, Form P.W.A. I. in the same form as the Accounts.
- (ii) Extract from Account of Issues of Tools and Plant, Form P.W.A. II (with supporting Survey Report of Stores, Form P.W.A. VI, Sale Accounts, Form P.W.A. VII, and acknowledgments of officers concerned, in the case of stores transferred to other officers not being Divisional Officers of the State). in the same form as Accounts.

**Note** :—In the Electricity Department, the extract from the Account of Receipts and Issues of Tools and Plant are not submitted to the Accountant-General’s Office, as these accounts are audited locally.

- (iii) Schedule of Rents of Boats, Form P.W.A. XLI.

**Note** :—The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to make it possible to check the annual statement showing the working of the staff boats.

- (iv) Schedule of Rents of Buildings and Lands, Form P.W.A. XLI — A (with supporting Statements of Rents recoverable in cash or by deduction from Pay Bills A.P.F.C. Form I).

**Note** :—In the Electricity Department, the Schedule of Rents of Buildings and Land is sent to Audit once in six months ending with September and March.

B. — MISCELLANEOUS RETURNS

- (i) Half-yearly Register of Stock, Form P.W.A. XII, on the following days:

Return from a division in	For half-year ending	To reach the Accountant General on or before
Dowlaiswaram Circle	31 <sup>st</sup> December 30 <sup>th</sup> June	1 <sup>st</sup> February 1 <sup>st</sup> August
Vijayawada Circle	31 <sup>st</sup> January 31 <sup>st</sup> July	1 <sup>st</sup> March 1 <sup>st</sup> September

**Note 1** :—The due dates of submission of the half-yearly stock registers of the Krishna Central Division are 1<sup>st</sup> April and 1<sup>st</sup> October.

**Note 2** :—The Executive Engineers, Krishna Western, Godavari Head works and Visakhapatnam Divisions, may submit annual by (instead of half yearly) stock registers to the Accountant-General and the review thereon may be done once in a Year instead of every half-year.

**Note 3** :—In the Electricity Department, the stock registers and ledgers will be test-checked during local inspection. Hence no return is sent to the Accountant-General's Office.

(ii) Annual Register of Tools and Plant Form P.W.A. III, for the year ending 30th September on or before 15th December.

**Note 1** :—The documents should be submitted in original after transferring the closing balances to the corresponding register of return for the subsequent period.

**Note 2** :—In the Electricity Department, the test-check of the Tools and Plant registers is conducted locally during annual inspections and no return is sent to the Accountant-General's Office.

(iii) Certificate of monthly reconciliation of the ledger and the book balances in respect of each sub-head of stock in the Public Works Stores, Hyderabad, by the 10th of second month succeeding the month to the second which the accounts relate.

(iv) Account of Interest-bearing Securities, Form P.W.A. XLII, prepared at the close of the year from the Register of Interest-bearing Securities (see Chapter XII of the Andhra Pradesh Financial Code).

**Note 1** :—This Account has to be submitted with the Monthly Account for March, only. It should be supported by (1) the acknowledgment in (original) of the depositors for securities returned or retransferred to them during the year and (2) the certificate of the Divisional Officer that all securities shown as outstanding in this account or acknowledgements for them by this authorized custodians, are in his possession.

**Note 2** :—If a security recovered in installments is being deposited in the Post Office Savings Bank, no entries should be made in respect of it in the Register of Interest-bearing Securities, until the security has been fully paid up. The annual Account should, however, be completed in respect of the securities in course of recovery, by taking the recoveries of the period covered by the Account from the Deposit Register, verifying them at the same time with the actual recoveries as shown in the Register of Recoveries.

**Note 3** :—If any Post Office Savings Bank deposits have been hypothecated to a Sub-divisional Officer, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

**Note 4** :—In the Electricity Department, this account is not submitted to the Accountant-General's Office along with the Monthly Account for March. During local inspection, the entries in this register are verified with the securities held.

### **MISCELLANEOUS LOCAL RULINGS**

#### **Cheque Books and Receipts Books**

1. (a) A Register of Cheque (and Receipt Books should be maintained in Form P.W.A. XLIII, separate pages being reserved for cheque books, permanent and temporary 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 Account should enter it at once in the register as a new item. At 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.

[A.Code 24]

(c) The submission of the counterfoils of used cheque and receipt books for check in the Divisional Office 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 cash book, and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of Divisional Officer.

**Note:** —The term “Receipt Book” used in the above paragraph applies both to permanent and temporary Receipt books. The blank space provided in the counterfoils of the temporary receipt books for filing in the number and date of the corresponding permanent receipt should invariably be filled in before the submission of the counterfoils for check in the Divisional Office.

2. 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 this 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.

### Miscellaneous Matters

1. When a Divisional Accountant is about to be relieved of his duties in a Divisional Office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the Division. The state of the stock and other suspense accounts and of outstandings in the accounts of works should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and others which should receive special attention, should be mentioned. Any arrears of defects in the working of the Divisional Office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving Accountant, whether in regard to the initial or compiled accounts or to Objection Statements and Audit Notes received from the Audit office, should also be set forth in detail (See paragraph 270 of the Comptroller and Auditor-General’s Manual of Standing Orders).

The memorandum should be in a tabular form with columns for (1) remarks by the relieving Accountant, (2) remarks by the Divisional Officer, and (3) orders of the Accountant-General. The relieving Accountant should examine it when taking over charge and promptly forward it, with his remarks, to the Accountant-General through the Divisional Officer, who will record such observations as he may consider necessary.

4. Divisional Officers should review from time to time the several registers, books and accounts maintained in the Divisional and Sub-divisional Offices even though under the rules in this Code they may have scrutinized and initialled the individual entries or sets of entries therein. To this end they may require these records to be laid before them through the Divisional Accountant, monthly or at such other intervals as may be fixed by them. The fact of such review should be placed on record in all cases preferably in Form P.W.A. XLIV (Memo. of the Review) posted in a suitable position on the Account, etc., concerned.

5. On behalf of the Divisional Officer, the Divisional Accountant should examine the accounts of the disposal of money obtained on bills presented direct at treasuries.

## PART III

### FOREST ACCOUNTS

#### CHAPTER V

#### CLASSIFICATION OF FOREST RECEIPTS AND EXPENDITURE

##### A. — GENERAL

**Article 240.** The major and minor heads prescribed for the classification of forest receipts and expenditure are set out in Appendix 2 to Volume I. The sub-heads, detailed heads or wilts of grants and appropriation will be determined by Government according to local requirements. The authorized arrangement of heads should not, however, be altered except in consultation with the Accountant-General.

(The list of major heads issued by the Comptroller and Auditor-General is printed separately as Appendix 2 to his Account Code, Volume 1. The portions of this Appendix relating to State transactions are reproduced in Appendix A to the Andhra Pradesh Budget Manual).

##### B. — TRANSACTIONS WITH OTHER DEPARTMENTS AND GOVERNMENTS

**Article 241.** Adjustments with other Departments and Governments in respect of supplies made or services rendered by or to the Forest Department should be regulated by the directions contained in Chapter 4 of Volume I.

**Article 242.** Recoveries or payments made in cash should be treated like other revenue receipts or service payments, as the case may be. But when a transaction has to be adjusted by book transfer, the transfer should be effected by debiting or crediting the amount involved to “Book Transfers”, the entry in the ‘accounts being supported by full particulars of the transaction and where necessary by the bill or invoice duly accepted by the department debited or by the bill or invoice of the Supplying Department accepted by the Forest Officer.

##### *LOCAL RULING UNDER ARTICLE 242*

The head “Book transfers” is not operated on the Andhra Pradesh. Items relating to other departments should be credited or debited in the accounts rendered to the Accountant-General under the head “Suspense Accounts — Departmental Adjusting Accounts”, and the Accountant-General will make the necessary transfers to the heads concerned.

**Article 243.** Transactions of the Central Government or of Railways or of another State Government originating in a State Forest Division, in so far as such transactions are adjustable by book transfers, should be entered in the accounts as debits or credits to the head “Book Transfers — Central”. “Book Transfers — Railway” or “Book Transfers — Government of the State of .....”, as the case may be. Likewise the adjusting entries in respect of Railways or State transactions originating in a Forest Division of the Central Government should be taken to the head “Book transfers- -

Railways” or “Book Transfers — Government of the State of — - - - “, the necessary adjustment will be made by the Accountant-General against the balances of the Government concerned or the Railway Fund, as the case may be.

#### ***LOCAL RULING UNDER ARTICLE 243***

In Andhra Pradesh any original transactions under “Forest Remittances” which are adjustable in the Central Books of the Accountant-General or of another accounting circle, should be classified in the Forest Departmental Accounts directly under the head “Adjusting Account between Central and State Governments”, and those relating to Railways under the head “Adjusting Account with Railways”, and those relating to other States under the head “Inter State Suspense Account”. The responding transactions under “Forest Remittances” should always be classified as “State”.

#### **C. — INTER-DIVISIONAL TRANSFERS**

**Article 244.** All revenue and expenditure should be recorded in the accounts of the division within which it is collected or incurred without reference to its origin or object and save as provided in Article 245, no inter-divisional adjustments should be made except under special orders of Government.

**Article 245.** In cases where Government in consultation with the Accountant-General have declared a Division or a Circle as a unit for the purpose of ascertaining the financial results of the working of the forests, adjustments may be made between different units. Those in case where the unit is the division, adjustments may be made between different divisions; where the unit is the circle, adjustments made between divisions in different circles. These adjustments may be made monthly or annually as may be found convenient.

#### ***LOCAL RULING UNDER ARTICLES 244-245***

No inter-district adjustment should be made in regard to any item of Forest Revenue. But for the purposes of the departmental or administrative accounts, revenue collected in one district on behalf of another should be shown against the district (or districts) to which it belongs and against the proper sub-head in the prescribed Forms.

When expenditure is incurred in one district on account of another, it should at once be recorded in the accounts of the district within which it was incurred; but such expenditure (except in the case of seeds, stumps etc., supplied for regeneration purposes) should be adjusted in due course by debit to the district on account of which it was incurred, with a corresponding credit to the district in which the expenditure was first incurred.

**Note 1 :**—Advances of pay and travelling allowances granted to officers on transfer should be debited to “Objection Book Advances — Forest Officer” in the accounts of the division where the advance are made (vide also Local Ruling under Article 274).

**Note 2 :**—Pay due in respect of duty in one circle or division to officers on their transfer to another circle or division should be drawn in the latter circle or division and charged to the appropriate head of account, viz., “Pay of officers” or “Pay of establishments” as the allotments for these heads of account are retained by the Chief Conservator of Forest without distribution. The travelling allowance due to and drawn for them at the new station may, however, be charged to the appropriation of the circle or division to which the transfer has been made.

**Note 3** :—Any amount paid into the State Bank of Hyderabad, Hyderabad by a purchaser or Issue on account of Forest Revenue should be credited to the districts to which it relates. (See Instruction 14(b) under Treasury Rule 10).

#### **D. — CHARGES FOR ESTABLISHMENTS, TOOLS AND PLANT ETC.**

**Article 246.** Charges on account of general services like establishment, Live Stock, Stores and Tools and Plant should be classified under appropriate sub-heads under the minor head “Establishment” or “Conservancy and Works” as the case may be and, save as provided below, no attempt should be made ordinarily to include in the cost of an individual work any portion of expenditure on account of those services. The cost of materials purchased for a specific work should, however, be debited to the accounts of that work.

**Article 247.** Pay and Allowances of such temporary establishment as is employed upon the actual execution as distinct from the general supervision of specific work or upon the subordinate supervision of departmental labour stores and machinery in connection with such a work should be debited to the appropriate sub-head under “Conservancy and Works” and not under “Establishment”.

**Article 248.** Where such expenditure stores, a building material, small stores, house fittings, etc., to the general sub-head for Stores and Tools and Plant are utilized subsequently on any specific work, the value thereof should be transferred to the accounts of the work concerned by write-back to the sub-head to which the stores were debited originally. Similarly, the cost of carnage of these stores to the-site of a work and carriage charges in connection with the movement from place to place of other materials and Tools and Plant issued to or provided specifically for a work may be debited direct to the accounts of that work.

#### **E. — FOREST REMITTANCE**

**Article 249.** All sums paid into the treasury by a departmental officer or on his account should be debited to “Forest Remittances”, irrespective of whether a remittances is made in cash or by a cheque. Similarly, the value of all cheques drawn should be credited to “Forest Remittances”, irrespective of whether or not they are cashed at once.

(See also Article 225 infra).

#### **F. — FOREST ADVANCES**

##### ***I. Advances to Disburses***

**Article 250.** When a subordinate officer who is not authorized to draw cheques against the drawing account of the Divisional Officer is given a cash advance of suitable amount to enable him to make the disbursements entrusted to his charge, the amount of the advances should be debited in the account of the officer making the advance to “Forest Advances” as an advance to the disburser concerned. When an account of the advance is rendered by the disburser, the amount of the expenditure incurred should be credited to “Forest Advances” by a per contra debit to the appropriate sub-head of accounts classification.

##### ***II. Advances to Contractor, etc.***

**Article 251.** Advances to contractor, suppliers and labourers made, in connection with the execution of works under the orders of competent authority should be debited

in the accounts of the officer making the advances t the head “Works Advances” subordinate to the minor head “Conservancy and Works”, the entry being supported by an acknowledgment by the payee. When recovered (wholly or partially) from the contractor, etc., either by work done or in cash the amount recovered should be credited under “Works Advances”. If the recovery is the value of work done, such value should simultaneously be debited per contra to the appropriate sub-head of accounts classification.

**Article 252.** Petty advances to labourers which are made by a subordinate Out of his own imprest of advance (see Article 250) and allowed to be treated as part of the cash balance with him should not, however, be accounted for as “Works Advances”.

**G. — RECOVERIES OF SERVICE PAYMENTS**

**Article 253.** Recoveries of service payments should be dealt with as follows

(a) If made before the close of the year in the account of which the payment was included—

(1) When the recovery is in adjustment of an overcharge on account of pay or travelling allowance and is made by deduction from a bill dubitable to the same detailed head, the net amount only should be debited to that head.

(2) In all other cases, the amount recovered should be entered initially in the accounts as an item of receipt under “Recoveries of Service Payments” but in the account rendered to the Accountant-General the amount should appear as a minus entry under the sub-head to which it was debited originally.

(b) If made after the close of the year in the accounts of which the payment was included, the amount should be credited in the accounts as miscellaneous revenue.

**H. — OTHER RECOVERIES**

**Article 254.** Other recoveries from pay bills, etc., should be recorded as pertaining to “Provident Funds, Income-tax. etc.,” as the case may be, but such recoveries as are creditable to the Central Government (e.g., deduction on account of Income-tax, Postal Life Insurance Fund, etc.) should be classified under the head “Book Transfers — Central” (see Article 243). In the same way, any recoveries creditable to another State Government should be taken to the head “Book Transfers — Government of .....”.

**I. — FOREST DEPOSITS**

**Article 255.** Earnest money deposits which are paid under the rules of Government by contractors or purchasers of forest produce direct into a treasury or sub-treasury should be treated as Revenue Deposits and hot as Forest Remittances. Such deposit should not appear in the accounts o the officers of the Forest Department. Similarly, earnest money deposits which arc received initially by a Forest Officer but remitted subsequently to the treasury as such should also be dealt within the treasury accounts as Revenue Deposits.

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(See Local Ruling 3 under Article 257 below and Instruction 14 under Treasury Rule 10 in Andhra Pradesh Treasury Code, Volume I).

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## CHAPTER VI

### ACCOUNTS TO BE KEPT IN FOREST OFFICES

#### A. — CASH BOOK

##### *I. General*

**Article 256.** Every officer who is authorized to receive or disburse Government money should keep an account in Cash Book, Form F.A. 1, in which he should enter not only all money transactions as they occur but also book transfer permissible under Article 260.

##### *LOCAL RULINGS UNDER ARTICLE 256*

Officers in charge of ranges or depots who are authorized to receive and disburse money will keep their accounts in a bound Cash Book in Form F.A.

**Article 257.** Only transactions connected with Public service and no other should be shown in the Cash Book. Sufficient detail should be given in the column "Particular" to admit of the main points of each transaction being ascertained readily without reference to the detailed vouchers. All items of revenue must be detailed fully; the forest from which the revenue is received, the person who pays it, and the articles and quantities removed should be stated in that column whenever the information is available. The classification of receipts and charges should be given in the column "Head of Service" in accordance with the prescribed accounts classification (see Chapter V).

##### *LOCAL RULINGS UNDER ARTICLE 257*

1. 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 or to keep the Cash Book open after the 31st of March and make disbursements in April entering them in the Cash Book as having been made in March.

2. Acknowledgements of payments should, as far as possible be taken at the time of payment and on one of the printed forms prescribed for the purpose. They should be numbered in a separate series for each month and the serial number of each voucher should be entered in the Cash Book as soon as the payment transaction is entered therein.

3. An earnest money deposit received by a Forest Officer should be entered in the Cash Book on the debit side as soon as it is received, and a corresponding entry should be made on the creditor side when the amount is remitted to treasury. In the classified abstract also (see Local Ruling 1 under Articles 282-297), it should appear on both sides of the account as "Miscellaneous Remittances".

**Note :—**The transactions relating to the earnest money deposited by an intending bidder at an auction sale should also be entered in the Cash Book, even though it is returned to the depositor immediately after the auction.

Account of District Forest Officers

4. The Cash Book of District Forest Officers, Form F.A. 1, shall contain :—

(a) a detailed record of the daily transactions of the District Forest Officer himself,



(b) the classified expenditure incurred by Range Officers, or other disbursing subordinates in totals only, the details of those totals being shown in the original accounts, which will be filed for record in the District Forest Office,

(c) recoveries of service payments, (see Article 253), and

(d) the advances made to contractors and disbursers (and the recoveries of such advances), other than advances by subordinates made and recovered during the month.

**Note** :---The opening and closing cash balances in the account of each subordinate should agree with the balances shown as outstanding against him in the district ledger (see Articles 272 to 276) at the commencement and close of each month.

5. The entry of a payment into the treasury should record the number and date of the receipt and the number of the treasury into which the money was paid. The Conservator may order the submission of vouchers — such as auctioneers' accounts sales passes, permits or licenses in support of the items of revenue.

The first monthly entry in the cash column on the receipt side will be the cash balance in hand at the beginning of the month. The accounts will close with the closing balance at the end of the month. (see Article 265).

6. All entries in the Cash Book of "Remittances of revenue to treasuries" should be supported by vouchers in the treasury receipt from (chalan). When remittances to the treasury are made by means of postal money orders, the chalan may be replaced by the Treasury Officer's advice list. The name of the treasury and the treasury number and date of each receipt should invariably be entered in the Cash Book in the column "To whom paid etc".

7. The procedure to be followed in regard to the repayment or adjustment of a revenue deposit is indicated in Instructions 19 and 23 under Treasury Rule 16. Immediately on receipt of an intimation from the treasury of the adjustment of an earnest money deposit against revenue due, the District Forest Officer should enter the amount in his Cash Book on the debtor side as "Revenue" and on the creditor side as "Forest Remittances" taking care to see that the entries are made in the Cash Book for the month in which the adjustment is reported to have been made in the accounts of the treasury.

**Article 258.** When a cheque is drawn in favour of self or order to replenish the cash chest, the amount of its should be entered at once as a receipt. This entry must not be delayed until the money has been received after the cheque has been cashed at the treasury.

#### ***LOCAL RULINGS UNDER ARTICLE 258***

1. The amount of the cheque should also be entered on the payment said of the Cash Book in the column "Bank or Treasury".

2. Cheques accepted in payment of Government dues should be entered in the cash account as "Receipts" as and when received and as "Disbursements" when remitted into the treasury for encashment just like moneys received by a Government servant. If a large number of cheques is received daily should be initially entered in a subsidiary register in M.T.C. Form 14-A for watching the encashment of the cheques and only the daily total of receipts and remittances accounted for in the Cash Book. Cheques drawn by the

District Forest Officer or by some other Government servant in favour of the District Forest Officer may, however, be treated as “Cash” while the cheques are in transit to the treasury for realization.

**Article 259.** A cheque drawn in order to be paid away should be entered simultaneously on both sides of the Cash Book, once as a receipt of money from the treasury and again as a payment to the payee concerned, the number and distinguishing letter of the cheque being specified in both the entries.

**Article 260.** Similarly, all book transfers, i.e., transaction in which no actual payment or receipt of cash is involved, should be entered simultaneously on both sides of the Cash Book, the credit or debit to “Book Transfers” appearing on one side and an equivalent debit to an expenditure head or credit to a revenue head, on the other.

#### ***LOCAL RULING UNDER ARTICLE 260***

The head “Book Transfers” is not operated on in Andhra Pradesh, the Local Ruling under Article 242.

**Article 261.** Pay and Allowances of Forest Officers and their establishments which are paid by cheques or Out of cash obtained from the treasury should be entered in the Cash Book under the head “Establishment” without further details, the entries being supported by bill as vouchers.

#### ***LOCAL RULING UNDER ARTICLE 261***

The exhibition in the Cash Book of the deductions made from pay bills on account of Income-tax and Postal Life Insurance should follow the procedure indicated in the Local Ruling under Article 243. Credits on account of General Provident Fund or any other account pertaining to a State head of account should be shown under the relevant head or the departmental adjusting account concerned with reference to the Local Ruling under Article 242.

### ***II. Cancelled, Lost or Lapsed Cheques***

[See also Subsidiary Rules 49 to 51 under Treasury Rule 16]

**Article 262.** If a cheque which has been drawn and entered in the Cash Book has to be cancelled subsequently, the amount of it should be accounted for on the creditor side as a “cancelled cheque”, the cancelled cheque being treated as a voucher. Simultaneously, an entry should be made on the debtor side, as indicated below :—

(a) If the cancelled cheque is replaced immediately by a fresh cheque, the fresh cheque should be shown as a “Forest Remittance”, the number and date of the cheque in lieu of which it is drawn being quoted in the entry.

(b) If the cancelled cheque is not replaced immediately, the expenditure in payment of which it was drawn should be written back by making an entry of the cancelled cheque on the debtor side as for a cash recovery of a service payment (Article 253).

**Article 263.** A lost cheque should be treated in all respects like a cancelled cheque (Article 262), the treasury certificate of non-payment being regarded as a voucher in support of the entry of cancellation on the creditor side of the Cash Book.

**Article 264.** A lapsed or time expired cheque, if renewed, should be treated as a cancelled cheque and the fresh cheque issued in its place entered in the Cash Book in the manner indicated in clause (a) of Article 262.

### ***III. Closing and Balancing***

**Article 265.** \*The Cash Book should be closed and balanced monthly. The account balance at the close of the month should be checked with the actual cash balance on hand verified by actual count. If any excess or deficiency is found, it should be entered at once as such in the Cash Book on the debit or creditor side, as the case may be.

\* See also Instruction I under Treasury Rule 11.

**Article 266.** “All Subordinate Officers i.e., Range Officers should close their accounts on the last day of the month on which date the Sub-treasury Accounts are closed and render accounts to the Divisional Forest Officer on 5th of the next month or such earlier date may be necessary in order to ensure that the Divisional Officers’ Accounts reach the Accountant-General by 15th of next month”.

(Sub. by G.O. Ms. No. 305, Finance and Planning, Dt. 21-11-1979)

### ***LOCAL RULING UNDER ARTICLE 266***

The date on which the Cash Books of Range Officers should be closed each month will usually fixed by the District Forest Officer with reference to the date on which the Taluk Treasury accounts are closed, in order to preserve agreement between the departmental and the treasury figures.

## **B. — REGISTER OF CHEQUES DRAWN**

**Article 267.** A monthly register of cheques drawn on all treasuries with which the drawing officer is placed in account should be kept in Form F.A. 2.

### ***LOCAL RULING UNDER ARTICLE 267***

A copy of the monthly register of cheques drawn in Form F.A. 2 will be sent to the Treasury Officer for verification and counture at the close of each month see Article 58 and Local Ruling 2 under it in the Andhra Pradesh Accounts Code, Volume II.

## **C. — WORKS ACCOUNTS**

### ***I. Muster Rolls***

**Article 268.** For work executed by labourers, whether paid by the day or otherwise, a Muster Roll should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

### ***LOCAL RULING UNDER ARTICLE 268***

The muster roll should be kept in Form F.A. XI in accordance with the instructions in Chapter VIII of the Andhra Pradesh Financial Code and the notes printed on the form.

### ***II. Measurement Books***

**Article 269.** For work done otherwise than on a lumpsum contract, and for supplies made by a contractor, a Measurement Book should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

**LOCAL RULING UNDER ARTICLE 269****Measurement Books**

1. The instructions for the maintenance of measurement books are laid down in Chapter VIII of the Andhra Pradesh Financial Code. Measurement books are not to be used in the case of existing buildings where the only purpose aimed at is the preparation of estimates for periodical repairs and of contractors, bills for such repairs; in such cases all that need be used is a standard measurement book which should be maintained in Divisional Forest and Range Offices.

When standard measurement books of buildings are maintained, the rules prescribed by the Government in consultation with the Accountant-General should be followed carefully

(i) The entries of measurements and abstracts thereof should be recorded legibly in ink and certified by the Range Officer concerned, in his own handwriting to the effect that they are correct for the purpose of preparing both the periodical repair estimates and contractors, bills. Any correction should be attested by a District Forest Officer.

(ii) All the standard measurement books maintained in a Forest Division should be entered in an alphabetical series so as to be readily distinguished from ordinary measurement books and the entries relating to them should be noted on separate pages of the register of measurement books maintained in the Divisional Forest Office. The original standard measurement books should be kept in the personal custody of the head clerk of the Divisional Forest Office.

(iii) Certified copies of measurement books relating to works in charge of a Range Officer should be sent to him to be kept in his personal custody and the entries relating to them should be made on separate pages of the Range Register of measurement books.

**Note :—**.-This need not be done when the Divisional Forest Office and the Range Office are at the same station.

(iv) For the use of the Forester, standard measurements of each work in his charge copied on loose sheets and signed by the District Forest Officer should be sent to the Range Officer for issue to the Forest concerned.

**Note :—**This need not be done when the Range Officer and the Forester are in the same station.

(v) When corrections have to be made owing to additions or alterations in a building, the Range Officer concerned should make the corrections in his copy of the measurement book. At the same time, he should intimate them to the District Forest Officer who will have the book in his office corrected under his initials. The copies with Foresters in which corrections have to be made should be called for by the Range Officer, corrected under his initials and returned.

(vi) On the 30th April, each year, the District Forest Officer should send a certificate to the Conservator to the effect that all the standard measurement books in his division have been inspected by him, that the entries therein have not been tampered with, that all corrections due to additions or alterations in the buildings have been made in the books and that the latter are reliable and up-to-date records.

(vii) When a payment has to be passed on standard measurements, the subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or the work since the previous running bill, as the case may be) as per standard measurements in a book, the number of which should be quoted, has been done and that it has not previously been billed for in any form.

(viii) Separate measurement books should be set apart for nothing the details of such bills so as to facilitate the review of payments based on standard measurements.

(ix) All bills so paid should be specially checked in the Divisional Forest Office with reference to the standard measurements contained in the records of that office.

### **Bills and Vouchers**

2. For payments other than those made on muster rolls the authorized forms of bills and vouchers are the following:

- (a) First and Final Bill, Form F.A. II
- (b) Running Account Bill, Form F.A. III
- (c) Hand Receipt, Form F.A. IV.

The use of these forms is explained in the following sub-sections:

*First and Final Bill Form F.A. II* :—This form should be used for making payments both to contractors and 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 works (or to the same head of account in the case of supplies) and are billed for at the same time.

*Running Account Bill, Form F.A. III* :—This form is intended both for contractors for work done and for supplies. It should be used when payments are made on running accounts to contractors and suppliers. This form will contain one man's account only; full details of quantities of the different classes of work or supplies must also be set forth.

*Hand Receipt, Form F.A. IV* :—This is a single form of voucher intended to be used for all miscellaneous payments and advances for which none of the special Forms F.A. II and F.A. III is suitable.

3. Before the bill of a contractor is prepared, the entries in the measurement book relating to be description and quantities of Work or supplies should be scrutinized by the subordinate and the calculations of "Contents or Area" checked arithmetically by him. The rates allowed should be entered by him in the abstract of measurements. The bill should then be prepared from the measurement entries in one of the forms prescribed in Local Ruling 2 above applicable to the case.

Full rates in accordance with the 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 the standard, and under the agreement, it is permissible to make a final payment if the contract is determined, or an account payment if 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 general terms of the agreement.

4. Before signing the bill, the subordinate 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 subordinate 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.

The total charge for each item of work and the grand total of a contractor's bill should be rounded in accordance with the instructions in Chapter XIV of the Andhra Pradesh Financial Code, but pies should not be omitted from the rates for the various items of works.

If the subordinate who prepares the bill has authority to make payment, only one signature at the foot of the bill is necessary.

5. If the subordinate is not empowered to make the payment, the bill should be submitted with the measurement book to the next higher authority, who will pass and return the bill for payment, if after the necessary scrutiny it is found to be in order.

6. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for work or supplies measured, a remark to the effect "Bill submitted to the ..... on ..... "should be endorsed on the abstract of measurements. The officer who signs the pay order should, immediately on signing it, cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red ink line. The officer who actually disburses the amount should enter the number and the date of the voucher of payment with the remarks "Paid on ..... by voucher No ..... on the abstract of measurements.

**Note :—**The document on which payment is made should invariably show in the space provided for the purpose the number and page of the measurements book in which the detailed measurements are recorded, and the date on which the measurement was made, or the date on which the articles were brought to account in the Register of receipts of timber, etc.

7. (a) Payments for work done or supplies made in a running account should ordinarily be made monthly. But the "quantities" and "amount" of each distinct item of work or supply should be shown separately in the bill. It will be observed that the form provides for recording the total quantity and value of work done up-to-date, the work done to the end of the last bill and since then.

(b) Such payments should be treated as payments on account, subject to adjustment in the final bill, which should be drawn in Form F.A. III 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 payments is 'in full settlement of all demands'. If the payee is illiterate or is unable to write, beyond signing his name, these words should not be filled in by the making the payment.

**Note 1:** — If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on obtaining a qualified acknowledgment.

**Note 2 :**— 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 not, therefore, be covered by a single contract.

### **Charges on account of materials**

8. In the case of works executed departmentally, the required materials may be obtained from stores or by purchase or transfer from other works at which there may be a surplus and so on. The materials brought on to the site of a work will be in the custody of the officer incharge of the work and will be issued for use on the work as required. In order to watch the proper receipt, issue and balance of materials in the interests of Government, it is important that a simple and concurrent account should be kept of each item of material as it is received and issued for the work. For this purpose an account in Form F.A. V is prescribed.

9. Form F.A. V will however, be maintained only in the case of such works where its maintenance has been specially ordered by the sanctioning authority. All materials brought on to the site of such works for use thereon, whether by purchase or from stock or by transfer from another work, etc., should immediately be entered in the receipt column with a brief reference to the measurement book or other record, a separate page being used for each material. As the materials are issued for use on the work, they should be duly entered on the day of issue in the issue column, the balance being immediately posted.

10. Immediately after the completion of the Work, the Range Officer will verify the unused balance of materials, submitting along with the completion report for the work a report of verification containing the actual verified balances and a certificate that he has brought them to account in Form No. 6 of the Andhra Pradesh Forest Code. The report should also indicate the action taken or proposed to be taken (1) to adjust the discrepancies, if any, and (2) to dispose of the surplus balances.

Discrepancies may be due to differences between the actual receipts of issues with those entered in the accounts, arising from errors in measurement, or in posting the accounts or from losses of materials due to carelessness neglect or fraud on the part of the subordinates. They should be carefully investigated into and adjusted as follows

(1) Shortages and losses for which any subordinate is held responsible should be adjusted by prompt recovery under the orders of the District Forest Officer, the amount being credited to the work. Pending recovery, such amounts should be debited to 'Advances recoverable' by credit to the work. The question of other disciplinary action should be separately examined.

(2) Other actual losses which are irrecoverable should be written off the account in Form No. 6 of the Andhra Pradesh Forest Code under the sanction of the competent authority, no further adjustment in accounts being required.

(3) Materials found in excess should be brought on to the account in Form No. 6 of the Andhra Pradesh Forest Code separately with the remarks 'Materials found in excess on verification'.

11. Steps should be taken expeditiously to dispose of all surplus materials either by transfer to other works in progress or by sale. The value of such materials should be credited to the work concerned and debited to the work to which they are transferred and, if sold, the value realized should be credited to the works.

**Note** :—Completion report for the works should contain a reference as to the manner in which deficit or excess materials have been adjusted.

The unused materials at the site of a work should also be verified, whenever the officer or subordinate in direct charge of the work is transferred before its accounts are closed, be the relieving officer in company with the relieved officer and a report on the verification should be submitted to the District Forest Officer through the Range Officer only in cases where the verified balances do not agree with the book balances. If the verification does not disclose any discrepancies a certificate to the effect that the book balances have been verified and found correct, will be signed and submitted by the relieving officer to the District Forest Officer through the Range Officer.

12. The accounts of "Materials-at-site" prescribed in the above Local Rulings are not intended to include office stores, tools and plant and other equipment. (See also Article 271 and the Local Ruling under it).

### ***III. — Register of Works***

**Article 270.** A detailed record of the expenditure relating to each sanctioned work should be kept in a register in Form F.A. 3.

#### **Local Rulings under Article 270**

1. The expenditure incurred on works sanctioned either by the Government, the Chief Conservator or the Conservator should be entered in detail in the register, Form F.A. 3, to be kept in the District Forest Office, one or more pages being devoted to each work. A separate register should also be maintained for recording the expenditure on works sanctioned by the District Forest Officer. The register should be posted monthly from the duplicate copy of their Range Cash Book. For works costing Rs. 100 or less, it is not necessary to classify expenditure under the various estimate sub-heads in the I. register, the column. "Total Expenditure" only being posted.

The first volume of the register in use should have an index under the Various budget heads for all works sanctioned in the division.

2. For the procedure to be followed in regard to the submission of the completion report for a work, see Article 181 in Chapter VIII of the Andhra Pradesh Financial Code, Volume I and the instructions in the Departmental Code.

### **D - Stores Accounts**

**Article 271.** An account of stores, such as building materials, small stores, house fittings, etc., which may be held in stock for general purposes, as distinct from materials purchased for specific works, should be kept in such form as the Government may determine in consultation with the Accountant-General.



**LOCAL RULING UNDER ARTICLE 271**

The Government have directed that the account of stores referred to in the Article need not be kept in Andhra Pradesh.

**E.—CONTRACTORS' AND DISBURSERS' LEDGERS**

**Article 272.** A ledger should be maintained by the Divisional Officer in form F.A. 4 for all accounts with disburser and contractors. On the debtor side should be entered all payments made to them and on the creditor side the amounts of all bills passed to their credit and all sums repaid by them in cash.

**Article 273.** Only one account should be opened with each disburser, but in the case of contractors a separate account should be kept with each person in respect of each work.

**Article 274.** Each item entered in the Cash Book under 'Forest Advances' or 'Works Advances' should be posted at once in the ledger, and when any work is accepted as having been done by a contractor, or any account supported by the necessary vouchers is accepted from a disburser, the amount covered by work done or expenditure should be set off against the amount due from the contractor or disburser, as shown in his account in the ledger. The ledger account should thus be a running account with each contractor and disburser from which the amount due by him or from him can always be ascertained easily.

**LOCAL RULING UNDER ARTICLE 274**

When an advance is outstanding against an officer on transfer, the amount shall be shown as 'transferred to the accounts of district' in the accounts of the district he is leaving, on receipt of intimation from the District Forest Officer of his new district that the outstanding has been brought to account in his ledger.

**Article 275.** The account with each contractor and disburser should be balanced on the last day of each month in which any transaction takes place.

**LOCAL RULING UNDER ARTICLE 275**

In Andhra Pradesh, the account of each contractor and disburser for any month in which any transaction has taken place should be balanced and initialled by the District Forest Officer as soon as possible after the date of the despatch of the monthly accounts to the Accountant-General, and in case not later than the 12th day of the month.

**Article 276.** The pages in the ledger should be numbered consecutively, and there should be an index to the accounts it contains. Each new account opened should be assigned a number which will be appropriate to that particular account until it is closed finally. The numbers should be given to the accounts in the ledger in consecutive order, as they are opened and should run in a consecutive sequence until a new ledger volume is opened.

**F—CLOSING OF THE ACCOUNTS OF THE YEAR**

**Article 277.** The financial year terminates on 31<sup>st</sup> March and actual transactions taking place after that date should on no account be treated as pertaining of that year. In order, however, that as many of the un-adjusted outstandings of the year as possible

should be cleared, and that errors in accounts coming to notice after the 31st of March should be rectified, if possible, within the accounts of the year, the account books prescribed above should be kept open, after the closing of accounts for March, for the inclusion of transfer entries relating of rectification of errors and for settlement of outstandings. These accounts should be closed on the 20th of May or on such date as may be prescribed by the Accountant-General.

G.—CORRECTION OF ERRORS

**Article 278.** If an item in the Forest accounts which properly belongs to one head is classified wrongly under another head, the error should be corrected in the following manner :—

(a) If the error is discovered before the close of the month’s accounts, the necessary correction should be made in the original entries before the accounts are closed. 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.

(b) If the error is discovered after the close of the month’s accounts, but before the accounts of March supplementary are closed, the correction should take the form of a fresh entry in the Current Cash Book. (Article 277).

**Note 1** —Errors affecting only revenue or expenditure (service heads where the amounts involved do not exceed Rs. 10) need no formal correction.

**Note 2** :—If the error affects one or more heads on each side of the Cash Books, the correcting entry should be made on both sides in the manner indicated in Article 260, but if it affects only receipts or expenditure heads on one side or the Cash Book, the entry should on the one side affected, the amount (plus or minus) pertaining to each head being specified in the column headed “Particulars” and the column “Receipts” or “Disbursements” as the case may be, being left blank. At the same time, a suitable remark should be made in red ink against the original incorrect entries in all accounts, the reference to the correcting entry being quoted.

**Note 3** :—No correcting entry should be made unless supported by the order of the Divisional Forest Officer obtained on transfer Entry Memorandum in the form below:

Particulars of the original transaction, with reasons or the proposed adjustment	Debits		Credits	
	Head of Account	Amount Rs.Ps.	Head of Account	Amount Rs.Ps.

Passed.

Divisional Forest Officer.

(c) If the error is discovered after the accounts for March supplementary have been closed and despatched to the Accountant-General, it should be reported by letter to the Accountant-General who will deal with it in accordance with the rules in Volume IV

and advise to the Forest Officer the corrections (if any) which he should make in his accounts.

[Volume IV of the Comptroller and Auditor-General's Account Code]

(d) In all cases in which a formal correction is not permissible, a suitable note (in red ink) should be made in all the accounts concerned.

#### ***LOCAL RULING UNDER ARTICLE 278***

In Andhra Pradesh the March supplementary accounts, are not prepared by Forest Officers but they should intimate to the Accountant-General any corrections to be made in the accounts so as to reach him not later than the 20th of May in each year.

### **H.—SUBSIDIARY ACCOUNTS OF COMMERCIAL UNDERTAKINGS**

**Article 279.** If the activities of any individual Forest Unit or of any self-contained exploitation scheme like a Saw-mill or a Forest Railway, are such as to require the maintenance of subsidiary accounts on a commercial basis, the form of accounts to, be kept may be settled by Government after consultation with the Accountant-General.

#### ***LOCAL RULING UNDER ARTICLE 279***

There are no commercial undertakings in the Forest Departments in Andhra Pradesh.

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## **CHAPTER VII**

### **ACCOUNTS RETURNS RENDERED BY FOREST DEPARTMENT OFFICERS**

#### **A. — GENERAL**

**Article 280.** The directions contained in this Chapter shall apply primarily to accounts of Divisional Officers. They shall also apply mutatis mutandis to accounts of Conservators and other Forest Officers who draw funds against their own drawing accounts and render separate accounts to the Accountant-General in respect of transactions passing through them.

#### **B. — INCORPORATION OF SUBORDINATES' ACCOUNTS**

**Article 281.** Before closing the accounts of a month the Divisional Officer should satisfy himself that the accounts of his subordinate officers for the month have been examined and incorporated truly and accurately in his own accounts. For this purpose, the accounts of the latter should reach the office of compilation in time for the preparation and submission of the accounts returns on due date (x x x). If they do not arrive in time to be so incorporated, they should be taken in the following month's accounts but such an occurrence should be avoided as far as possible. In the case of accounts for March, however, the Divisional Officer must keep open his accounts until receipt of all the subordinates, accounts in order that all receipts and payments of the official year may, as far as possible, be brought into the accounts of the year (see also Article 277).

**LOCAL RULING UNDER ARTICLE 281**

The duplicate copy of the Cash Book prepared by carbon paper to be sent by Range Officers to the District Forest Officer should be accompanied by all the necessary vouchers as prescribed for District Forest Officers and should show the cash balance in hand at the end of the month, which should be personally counted by the officer closing the Cash Book and compared by him with the entries in the Cash Book and the duplicate copy of the Cash Book. The fact should be certified at the foot of the latter return in the following form

“I hereby certify that I have personally counted my cash balance on this day and found it to agree with the balance as shown in the Cash Book and in this return. The entries in the Cash Book and in this return have also been compared by me throughout and found to agree”.

The accounts and returns of Depot Keepers and other subordinates should be incorporated in the duplicate copy of the Cash Book and the timber and stock returns.

**C. — COMPILATION OF MONTHLY ACCOUNTS**

**Articles 282-287.** x x x

**D. — SUBMISSION TO ACCOUNTANT-GENERAL**

**Articles 288-297.** x x x

**LOCAL RULINGS UNDER ARTICLES 282-297**

1. District Forest Officers should render the following accounts to the Accountant-General. The Divisional Forest Officers should be despatched as a rule by registered post so as to reach his office on or before 15th of the month except in the months in which they may be specially required to be despatched earlier and special steps should be taken, if necessary, so as to ensure that they are despatched promptly. The accounts of the District Forest Officer, Upper Godavari, may be despatched so as to reach the Accountant-General not later than 10th of each month, as a special case, in view of the time involved in postal transit. If the due date happens to be a postal holiday, the accounts may be sent one day (but not more than one day) later. With a view to avoid delay, the accounts (but not the vouchers) may, in the absence of the District Forest Officers be signed by his Head Clerk or by a Gazetted Government servant on his behalf. The District Forest Officer should, however, check the accounts on his return and forward with the vouchers a certificate of his responsibility as to the correctness of the accounts submitted to the Audit Office, giving the totals under each head of revenue and expenditure.

[G.O.Ms.No. 305, Fin. & Plg., Dt. 2111-1979]

**Accounts to be rendered**

A classified abstract of the cash accounts (Form F.A. VII) showing for month:

- (a) the total revenue and expenditure under each of the prescribed heads of account;
- (b) the total amount of all cheques drawn;
- (c) all remittances to treasuries;

- (d) all advances paid and recovered;
- (e) all other cash recovered;
- (f) inter-departmental transfers;
- (g) forest refunds; and
- (h) receipts and payments on account of other Governments and Railways.

This account should be accompanied by the following documents and appendices—

#### Documents

- (i) Return of cheques drawn duly certified by the Treasury Officer (see Art. 267).
- (ii) Consolidated Treasury Receipt from the Treasury Officer for remittances into the treasury.
- (iii) Schedule of receipts and payments on behalf of other Govts. and Railways.
- (iv) Return of rents (Form F.A. VIII).
- (v) Schedule of Forest Remittances Treasuries in Form F.A. VI-A.

#### Appendices

I. Account particulars of the amounts debited and credited to “Advance Recoverable” and “10 Forest — Conservancy and Works — Suspense — Works Advances”.

**Note** :—Each item outstanding for more than six months should be entered in red ink in this Appendix. The return for March in each year should be accompanied by a brief statement explaining the circumstances in which each such item remains unadjusted and the steps which have been taken with a view to its early clearance.

Certificates of each balance in the hands of Range Officers and other disbursers who have received advances directly from the District Forest Officer, together with explanations of any differences between the amounts of such certificates and those shown in this Appendix should also accompany the March return.

II. Account particulars of cash recoveries made on account of over payments; retrenchments, etc.,

III. Account particulars of items credited to the detailed head “Other sources” under the head “X — Forest — Miscellaneous”.

**Note** :—The posting or ‘Aversa’ Register (Form F.A.X) prepared by the Accountant of the Divisional Forest Office should be attested monthly by the District Forest Officer when he approves of the accounts and field with the office copy of the accounts.

2. The submission of the monthly accounts should on no account be delayed. If, however, they cannot reach the office of the Accountant-General before the due date prescribed in Local Ruling 1 above, a separate statement (and if necessary a telegram) should be despatched so as to reach his office on the above due date, giving the figures under the following heads of account in the order noted below. The special reasons necessitating delay in the despatch of the accounts should also be furnished along with the accounts.

**I. — RECEIPTS AND CHARGES BY MAJOR HEADS OF ACCOUNT**

**Receipts**

- A. X. Forest (Gross).
- B. Refunds under’.
- C. State Provident Funds.
- D. Civil Deposits.
- E. Other Deposits and Advances, (i.e., Advances Repayable - Special Advances and Forest Advances; Suspense Accounts Departmental Adjusting Accounts).
- F. Loans and Advances by State Government.
- G. Adjusting account between Central (Non-Railways) and State Governments.
- H. Cash Remittances.
- I. Inter-State Suspense Account.
- X. Account with Railway (Southern Railway, Eastern Railway - each Railway separately).
- J. Opening balance.
- K. Total Receipts.

**Charges**

- L. 10 - Forest.
- Z. 65 - A Capital outlay on Forests.
- M. State Provident Funds.
- N. Civil Deposits.
- O. Other Deposits and Advances (i.e., Advances Repayable - Special Advances and Forest Advances; Suspense Accounts-Departmental Adjusting Accounts).
- P. Loans and Advances by State Governments
- Q. Adjusting account between Central (Non-Railways) and State Governments.
- R. Cash Remittances.
- S. Inter-State Suspense Account.
- Y. Account with Railways (Southern Railway, Eastern Railway - each Railway separately).
- T. Closing balance.
- U. Total charges.

**II. DETAILS FOR THE AMOUNT SHOWN UNDER THE HEAD “ADJUSTING ACCOUNT BETWEEN CENTRAL AND STATE GOVERNMENTS**

**Receipts**

- (a) Taxes on Income.
- (b) Account between Central Revenues and Andhra Pradesh.

- (c) Account between Civil and Posts & Telegraphs.
- (d) General Family Pension Fund, West Bengal.
- (e) Total receipts - Adjusting account between Central and State Governments.

#### **Charges**

- (f) Accounts with Governments of the other Countries.
- (g) Account between Central Revenues and Andhra Pradesh.
- (h) Account between Andhra Pradesh and Military.
- (i) Total Charges — Adjusting Account between Central and State Govts.

3. Two schedule dockets of works vouchers should be submitted for each range in Form F.A. IX, one for works sanctioned by the Conservator or higher authority, and the other for works sanctioned by the District Forest Officer and all other charges under “Conservancy and Works” including commission payments.

A contingent bill for the whole district should also be submitted for contingent charges under the minor head “Establishment”, except when separate bills are required under any rule or order to be sent for particular items. Contingent bills should be prepared in the forms prescribed and in accordance with the Subsidiary Rules and Instructions under Treasury Rule 16 except for the fact that the bills are not presented at the treasury. Particular attention should be paid to the rules regarding the submission of sub-vouchers, their cancellation, etc.

As regards travelling allowances, the original bill countersigned by the controlling officer should be submitted with accounts as vouchers, the payee’s receipts being filed in the District Forest Office.

Vouchers should also be submitted for advances to contractors and disbursements, transfers to other departments and the like.

Vouchers and sub-vouchers pertaining to each range should have a distinguishing letter attached to their members.

4. “The vouchers should be despatched by Registered Post, accompanied by a covering list showing the number and amount of each voucher in the prescribed form, accompanying the monthly accounts are signed by some other Gazetted Government Servant on behalf of the Divisional Forest Office?”

(Issued as C.S.No. 2/79 vide G.O.Ms.No. 305, F&A (Accts. II) Dept., Dt. 21-11-1979,  
w.e.f 1-3-1980)

5. All accounts in an Indian language should be accompanied by abstracts in English. The necessary particulars should be entered in English on all vouchers in an Indian language and signed by the District Forest Officer, when they are forwarded for audit in support of the charges entered in the direct monthly accounts.

6. In addition to the monthly accounts prescribed above, Capital and Revenue Accounts of Government owned and leased residences should be prepared annually and submitted to the Accountant-General in the form and manner prescribed by him.

# **APPENDICES**

## **APPENDIX I**

*[See Chapter II, Local Ruling under Articles 11 and 26]*

### **RULES GOVERNING THE ALLOCATION OF EXPENDITURE BETWEEN CAPITAL AND REVENUE AND FINANCING AND ACCOUNTING OF CAPITAL EXPENDITURE**

Expenditure on public services may be classified into “Expenditure on Revenue Account” and “Expenditure on Capital Account” or “Capital Expenditure”. The Comptroller and Auditor-General has broadly defined capital expenditure as expenditure incurred with the object of either increasing concrete assets of a material and permanent character, or of reducing recurring liabilities, such as those for future pensions by payment of commuted value. Capital expenditure may be met from non-revenue resources, such as capital receipts, accumulated revenue surpluses of previous years or the proceeds of loans. It is not however, necessary that all capital expenditure should be met from non-revenue resources. Prudent Financial Administration requires that capital expenditure should not be met from such sources, unless it is remunerative or is so large that it cannot be met from current revenues. Expenditure on a temporary asset cannot, ordinarily, be considered as expenditure of a capital nature.

2. For the purpose of laying down rules to determine what is capital expenditure and how such expenditure should be financed i.e., whether from the revenue account or from non-revenue resources, the public services on which the Government incur capital expenditure may be divided into the following categories :—

A. Irrigation works and electric schemes for which regular capital and revenue accounts are kept.

B. Government commercial undertakings.

C. Other departments and services for which no separate capital and revenue accounts are kept (e.g., civil works).

#### **A. — IRRIGATION WORKS AND ELECTRIC SCHEMES FOR WHICH REGULAR CAPITAL AND REVENUE ACCOUNTS ARE KEPT**

##### ***I. Allocation of expenditure between capital and revenue***

3. Irrigation and navigation works and electric schemes are generally of a revenue producing character, and a number of them have been financed from non-revenue resources. It is essential to make clear the financial effect of their working, and for this purpose separate capital and revenue accounts have to be maintained for them, showing the total cost of construction, the cost of extensions and improvements, the gross revenue and the cost of working and maintenance.

It is not, however, necessary to maintain separate capital and revenue accounts for small works, viz., works estimated to cost not more than Rs. 50,000/- each, nor if the work is of such a character as not to permit of clear capital and revenue accounts being kept.



4. The following rules should be observed in deciding whether an item of expenditure to an irrigation or navigation work should be debited to capital or to revenue

(1) Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of the work while not yet opened for service, and bears also charges for further additions and improvements in accordance with rule (3) below.

(2) Revenue bears all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvements and extensions as are chargeable to the revenue account under rules (3) and (4).

(3) When the construction estimate of a project is closed, the expenditure on works of extensions will be charged thus

(a) Estimates exceeding Rs. 1,000/- for (i) works which are in themselves directly remunerative, such as new distributaries, mills or works for increasing the canal discharge, and (ii) works which are necessary for the full development of a project, but are not in themselves directly remunerative, shall be charged to the capital account.

(b) Estimates accounting to Rs. 1,000 or under shall be charged to the revenue account under Extensions and Improvements.

(c) All estimates for works which are neither remunerative in themselves nor considered necessary for the development of the project shall be charged to the revenue account under Extensions and Improvements.

(4) In the case of renewals and replacements of existing work, if the cost really represents an increase in the capital value of the system and exceeds the cost of the original work by Rs. 1,000, the cost of the new work should be divided between capital and revenue; the cost of the original work, which should be estimated if the actual cost is not known, should be charged to revenue and the balance to capital. In other cases the whole cost of the new work should be charged to revenue. Thus a renewal which does not represent a substantial improvement of the original work and is in all material essentials the same as the original work should not be charged to capital but to revenue, even when the cost exceeds Rs. 1,000/-.

5. In theory, it is legitimate to make capital bear the charges for interest on money borrowed to finance the construction of a new project before this project becomes revenue earning. In fact, however, a Government project is only part of the operations of Government and it may be sound financial administration to meet interest charges from other revenue during the process of construction. The charge of interest to capital in Government accounts is justified only when there would be undue disturbance in the Government's budgetary position by taking interest to revenue. The writing back of capitalized interest should be the first charge on any capital receipts or surplus revenues derived from a project when opened for working.

6. The foregoing rules are generally applicable to electric schemes also, except that extensions to electric schemes which are directly remunerative and which cost Rs. 1,000 and under may also be debited to Capital.

## *II. Classification of works into productive and unproductive*

7. Although most of the works included in the category of works having capital and revenue accounts produce some revenue, not all of them produce revenue sufficient to meet the cost of working and maintenance and the interest charges on the capital. Works are accordingly classified into 'productive' and 'unproductive'.

8. A new work will be classed a 'productive' if, at the time of according sanction to it, there is good reason so believe that the net revenue derived from it will, within ten years after the probable date of its completion. Repay the annual interest on the capital invested at such rate as may be fixed by the Government from time to time. The capital invested in a work will include direct and indirect charges and arrears of simple interest, if any, i.e., balance of total interest over total revenue during the ten-year period, but no reduction should be made from the total capital outlay on account of anticipated excess of revenue over simple interest.

A new work which does not satisfy the criteria laid down above will be treated as 'unproductive'.

**Note :—**In the case of works sanctioned before 1st April, 1937 the rate of interest will be calculated at 4½ percent, irrespective of whether they were completed before or after that date, at 5 percent in the case of those sanctioned between 1st April, 1941 and 1st April, 1946 and at 4 percent in the case of those sanctioned on or after 1st April, 1946.

9. A productive work may be changed into an unproductive work and vice versa in the following circumstances :—

(a) If, at any time during the period of construction, or within ten years of the date of the closure of its construction estimate, it becomes apparent that a work originally classed as productive will not actually be remunerative according to the criterion prescribed in paragraph 8 above, it should be transferred from the productive to the unproductive class, and similarly, if it becomes obvious, during the same period, that a work sanctioned as unproductive will actually prove remunerative, the transfer of the work from the unproductive to the productive class may be effected.

(b) If a work which is classed as productive fails, at any time after the expiry of ten years from the date of the closure of its construction estimate, in three successive years to yield the relevant return prescribed in paragraph 8 above, it should be transferred to the unproductive class. A work classed as unproductive which succeeds in three successive years, the relevant return prescribed for a productive work may, on the same principle, be transferred to productive class. The Government may, however, postpone the transfer of a work from one class to the other, if they are satisfied that its success or failure is due to purely transient causes.

Thus every work classified, under paragraph 8 or clause (a) of this paragraph will retain the classification in the 11th, 12th and 13th years after the closure of its construction estimate.

10. If an existing irrigation, navigation embankment, or drainage work be extended or improved, the criterion of productivity prescribed in paragraphs 8 and 9 above shall be applied to the whole system or scheme including such extension or improvement, as if the extension or improvement had been executed simultaneously with the original

work, and the date of sanction referred to in paragraph 8 for the purpose of determining the percentage to be returned by the system as a whole shall be that on which sanction was accorded to the original project or scheme. As an exception to this rule, if any extension be, owing either to its nature or its magnitude, such as may reasonably be considered to be a separate project and if it be susceptible of having clear capital and revenue accounts kept of it, distinct from those of the project or scheme as a whole, it should be treated as a separate project or scheme. In that case, the conditions, relating to original projects or schemes, and not those relating to extension and improvements, shall be applicable. In all such cases, separate capital and revenue accounts should be maintained for the extension in order to enable the productivity test to be periodically applied.

11. For the purpose of determining the productivity of an old work which has been developed by the British Government, only the capital expenditure expended by that Governments should be regarded as the capital at charge on which interest is chargeable.

### ***III. Financing of expenditure***

12. *Productive Work* :—A new work, or a work of extension or improvement connected with an existing project or scheme which is treated as a separate work, may be financed from non-revenue resources, including borrowed money, if the work satisfies the test of productivity laid down in paragraph 8.

A work of extension or improvement, which is treated as part of an existing project or scheme, may also be met from non-revenue resources, if the work is expected to be remunerative by itself and the estimated cost is not less than Rs. 10,000. If such a work is unproductive, it should be financed from current revenues, unless the estimated cost of the work exceeds Rs. 5 lakhs, when the work may, if necessary, be met from non-revenue resources.

13. *Unproductive Works* :—Capital expenditure on new unproductive projects. and extensions and improvements to existing unproductive projects should, ordinarily, be met from current revenues.

If, however, the estimated cost of the work is more than Rs. 5 lakhs, it may be, financed from non-revenue resources. If a work falls within the scope of the proviso to Section 5 of the Madras Famine Relief Fund Act, 1936, it may be financed from the Famine Relief Fund.

### **B. — GOVERNMENT COMMERCIAL UNDERTAKINGS**

14. In the case of Government commercial undertakings, the expenditure incurred on the construction or acquisition of fixed assets of a material character, such as land, buildings, machinery, etc., is treated as capital. while expenditure on floating assets like raw materials consumed, wages, supervision charges, and other running expenses of the undertaking, depreciation on the value of fixed assets, and losses written off are chargeable to revenue.

Capital expenditure on Government commercial undertakings may be met from non-revenue sources, if the undertaking is working at a profit after providing for interest on the capital invested by the Government at the rates which the Government fix every year.

**C. — OTHER DEPARTMENTS AND SERVICES FOR WHICH NO  
SEPARATE CAPITAL AND REVENUE ACCOUNTS  
ARE KEPT (e.g., CIVIL WORKS)**

15. *Works for which no separate capital and revenue accounts are kept:-* Irrigation and navigation works which do not satisfy the criterion of the maintenance of separate capital and revenue accounts (See paragraph 3 above), and all other works which do not relate to commercial undertakings fall under this category. The expenditure on such work should, subject to the exceptions specified below, be met from current revenues:—

(a) If a work is expected to be remunerative i.e., is expected to produce a revenue after allowing for the cost of maintenance and repairs and interest on the estimated cost of the work, it may be financed from non-revenue resources, if the estimated cost of the work exceeds Rs. 50,000.

(b) If the work is unremunerative, i.e., does not satisfy the criterion laid down above for a remunerative work, it may be financed from non-revenue resources, provided that the cost of the work or group of works exceeds Rs. 5 lakhs.

For the purpose of the limit of Rs. 5 lakhs, works may be grouped together if they satisfy the following general principles

(i) the works should be interdependent; or

(ii) the works should be essential for the purpose of a single scheme or project.

(iii) all expenditure incurred at or about the same time on objects arising directly from the central idea underlying a scheme may be treated as having been incurred on that scheme.

Examples of works which form a group of works are the construction of quarters for Government servants generally in the agency tracts (scheduled areas) or for the Government servants of a particular department, such as the Police Department, in pursuance of a definite policy of the Government and works included in a building programme for the establishment of a new State or district headquarters.

16. *Commutation of pensions* :—This is generally recognized as a legitimate item of capital expenditure, since it reduces recurring liabilities in respect of pensions. The expenditure incurred annually on the commutation of pensions does not, however, vary to any appreciable extent from year to year and since it is practically a recurring expenditure, it can more properly be met from current revenues.

17. *Loans and advances to local bodies, cultivators, etc.,* :—These may be met from loans or from other non-revenue sources; such as accumulated balances and recoveries of loans.

18. *Grants-in-aid to local bodies for any scheme* :—Grants-in-aid do not go to build tangible assets for the Government, as distinguished from those of local bodies, and they should accordingly be met from current revenues.

## APPENDIX 2

*[See Chapter II, Local Ruling 1 under Article 29]*

### DETAILED HEADS PRESCRIBED BY THE GOVERNMENT IN REGARD TO IRRIGATION, ETC., WORKS WITH INSTRUCTIONS AS TO THE CHARGES TO BE CLASSIFIED UNDER THEM

**General remarks** :—(1) The detailed heads in this list may be varied, under the orders of the Government, to suit the circumstances of each project. (2) Combined works falling under two or more heads — e.g., combined bridges and falls, or combined falls and regulators — should be classified according to that aspect of the work which predominates.

#### A. — PRELIMINARY EXPENSES

Surveys and preliminary investigations — This head does not appear under “Extensions and Improvements” nor under “Maintenance and Repairs”.

#### B. — LAND

Compensation for taking permanent or temporary possession of land required for the purposes of the work.

The term “*Compensation*” includes the following besides the payment for the land itself, (1) payments for buildings, trees, crops, etc., and (2) cost of special land acquisition establishment when it is chargeable to the Public Works Department. Sale-proceeds of work, building materials, etc., obtained on clearing land taken up should be taken in reduction of the charge, if realized before the accounts of the estimate for the acquisition of the land have been closed. (see Art. 68). If any buildings acquired with the land are used as residences or otherwise let, they should be brought on the Register of Rents, Form P.W.A. XIII and rents realized should be treated as ordinary rent receipts.

#### C. — WORKS

All construction works whether of earthwork or of masonry, etc., excluding work falling under the heads I — Navigation and K — Building in all cases and under L — Earth work where this is maintained as a separate detailed head. Ordinarily the grouped head C - Works takes the place of such of the heads D, E, F, F (1), G, H, J and L, as are not separately provided for.

#### D. — REGULATORS

Works (other than escapes and heads) for the regulation of supply.

#### E. — FALLS

Falls and rapids other than those required to maintain the depth of water for navigation purposes.

#### F. — RIVER AND HILL TORRENT WORKS

Aqueducts, super passages, culverts, syphons, inlets, and outlets and cross drainage works generally, when such works are in connection with river and hilt torrent.

**F (1). — OTHER CROSS DRAINAGE WORKS**

Cross drainage works of the classes referred to under the head “F — River and Hill Torrent Works”. When such works are in connection with drainage other than that from river and hill torrents.

**G. — BRIDGES**

Bridges, both road and railway, for crossing a canal, including subsidiary works e.g., approach roads, fencing gates, glints, steps, etc.

**H. — ESCAPES**

Masonry and earthwork connected with escapes (including escape heads).

**I. — NAVIGATION**

Locks at head-works and on a canal; separate navigation channels and weirs designed for maintaining the requisite depth of water for navigation purposes.

**J. — MILLS**

Water-Power plant (if a permanent fixture) and buildings in connection with such plant, also sluices and channels conducting water to and from the same.

**K. — BUILDINGS**

Permanent and temporary buildings (including staff quarters, offices, workshops, stations, etc., but excluding buildings for water-power) and station drainages, roads, gardens, enclosure walls, conservancy works, etc., pertaining to buildings individually or collectively. In the case of maintenance and repairs this head includes also taxes payable by the Government and rents of buildings hired by the Government.

**L. — EARTHWORK**

Excavation and embankments for the channel, protective works for the bed and sides; trimming; turing or riveting slopes; retaining walls for embankments.

**L (1). — BOUNDARY AND SERVICE ROADS**

Subordinate to the detailed head ‘L — Earthwork’ — Roads and Communications.

This head may be opened to record the expenditure on side roads and service roads separately, if it is not proposed to classify it under ‘L — Earth work’.

**M. — PLANTATIONS**

All regular plantations, including the cost of cleaning land, transplanting soil and planting trees. Gardening charges in connection with buildings do not fall under this head.

**N. — TANKS AND RESERVOIRS**

Earthwork, masonry, etc., on tanks and reservoirs (e.g., tail tanks) in connection with canals other than tanks chargeable to ‘Head Works’ in the case of storage projects.

**O. — MISCELLANEOUS****1.**

Works and services not falling under any other detailed head. Includes (1) experiments; (2) works in connection with irrigation outlets not debitable to the head ‘Water-courses’; (3) distance marks; (4) boundary pillars. Includes also minor works

constructed in the banks of canals or distributaries for the direct delivery of water. Includes also, in the case of original works and of extensions and improvements, charges for compensation not debitable to any other detailed head.

### **P. — MAINTENANCE**

All repairs work prior to the opening of the revenue account for the project or the section concerned. This head appears only under 'Works'.

## **APPENDIX - 3**

*(See Chapter II, Local Ruling under Article 42)*

### **RULES FOR THE ACCOUNTING AND DISTRIBUTION OF ESTABLISHMENT AND TOOLS AND PLANT CHARGES**

1. The accounts of Establishment and Tools and Plant charges are kept on the following principles :—

(i) The charges of division or special office are, as a rule, met out of the single major head '50. Civil Works' in the first instance.

(ii) Before closing accounts of the year, the Accountant-General apportions the charges of the whole State amongst the major heads to which the cost of the works was charged.

(iii) In certain cases whether this annual adjustment is unsuitable, as for example in the case of non-Government works or for works done only occasionally for other departments, the recovery of cost is effected in the accounts of the divisions concerned from time to time by the levy of a percentage charge,

(iv) Otherwise, the shares pertaining to individual works are not determined except for the purposes of certain proforma accounts, as in the case of Irrigation and Navigation Works.

2. Subject to the exceptions mentioned in Article 39 of this Code and in Rule 3 below, the establishment charges of a division or of a special office should, in the first instance, be classified under the major head 'Establishment' of the major head '50. Civil Works'. The same major head should bear, in the first place, the charges for the ordinary tools and plant of the division, under the minor head 'Tools and Plant'.

**Note** —For the classification of the charges (1) the special tools and plant of a division, and (2) the tools and plant of a special office. (see Rule 4 below and the Andhra Pradesh Public Works Department Code, respectively).

3. The under mentioned special establishments should be charged as indicated below:

(i) *Establishment employed on works in the Scheduled Areas* :—To the head '50. Civil Works — Scheduled Areas'. (See Art 39).

(ii) *Pay of the driver in charge of the lifting machine for the falling shutters over the Krishna Anicut* :— To the minor head 'Establishment' under the head 'XVII. Irrigation, Navigation, etc., Works'.

(iii) Establishment employed for the execution of irrigation projects :—To the head ‘68. Construction of Irrigation, Navigation, Embankment and Drainage Works’ or ‘80. A Capital outlay on multi-purpose river schemes’.

4. The cost of special tools and plant including those required for use on Famine Relief, should be classified in accordance with Articles 37 and 41. Tools, Plant and Machinery required for a workshop of a quasi-commercial character should be charged direct to the accounts of it.

5. Recovery of the cost of establishment and tools and plant should be made in the following cases

(a) Work done for other States.

(b) Work done for the Railways, the Archaeological Department or other departments of the Central Government.

(c) Work done for the other departments, when the cost is chargeable to those departments.

(d) Non-Government works.

(e) For all work done in the Public Works Workshops at Hyderabad, Dowlaishwaram and Vijayawada, even though the work is for a Public Works Division within the State.

(f) For work done in the Physics and Soil Mechanics Office and Irrigation Research Station, Poondi, on behalf of departments of the State Government, other Governments, Railways, private person, or bodies.

6. In the cases referred to in Rule 5 above, recoveries will be made at percentage rates on the value of work done; The percentage for Archaeological works and for such other works of the Central Government which may have to be executed in special cases will be 19 percent for establishment, pensionary and tools and plant charges. The percentages for items (a), (c), (d) and (e) and for Railways in item (b) are fixed separately for establishment and tools and plant charges, and readjusted if necessary at quinquennial intervals, by the Government, in consultation with the Accountant-General, the rates being based on the actual average cost (per 100 rupees of outlay on works) in the State during the previous five years. The actual average cost should be taken to mean, in the case of establishment, that portion of the average expenditure on the whole establishment, which may be considered to have been incurred in the actual execution of works and their connected preliminaries. The object of the latter rule is to exclude from the ratio of the cost of establishment to the outlay on works, the share of the cost of establishment employed on other miscellaneous duties of the Public Works Department, such as the annual inspection of Railway affecting tanks, preparation of data statements for buildings, inspection of buildings annually and the scrutiny of plans on behalf of local bodies without actually executing any work in order that in the aggregate, the recoveries made on the work done may represent fairly the actual cost of the services for which the percentages are charged.

The percentages applicable are—

(i) for work done for other States — Same as Sub-clause (iv) (a) below, except 1 percent for audit and accounts;



(ii) for work done occasionally for Railways — Same as Sub-clause (iv) (a) below;

(iii) for work done for all other departments and charged to the departments concerned — Same as Sub-clause (iv) (a) below, except the percentages for audit and accounts and for pensionary charges:

Provided that if the work done is for a commercial department, the percentage for pensionary charges should be levied.

**Note** :—If the establishment employed on a project of the kind referred to in Sub-clause (iii) of Rule 3 above (which should be treated as a commercial department with reference to the rules in Chapter 4 of this Code, Volume 1), executes work on behalf of Public Works Department divisions charged to “50. Civil Works” or for other departments, the percentage charges applicable are those in Sub-clause (iv) (a) below, but excluding 1 percent for audit and accounts.

(iv) for non-Government works (including local fund works, municipal works, and other contribution works) as below :—

- (a) For works other than water-supply and drainage schemes :—
- |     |   |
|-----|---|
| 13  | percent on the amount of works outlay for establishment.      |
| 1 ½ | percent on the amount of works outlay for pensionary charges. |
| 1   | percent of the amount of works outlay for tools and plant.    |
| 1   | percent of the amount of works outlay for audit and accounts. |

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16 ½ per cent.

These rates will apply to works which were started on or after 1st April, 1937.

**Note 1** :—When lumpsum contributions are received towards Government works from local bodies or private persons or bodies, they should invariably be distributed, for accounts purposes, in two parts, the one representing a share of works expenditure and the other the amount chargeable on that share as Establishment and Tools and Plant and Pensionary charges calculated according to the percentage fixed in Sub-clause (iv)(a) above. No charge for audit and accounts should be levied in such cases.

In the case of contribution works where the local bodies or private donors permitted to carry out the works themselves under the supervision of and in accordance with the plans and estimates approved by the Public Works Department and where no centage charges are to be recovered for supervision and scrutiny of plans and estimates, centage charges at rates detailed below should be credited to the Public Works Department in the manner laid down in Rule 5 (1) of Statement E Appendix 4, Andhra Pradesh Public Works Account Code, and the same amount debited to the concerned department which is benefited by the work. The rates of centage charges to be adopted in such cases will be 1 percent of the estimated cost for scrutiny and sanction of estimate and 2 percent of the sanctioned estimated cost of work for supervision and direction including test check.

**Note 2** :—If, in the case of any local fund or municipal work executed by the Public Works Department, the local fund or municipal staff are employed on investigation and preparation of plans and estimates before they are sanctioned and such plans and estimates are worked to, without revision, the rate for establishment will be reduced 101,6 per cent.

**Note 3** :—If the Public Works Department prepares the plans and estimates for any works to be executed by the Central Government, other departments of the State Government, local

bodies including municipalities, and private persons, a charge of 2½ per cent on the estimated cost exclusive of the cost of land will be levied subject to a minimum of Rs. 10. In cases where the Public Works Department merely scrutinizes the estimates and plans prepared by the Central Government, other departments of the State Government, local bodies including municipalities and private persons, the charge should be 1 percent on the estimated cost, exclusive of the cost of land, subject to a minimum of Rs. 5. This rule does not apply (i) to the scrutiny of trunk road maintenance estimates undertaken with reference to Rule 3 of the rules in both Sections A and B of Appendix IX to the Andhra Pradesh Public Works Department Code, and (ii) to the preparation or scrutiny of the plans and estimates for works financed entirely from the Road Fund. In the case of works executed by local bodies and financed partly from the Road Fund and partly from other funds, the centage charges leviable should be based on the proportion of the estimated cost of the work to be met from funds other than the Road Fund. Such charges may be debited to the estimates for the works, provided that no grant may be claimed from the Road Fund in respect thereof.

**Note 4 :—**(1) Under the reciprocal arrangement entered into with the Railway in this State, centage charges at the above rates will be payable to the Railway for work done by them for the Government.

(2) When plans and estimates are prepared by the Public Works Departments for Railway works or vice versa and if the works are not subsequently carried out by the Public Works Department or by the Railway, centage charges will be payable on the sliding scale fixed by the railway from time to time.

The above arrangements will also apply to works undertaken by the Railway for the Police Department.

**Note 5 :—**In cases where Public Works Department Officers are required to issue certificates of reasonableness of rent for private buildings occupied by educational institutions aided from State Funds, fee shall be collected at the following rates :—

(a) Ten percent of the monthly rental recommended by the Public Works Department as reasonable, subject to a minimum of Rs. 20 in each case, where the building concerned is situated within five miles from the headquarters of the inspecting officers;

(b) Ten percent of the monthly rental recommended, subject to a minimum of Rs. 20 in each case, plus the travelling allowance involved, where the building concerned is situated beyond five miles from the headquarters of the inspecting officers:

(c) For renewal of the certificates, a fee of Rs. 10 only shall be collected in each case;

(d) I. For water-supply and drainage schemes executed by the Public Works Department with its own staff:

	For a scheme the cost of which exceeds Rs.1 lakh – Percentage of works outlay	For a scheme the cost of which does not exceed Rs.1 lakh – Percentage of works outlay
(1)	(2)	(3)
(a) For establishment employed on execution, supervision and direction	10	10
(b) For pensionary charges	1 ½	1 ½
(c) For preparation of Plans and estimates by the Sanitary Engineer	2 ½	2 ½

(1)	(2)	(3)
(d) For scrutiny by the Chief Engineer	$\frac{1}{2}$	...
(e) For audit and accounts	1	1
<b>Total</b>	<b><math>15\frac{1}{2}</math></b>	<b>15</b>

*Note:-* No centage charges will be levied on account of “Tools and Plant”.

II. For water-supply and drainage schemes in direct charge of Municipal Engineers, supervised by and certified to by the Public Works Department Executive Engineer.

	For a scheme the cost of which exceeds Rs.1 lakh Percentage of works outlay	For a scheme the cost of which does not exceed Rs.1 lakh Percentage of works outlay
(a) For supervision and direction by the Public Works Department	4	4
(b) For pensionary Charges	$\frac{1}{2}$	$\frac{1}{2}$
(c) For preparation of plans and estimates by the Sanitary Engineer	$2\frac{1}{2}$	$2\frac{1}{2}$
(d) For security by the Chief Engineer	$\frac{1}{2}$	....
<b>Total</b>	<b><math>7\frac{1}{2}</math></b>	<b>7</b>

*Note :-----*If in any of these cases, the plans and estimates are prepared by the Municipal Engineer and they are worked up to in execution, the above rates of centage charges will be reduced by 2 percent of works outlay.

III. For water-supply and drainage schemes taken up by the Public Works Department for execution, retaining the Municipal Supervisors to work under one of the Public Works Department sub-divisions, centage charges should be levied at the rate specified in Sub-clause (1) less the cost of the actual municipal establishment employed on the work.

IV. In the case of panchayat water-supply and drainage schemes executed under the control of District Board Engineers but supervised by the Public Works Department Superintending Engineers; the charges for supervision and direction should be recovered at the rate of 2 per cent of works outlay.

*Note :—*(i) The rates specified in Sub-clause I above shall apply only to those works the execution of which was actually started on and after the 15th June, 1938.

(ii) The rates specified in Sub-clauses II, III and IV shall apply to the schemes taken over under the supervision of the Public Works Department after the 15th June, 1938 and will be levied on the expenditure incurred thereon from and after the dates on which they were taken over.

(iii) If the Electricity Department entrusted with the work of preparation of tender notice, contract, drawings and specifications and also with scrutiny and advice on tenders for electrification works connected with the water-supply and drainage schemes, a consolidated fee of  $1\frac{1}{2}$  percent on the estimated cost of the electrical part of the work should be paid to that department and it should be allocated and adjusted as shown below:

(A) One percent for the preparation of tender notice, plans and specifications To be adjusted from the centage charges of 2 ½ percent leviable for the preparations of plans and estimates by the Sanitary Engineer.

(B) *Quarter percent for scrutiny and advice tenders* :—To be adjusted—

(i) in the case of schemes taken up for execution by the Public Works Department, from the centage charges of 10 percent mentioned in item (a) Sub-clause I above.

(ii) in the case of schemes taken up for execution by the Municipal Engineers under the supervision of the Public Works Department from the centage charges for “direction” included in the rate of 4 percent mentioned in item (a) Sub-clause II above, and

(iii) in the case of Panchayat schemes executed by the District Board Engineers under the supervision of the Public Works Department, from the centage charges of 2 per cent for supervision and direction referred to in Sub-clause II above, and

(C) A charge of 2 ½ percent on the estimated amount, if it does not exceed rupees one lakh and 3 percent if it exceeds rupees one lakh, will be levied on plans and estimates for water supply and drainage schemes which are not executed but are finally recorded or revised.

V. For works done in the Public Works Workshops at Hyderabad, Seethanagaram and Dowlaishwaram—

The percentages are fixed separately for establishment including accounts and audit, tools and plant, repairs and carriage and depreciation interest on capital and depreciation of buildings and pension and are revised periodically by the Government in consultation with the Accountant- General the rates being based on the proportion which the actual charges under the above heads bear to the value of work done in the Workshops.

VI. For Archaeological and other works of the Central Government—

	<i>Per Cent</i>
On the works outlay, for establishment	15
Do for pensionary charges	2 ½
Do for tools and plant, ordinary	½

**Note 1** :—In the case of work done in special cases for Military Engineering Services and Posts & Telegraphs, an additional charge of 1 percent on the works outlay should be levied for accounts and audit.

**Note 2** :—As regards charges for the preparation of plans and estimates by the State Government in these cases. (see Note 3 under Rule 6(iv)(a) above).

VII. For work done by the Engineering Research Laboratories, Hyderabad on behalf of departments of the State Government, other Governments, Railways, private persons or bodies, actual proportionate cost of the establishment and tools and plant employed on the work and 5 percent of the cost of establishment to cover supervision charges will be recovered.

7. As an exception to Rule 6(vi), the establishment charges on new supplies and repairs of barrack furniture of the Military Engineering Services is fixed at 10 percent on the outlay.

8. The prescribed percentages can be remitted, with the sanction of the Government in the case of non-Government works consisting less than Rs. 1,000/-. The remission of charge is not permissible in other cases, as such aid as it may be desired to give

to a local body in the contribution of a work in which it is interested, is usually given separately in the form of a cash grant-in-aid.

9. The percentage referred to in Rules 6 and 7 are leviable on the actual outlay booked in the account, i.e., on the net outlay in case there are any refunds or write-back except in the case mentioned in the Note 3 under Rule 6 (iv) (a). No item of expenditure should be excluded from the levy on the plea that it involved little or no department supervision, etc., but the prescribed percentage charges for tools and plant should not be levied in the case of non-Government works on which tools and plant of the department are not used.

**Note** :—Under this rule, even the cost of land acquired through the Revenue Department is not exempt when it is adjusted in the divisional accounts as part of the cost of a non-Government work; but if the estimate for the work does not include the cost of the acquisition of the land and this cost is not passed through the Public Work Accounts, no percentage charge is leviable on account of it.

**Exception** —In the case of works done by the Southern Railway on behalf of the Public Works Department and vice versa, the percentages should be levied on the gross and not the net outlay on the works.

10. Recoveries made in accordance with Rules 5 to 9 should be classified as indicated in Articles 66 to 72 of this Code, the adjustments being made in the accounts of the Divisional Officer, whenever the cost of work done is adjusted by charge to the deposit remittance or other account concerned.

**Note 1** :—The additional charge of 1 percent recovered in respect of works referred to in item (b) excluding the works of the Archaeological Department and in item (d) of Rule 5 should be adjusted as follows

The recoveries will be adjusted in the divisional accounts, those relating to works executed on behalf of (1) private parties, and (2) local bodies as revenue receipts under the minor head “Fees for Government audit” subordinate to the major head “XLVI. Miscellaneous — Central” and those relating to Railways and works executed for Military Engineering Services and the Posts & Telegraphs Department as reduction or expenditure under “26. Audit — Central”.

**Note 2** :—In the case of work done in workshops of a quasi-commercial character the percentage charges include this 1 percent even in the case of jobs executed for other divisions, or departments, both of the same State and of other States, but such recoveries should not be credited to “26. Audit” or “XLVI. Miscellaneous — Fees for Government Audit” except in the cases referred to in Note 1 above.

11. Recoveries on account of services rendered by Special Officers other than Chief and Superintending Engineers, do not appear in the accounts of the Divisional Officer in cases in which there is no works expenditure, e.g., fees for advisory work. Such fees should be paid direct into the treasury to be credited to the head of account which bears the cost of the establishment of the Special Officer concerned when the fees have been recovered from outside bodies or departments of the same Government, and to the corresponding Receipt or Capital head of expenditure in other cases. (vide Articles 55 to 72 of this Code).

12. In the case of large surveys for new projects of Irrigation, Navigation, Embankment and Drainage works, for which special establishment is entertained, an addition

of 5 per cent to the cost of the establishment should be made by the Accountant-General to cover the supervision charges thereon.

In the case of (1) Irrigation works for which special establishment chargeable to the concerned Irrigation head of account is employed, and (2) Famine Relief Works for which special establishment chargeable to “54-A. Famine Relief” is employed, the Accountant-General should add to the cost of such establishment employed on these works, 2 percent on the works outlay to cover the “Direction” charges.

In the case of works in the Scheduled Areas executed by establishment chargeable to “50. Civil Works — Schedule Areas”, the Accountant-General should add to the cost of establishment employed on these works, 2 percent on the works outlay to cover “Direction charges” on account of the Chief and Superintending Engineers and an additional 8 percent of the works outlay for the services rendered by the Executive Engineers and Sub-divisional Officers in supervising the works.

**Note** —The percentage levied on workshop jobs on account of establishment [vide Rule 6(v) includes a provision of 1 percent for “Audit.” The Recovery made on account of such portion “Audit” as is not credited to “26. Audit” or “XLVI. Miscellaneous — Fees for Government Audit” under Note 1 to Rule 10 above is deducted from the establishment charges before the pro rata distribution is made.

13. Thus, when the accounts of the year are about to be closed the charges detailed below will represent the residual charges to be apportioned to the several classes of works executed in the year, other than those for which either percentage charges were levied under Rules 5 to 8 and 12 or special establishment was employed (Rules 2 and 3). This apportionment will then be made by the Accountant-General as indicated in Rules 14 to 16.

(i) Net charges booked under the minor head “Establishment”

(ii) Net charges booked under the minor head “Tools and Plant”

(iii) Minus the recoveries (on account of establishment and tools and plant charges) referred to in Rule 9, whether credited to recoveries of expenditure”, or receipts and recoveries on capital account. under several major heads

14. (a) The establishment charges to be distributed pro rata will be—

The sum of the residual establishment charges (vide Rule 13 above) in each circle of superintendence (excluding in the case of the Madras Circle, the cost of the establishment of the Public Works Workshops and Stores Divisions, Madras, which will be distributed over all circles).

Plus a share of the additional charges mentioned in the next sub-paragraph.

Minus the special charges mentioned in the last sub-paragraph to this clause.

**Note** :—The Electrical Engineer’s Division shall be treated as a “Circle” for purposes of this rule.

The additional charges, a share of which will be debited to each circle, are—

(1) the cost of the Chief Engineers and the Consulting Architect and their establishment.

(2) the cost of other Special Officers, if any, whose jurisdiction extends beyond a single circle of superintendence and their establishments.

Minus the percentage recoveries made under Rule 6 above.

**Note** :—The expenditure on establishment included in the direct charges on works does not come under the above Rule.

(3) leave salaries, sterling overseas pay, etc., paid in England as booked under the minor head “Charges in England” subordinate to the major head “50. Civil Works —. State”.

The Electrical Engineer’s Division should be debited with a portion of the establishment charges detailed in (1) and (3) above only. The debit on account of (1) will be calculated 4 percent of the gross establishment charges of the Electrical Engineer’s Division. The debit on account of (3) will be in the proportion which the works outlay of that division bears to the works outlay of the whole State. The balance of charges on (1) and (3) and the charges on (2) and (4) will be distributed equally among the regular circles.

The Electrical Division will also be debited with a charge of 4 percent on the gross establishment charges of the division on account of the technical supervision of the Chief Engineer (Electricity).

The special charges that are to be deducted from the circle charges are—

(1) the special charges or establishments adjusted separately under Rules 2 and in each circle.

(2) the amount (on account of establishment charges) calculated at 2 amiss per acre irrigated in the case of all irrigation works for which capital and revenue accounts kept and at Y2 percent of the capital value of all State buildings, the mean of the figures of the beginning and end of each year being taken.

(b) The tools and plant charges to be distributed pro rata will be the sum of the residual charges (vide Rule 13 above) in each circle (excluding the charges booked under the major head 54. A Famine Relief”).

**Note** :—The expenditure on the cost of special tools and plant charged direct to works does not come under the above rule.

The Electrical Division shall be treated as circle for purposes of this rule. In distributing the additional charges mentioned above among the several circles, the Electrical Engineer’s Division should be debited only with a proportion which the works outlay of that division bears to the works outlay of the whole State and the balance distributed equally among the regular circles.

15. To rata distribution of the establishment or and plant charges, determined under Rule 14 above should be thus—

I. For purely Irrigation or mixed Irrigation and Civil Works circles of superintendence—

(a) The divisible establishment or tools and plant charges of each circle should be divided among the several major heads operated on (Rule 13) in proportion to the works expenditure under each head.

(b) No items of works expenditure recorded finally under the major head concerned should be excluded.

II. For circles of superintendence in which the only work executed falls under the Civil Works branch of the department—

(a) The divisible establishment or tools and plant charges in all the circles combined should be 13) on the basis of the works expenditure in all the

(b) No items of works expenditure recorded finally under the major head concerned should be excluded.

III. The amount calculated at 12 naya paise per acre [Vide clause (2) in the last sub-paragraph of Rule 14(a)] should be debited to 'XVII. Working Expenses', and the amount calculated at percent of the capital value of State buildings should be debited to '50. Civil Works — State'.

IV. (a) If a purely Irrigation or mixed Irrigation and Civil Works circle of superintendence consists of divisions with largely varying conditions of work and the Government are satisfied that the adoption of the circle as the unit of distribution will, in a series of years, result ultimately in a disproportionate charge to the administrative accounts of one or more important Irrigation, Navigation, Embankment or Drainage projects under construction in one or more divisions of the circle, they may order those divisions, collectively or severally to be treated as a separate unit or units of distribution and the remaining divisions of the circle as another unit.

(b) If this course is adopted, the annual prorate distribution of the establishment and tools and plant charges relating to each unit should be made as in clause I above, with the exception that the establishment charges to be distributed should be determined as follows :—

(i) Take the total establishment charges in each unit.

(ii) Add to this a share of the establishments of the Chief Engineers and Special Officers, and of leave salaries paid in England, calculated thus :— First determine the share chargeable to the entire circle of superintendence under Rule 14(a) without making the deductions mentioned therein. Divide this among the units making up the circle, in proportion to the works expenditure under each head, as in Clause I of this Rule.

(iii) Then deduct the special and percentage charges for establishments adjusted separately under Rules 2, 3 and 5 to 11 in each unit.

(c) Orders passed by the Government under sub-clause (a) above will ordinarily cease to be operative on the expiry of the projects, whose interests it was sought to protect, were closed, unless an earlier date has been fixed by the Government.

16. The apportionment should not be carried further in the regular accounts, but in the proforma (Administrative) accounts of individual productive or unproductive projects of Irrigation, Navigation, Embankment and Drainage Works prepared annually by the Accountant-General, suitable additions to the outlay on the projects should be made to



cover the cost of establishment and ordinary tools and plant. On the basis of the figure of the establishment (or tools and plant) charges in each circle, or other unit of distribution as finally booked under the major head concerned, should be determined the percentage (to 4 places of decimals) which that figure bears to the total works outlay finally booked under that head in the unit concerned. The establishment (or tools and plant) charge on account of each project under that head should then be calculated by multiplying the works outlay on the project by this percentage.

**Note** :—In Administrative accounts of Irrigation, Navigation, Embankment and Drainage works, an indirect charge of 1 percent on account of audit and accounts establishment should be levied on the works expenditure of the year.

17. For purposes of audit, or of allotment of funds, it is not necessary to include in the estimates for individual works any provision on account of establishment and tools and plant charges, unless percentage charges are leviable, under the rule, on actual works expenditure and are adjusted monthly. For administrative purpose, such provision is, however, made in the project estimates of irrigation works for which Capital and Revenue Accounts are kept and of any others of which it is desirable to forecast the ultimate financial results.

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