

**THE ANDHRA PRADESH
PUBLIC WORKS
ACCOUNTS CODE**

THE A.P. PUBLIC WORKS ACCOUNTS CODE

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REVISED CLASSIFICATION

It is widely felt that in view of the increase in divergencies between plan classification and accounting classification, there is a need in order to simplify everything, to review the existing structure of accounting and budgetary classification and a Committee was constituted for the purpose.

The Government of India, after examining the report of the Committee and in consultation with the Comptroller- General of Accounts and the Comptroller and Auditor-General of India, decided to adopt the new classification with effect from 1-4-87 in terms of Article 150 of the Constitution of India.

This has been Communicated to the State government vide Letter No. Fl (20)—B (AC) 86, dated 8-7-1986, to follow the revised structure of classification from 1-4-1987.

The revised structure of classification has been specified in G.O.Ms. No. 49, Fin. & Plg. (F.W. BG) Dept., dated 2nd March, 1987. Amendments to this Code are not issued till now and hence could not be carried out in this edition.

**REVISION OF THE STRUCTURE OF
CLASSIFICATION
IN GOVERNMENT ACCOUNTS WITH
EFFECT FROM 1st APRIL, 1987**

(G.O.Ms.No. 42, Fin. & Plg., Dated 2nd March 1987)

Read the following :—D.O. Letter No. Fl (20)—B (AC)/86, dated 8th July, 1986 from Secretary, Ministry of Finance, Department of Expenditure, Government of India, New Delhi addressed to the Chief Secretary to Government of Andhra Pradesh, Hyderabad.

ORDER :—The present structure of classification of transactions in Government accounts on a function-cum-programme/activity is in vogue since 1-4-1974. On account of increase in divergencies between the plan classification and the accounting classification over the years mainly because of the shifts in social priorities and Technological advancements, Government of India considered the need to review the existing structure of accounting and budgetary classification and a committee was constituted for the purpose. The Committee had recommended certain changes in the structure of accounting classification. After examining the recommendations in consultation with Comptroller-General of Accounts and Comptroller and Auditor-General it was decided by Government of India to adopt the new classification with effect from 1-4-1987 in terms of Article 150 of Constitution of India.

Accordingly, Government of India in the reference read above, have communicated the revised structure of classification with advice to follow the same with effect from 1-4-1987.

On the basis of list of Major, Sub-Major and Minor heads sent by Government of India and keeping in view the guidelines, Demand-wise correlation statements showing the existing classification and Revised classification have been prepared and appended to this order. All Estimating, Chief Controlling Officers, Subordinate controlling Officers, Drawing Officers and Treasury Officers are requested to follow the revised classification of accounts both in crediting the receipts and incurring the expenditure with effect from 1-4-1987.

The Sub-accounts to suit the new accounting structure will be sent to the Treasuries separately in due course.

There will be no change in the existing due dates for rendering accounts, other returns etc., to the Accountant-General and other authorities.

The General instructions, rules, orders etc., contained in the existing Codes and Manuals namely — Budget Manual, Treasury Codes, Financial Codes, Department Manuals etc., shall continue to be followed by the Departments with necessary changes in the light of the revised classification being implemented from 1-4-1987. **Amendments to these codes and Manuals will be issued by the authorities concerned in due course.**

Note :—Till date the amendments are not issued to this Code.

For quite sometime to come, there is bound to be correspondence relating to the matters in the existing accounting setup. To facilitate correlation and linking up with the new heads of accounts which will be in vogue from 1-4-1987 onwards, all Beads of Departments and other Departmental and Disbursing Officers including District Treasury Officers/Sub-Treasury Officers should indicate in all their letters to the Accountant-General, Andhra Pradesh and other authorities, the old as well as new heads of accounts connected with the subject matter of correspondence.

Adequate steps should be taken by Departmental Officers concerned to ensure that the officials entrusted with the task of preparation of bills etc., indicate the revised classification on the bills and other account documents, as the classification indicated on the vouchers in the challans and other account documents form the basis for compilation of accounts at the treasuries and in the Accountant-General's Office. The need for ensuring utmost accuracy in the initial classification need no emphasis, as any initial misclassification affects both accuracy and speed of compilation of accounts.

It is of utmost importance for an effective working of the new accounting reforms, that executive officers reconcile the figures of expenditure as reflected in their departmental books with the accounts compiled by the Accountant-General, concurrently i.e., immediately after the close of the month. The Accountant-General is bringing to the notice of Government every year chronic delays on the part of departmental officers

in the work of reconciliation. Heads of Departments and other Chief Controlling Authorities should ensure that from 1-4-1987 onwards, the instructions contained in this regard in the A.P. Budget Manual are followed strictly and that the work of reconciliation is not allowed to fall into arrears so that the departmental figures duly reconciled with the account figures from an accurate basis for monitoring and evaluation of programmes and schemes and for obtaining reimbursement from Government of India for Centrally assisted schemes.

All Heads of Departments and Chief Controlling Officers are requested to communicate the copies of the correlation statements relating to them to their subordinate controlling and drawing officers immediately with suitable instructions to follow the appropriate revised Heads of Accounts both in regard to crediting the receipts and incurring the expenditure with effect from 1-4-1987.

The District Treasury Officers and Sub-Treasury Officers are requested to ensure that all the drawing officers follow the revised classification for remitting the receipts and incurring the expenditure with effect from 1-4-1987, if necessary asking them to refer the correlation statements furnished to the Treasuries to the District Collector.

As the general public may not be conversant with the new heads, the Treasury Officers are directed to accept the challans even if the challans bear the old heads and carry out necessary corrections in challans in their offices before scrolling.

If there are any practical difficulties, in actual working of the new accounting setup and for clarification of doubts, etc., all departments are requested to consult Finance and Planning (Fin.Wing, B.G.) Department.

**SALIENT FEATURES OF REVISED STRUCTURE
OF CLASSIFICATION**

The Government of India while introducing revised structure of classification of Budgeted heads, an attempt was made to codify all heads of accounts upto the level of Minor heads so that uniform pattern of codification might be achieved at Centre and in all the States upto the level of programmes i.e., Minor Heads, when individual Governments develop a computer based. Financial information system using accounting figures.

While the broad structure of accounts’ namely Sectors, Sub-Sectors, Major Heads continue to remain as before, certain new sub-sectors were introduced and a few Major Heads were-raised to the level of sub-sectors and minor heads to the level of Major Heads because of their Importance and the plan programmes were introduced at the Minor head level wherever possible, so that expenditure on plan programmes can be had from the printed Finance Accounts directly.

The salient features of the classification are as under

1. In the revised classification computer code numbers have been adopted.
2. Only 3 digit code was assigned to the Major Heads in the existing classification whereas a four digit numerical code has been assigned in the Revised Classification.
3. In regard to Sub-Major Heads, Alphabetic letters were given in the existing classification and for Minor heads no code numbers were given by Government of India but in the revised classification two digit code for sub-major heads and three digit code for minor heads have been adopted. In respect of certain Minor Heads having a common nomenclature in various major heads as far as possible the same standard three digit code number is adopted.
4. The coding pattern is that 1st digit in the Major Heads under “Receipts Head” is either 0 or 1 and the first digit of corresponding Revenue expenditure heads, capital heads and loans and advances are derived by adding the number \pm to the first digit in each of the major heads account.

The illustration is as follows : —

Function	Major Head Code No.			
	Receipts Heads Rev. a/c	Exp.Heads Rev. Acct.	Exp. Heads Capital Accts.	Loans & Advances
1. Medical & Public Health	02010	2210	4210	6210
2. Road Transport	1055	3055	5055	7055

5. The function “Civil Supplies” which is now under “Social and Community Services” sector at present is brought under “Economic Services’ Sector in Revised Classification.
6. In certain major heads where there are no sub-major heads in the existing classification, new sub-major heads are opened in the revised classification. **For example under 1059-Public Works. sub-major heads like Office Buildings, Other Buildings and General are opened.**
7. Certain major heads have been either converted as minor heads or clubbed with other major heads for example
 - (a) Fire protection and Control which is a major head at present is allotted only a minor head and shown under 2070 Other Administrative Services —108 Fire protection and control.
 - (b) **The existing major head “Multipurpose River Projects” has been split up and brought to functional major head “Irrigation and Power”.**
8. Certain existing major heads have been bifurcated into two or more major heads. For example, major head Education, is bifurcated into 2202 General Education, 2203 Technical Education, 2204 Sport and Youth Services;

Social Security and Welfare into 2225 Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes. 2235 Special Security and Welfare ; 3456 Civil Supplies;

The Function under the sub-sector “Industry and Minerals” has been rationalized to indicate the main categories of Industries like Iron and Steel Industry, Non-Ferrous Mining and Metallurgical Industries, Village and Small Industries etc. A separate sub-sector “Energy” has been opened with major heads for “Power” “Petroleum” “Non-Conventional Sources of Energy” etc.

—
9. Now there are no sub-sectors under B. Social and Community Services where as separate Eight Sub-Sectors like —
 - (a) Education, Sports, Art and Culture.
 - (b) Health and Family Welfare.
 - (c) Water Supply, Sanitation, Housing and Urban Development.
 - (d) Information and Broadcasting.
 - (e) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes.
 - (f) Labour and Labour Welfare.
 - (g) Social Welfare and Nutrition; and
 - (h) Others

are introduced under Sector ‘B Social Services’ in the revised classification.

Certain additional sub-sectors like Rural Development, Transport, Irrigation and Flood Control; Energy, Science, Technology and Environment etc., are opened under Sector “Economic Services”.

10. Certain Minor Heads are made either Sub-Major Heads or Major Heads for example minor head Nutrition and subsidiary Food is made as Major Head 2236 Nutrition.
11. The nomenclature of certain major heads are changed. For example ‘305 Agriculture’ is changed as 2401 Crop Husbandry; 333 Irrigation, Navigation, Drainage and Flood Control is changed as 2701 Major and Medium Irrigation; 2711 Flood Control etc., 334 Power Projects as 2801 Power.
12. In the present classification the “Co-operation’ is treated as separate omnibus function with minor heads for various functional co-operatives. In the revised classification the functional co-operatives have been brought under functional heads. For example the “Fisheries Co-operative’ which is a Minor head under the existing classification is brought under the major head “Fisheries” under Revised Classification. The Co-operation major head under revised classification will account for expenditure of regulatory nature, Administration of Co-operatives, Audit of Co-operatives, Assistance to Credit Co-operatives etc.
13. Science and Technology which is a major head in the “Social and Community Services” is allotted as sub-sector under “Economic Services” in the revised classification as “Science, Technology and Environment” with suitable major heads.
14. Rural Development is upgraded as a sub-sector under Sector “Economic Services” bringing out certain programmes from the existing sub-sector Agriculture and Allied Services with the following major heads.
 - (a) Rural Employment.
 - (b) Special Programmes for Rural Development (to cover I.R.D.P., D.P.A.P. etc.,)
 - (c) Land Reforms
 - (d) Other Rural Development Programmes.
15. “Medical and Public Health” function has been rationalized to indicate clearly “Urban Health” and “Rural Health” Services besides “Medical Education and Training”.
16. Water Supply and Sanitation has been treated as a separate function by allowing a separate major head.
17. The function “Minor Irrigation” under revised classification provides to record expenditure separately for surface water and ground water.

18. "Tourism" presently, a function under Sub-Sector "Transport" under "Economic Services" sector has been shifted to sub-sector "General Economic Services".
19. The nomenclature of the existing sector "Social and Community Services" has been changed as "Social Services".

On the basis of list of Major, Sub-Major and Minor Heads sent by Government of India and keeping in view the guidelines, Demand wise correlation Statements showing the existing classification and Revised Classification have been prepared and furnished to all departments, Treasuries etc.,

While preparing correlation statements by this department the following guidelines are observed.

1. Standard sub-heads are adopted where the sub-heads are recurring in many major heads. The following standard sub-heads with standard code Nos. are opened.

(1) Headquarters Office	01
(2) Regional Offices	02
(3) District Offices	03
(4) Machinery and Equipment	52
(5) Training	70
(6) Buildings	74
(7) Lumpsum Provision	75
(8) Suspense	79
(9) Other Items! Other Expenditure	80
(10) Other Receipts	81
(11) Add. Prorata Charges	90 to 95
(12) Deduct Recoveries	96 to 98

2. All scheme wise sub-heads are brought under the respective programme minor heads in the revised classification.

3. In certain cases two or more sub-heads are clubbed into one subhead to avoid multiplication of sub-heads.

4. Programme-wise minor heads are opened with code numbers where Government of India have indicated that minor heads can be opened as per programmes of the State. For example under Major and Medium Irrigation and Command Area Development Programme Minor heads are opened for each project.

CHANGE IN DEMANDS:

It is noticed that certain schemes under the existing demands can be brought under appropriate demands. Moreover certain schemes shown in a demand pertain to many departments, where by, it is becoming difficult

both for the Departments and Ministers to prepare policy statements and for giving replies on demand for grants by the respective Ministers.

In view of the above points it is proposed to change certain schemes to the appropriate demands. Moreover, in the revised classification of Budget heads, some changes are made in respect of sectors and major heads which necessitated the restructure of all demands.

The major and important changes made in the demands are given below:

I. Due to revised classification and with a view to coincide the nomenclature of demand with the function and major heads the nomenclature of the following demands are changed.

EXISTING	REVISED
(a) General Administrative Services	Secretariat and other Miscellaneous Administrative Services.
(b) Community Development	Rural Development.
(c) Education	General Education, Sports, Art & Culture.
(d) Road Development	Roads and Bridges.

II. The following demands are either clubbed with other demands or deleted as many schemes are transferred from the existing demands to the concerned demands by taking into account functional classification and the department under which the scheme is operated.

1. The two demands “District Administration” and “Land Revenue Department” are clubbed by giving a revised nomenclature as “Revenue and District Administration”.
2. Many schemes in demand “Political and Other Pensions” are transferred to other demands of the department concerned. The remaining schemes which pertain to Finance Department, are clubbed under “Treasury Accounts and Fiscal Services”.
3. Since all the schemes in demand “Housing” are transferred to the respective demands of the departments concerned there is no necessity to continue the demand “Housing”. Hence, it is deleted and the provisions to the A.P. Housing Board are made under demand “Urban Development”.
4. In the revised classification, the major head “Multi-purpose River Projects” has been clubbed with the major head “Major and Medium Irrigation”. As there is no necessity to continue the demand “Multi-purpose River projects”, the same is deleted.
5. The existing demand “Dairy Development” is clubbed with the demand “Animal Husbandry” as there is no Government Department for Dairy Development and to name it as “Animal Husbandry and Dairy Development”.

REVISED HEADS OF CLASSIFICATION

We hereunder give you some Major Heads and the corresponding Minor Heads as have come into effect from 1-4-1987, as far as the Public Works are concerned to the benefit of all P.W. Personnel. However, we have not given the classification of sub-heads as the list is most elaborate which runs through over 300 Pages. Readers who seek further details of classification are requested to refer to our “Budget Manual” 1990 Edition or the list of major & minor heads issued by the Govt. of India.

RECEIPT

Sector/Sub-Sector/Major Head/Sub-Major Head	Minor Head	Group Sub-Head/Sub-Head
(1)	(2)	(3)
0059. Public Works		
80. General		(02) Legislature Hostels.
	102. Hire charges of Machinery and Equipment.	
	103. Recoveries of centage charges.	
	800. Other Receipts	(02) Receipts from Workshops
		(03) Recoveries of Expenditure.
		(81) Other Items.
		(04) Recovery of Expenditure on Buildings cell for ESI Institutions
		(05) Contributions from the Public for construction of Fire Station Buildings,
0215. Water Supply and Sanitation	800 Other Receipts	(02) Collection of payments for services rendered under Chief Engineer (Public Health).

(1)	(2)	(3)
02. Sewerage and Sanitation	102 Sale of Sera and Vaccines etc.	
0210 Medical and Public Health.		
04. Public Health.		
B. Non-Tax Revenue	103 Receipts from Urban Water Supply	(01) Hyderabad Water Works.
(c) Other Non-Tax Revenue.		(02) Manjeera Water Supply.
		(03) District Water Supply.
(ii) Social Services.		(04) Secunderabad Water Supply.
0215 Water Supply and Sanitation.		
01 Water Supply.		
0210 Medical and Public Health	105 Receipts from Public Health	
04 Public Health.	Laboratories.	
0215 Water Supply and Sanitation.	104 Fees, Fines etc.	
01 Water Supply.		
02 Sewerage and Sanitation.	800 Other Receipts.	(81) Other Items.
0210 Medical and Public Health	800 Other Receipts.	(81) Other Items.
		(01) Leave Salary Contribution.
04 Public Health.		(80) Sale proceeds of dead stock, waste papers.
		(81) Other Items.
0215 Water Supply and Sanitation	102 Receipts from Rural Water Supply.	(10) 50% Recovery from Panchayats on repairs and maintenance of hand pumps.
01 Water Supply		(02) Recoveries from Panchayats of expenditure on maintenance of Comprehensive piped Water Supply Schemes.

(1)	(2)	(3)
	900 Deduct-Refunds.	
0216 Housing.	106 General Pool	(01) Rents.
01 Government Residential Buildings.	Accommodation. 800 Other Receipts	(81) Other Receipts.
80. General.	900 Deduct-Refunds	
0702. Minor Irrigation.	101 Receipts from Water tanks.	(01) Receipts from deepening the Tanks.
01. Surface Water.		
02. Ground Water.	800 Other Receipts.	(01) Receipts from deepening Wells.
01. Surface Water.	102 Receipts from Lift Irrigation Schemes.	
B. Non-Tax Revenue	800 Other Receipts	(01) Receipts from other Minor Irrigation Works.
(c) Other Non-Tax Revenue.		
(iii) Economic Services.		
0702 Minor Irrigation.		
01. Surface Water.		
0701 Major and Medium Irrigation	101 Nagayunasagar Project	(01) Sale of Water for domestic Purposes.
01. Major Irrigation (Commercial)		(02) Sale of Water for purpose. (03) Sale of proceeds from canal Plantation. (81) Other Receipts.
B. Non-Tax Revenue	102 Godavari Delta System.	(01) Sale of water for domestic purposes.
C. Other Non-Tax Revenue.		(02) Sale of water for other purposes.
(iii) Economic Services.		

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(1)	(2)	(3)
0701 Major & Medium Irrigation		(03) Sale proceeds from canal plantation.
01 Major Irrigation (Commercial)		(04) Navigation Receipts.
	103. Krishna Delta System.	(01) Sale of water for domestic purposes. (02) Sale of water for other purposes. (03) Sale proceeds from canal plantation. (04) Navigation Receipts. (81) Other Receipts.
	104. Godavari Barrage.	(02) Sale of water for other purposes. (81) Other Receipts.
	105. Nizamsagar Project.	(01) Sale of water for domestic purposes. (02) Sale of water for other purposes. (03) Sale proceeds from canal plantation. (81) Other Receipts.
B. Non-Tax Revenue.	106. Karnool-Cuddapah Canal	(01) Sale of water for domestic purposes.
C. Other Non-Tax Revenue.		
(iii) Economic Services.		(03) Sale of proceeds from canal Plantation. (81) Other Receipts.
0701 Major and Medium Irrigation		(81) Other Receipts.
01. Major Irrigation (Commercial)	107 Polavaram Island Project.	(03) Sale of proceeds from canal Plantation. (81) Other Receipts.
	108. Pennar River Canal System.	(81) Other Receipts.

(1)	(2)	(3)
	109. Thungabhadra Project (Low Level Canal)	(03) Sale proceeds of canal plantation.
	A. Andhra Pradesh	(81) Other Receipts.
	B. Board Area	
	110 Tungabhadra Project. High level canal	
	A. Andhra Pradesh	(81) Other Receipts.
	B. Board Area	(81) Other Receipts.
03 Medium Irrigation (Commercial)	101 Bhairavanitippa Project.	(81) Other Receipts.
01 Major Irrigation (Commercial)	111 Rajolibanda Diversion scheme.	(81) Other Receipts.
03 Medium Irrigation (Commercial)	102 Narayanapuram Anicut Scheme.	(03) Sale of proceeds from canal Plantation.
	103 Upper Pennar Projects.	(81) Other Receipts.
	104 Pennar. Kumadvati Project.	(81) Other Receipts.
	105 Mopad Project	(81) Other Receipts.
	106 Araniyar Projects.	(02) Sale of water for other purposes.
03 Medium Irrigation. (Commercial)	112 Other Systems	(81) Other Receipts.
01 Major Irrigation (Commercial)	112 Kadam Project.	(81) Other Receipts.
	113 Sriramsagar Project	(01) Sale of water for domestic purposes.
		(81) Other Receipts.

B. Non-Tax Revenue

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(1)	(2)	(3)
C. Other Non-Tax Revenue.		
(iii) Economic Services.		
0701 Major and Medium Irrigation.		
03 Medium Irrigation (Commercial)	107. Pampa Reservoir Scheme. 108. Musi Project.	(81) Other Receipts. (01) Sale of water for domestic purposes. (03) Sale of proceeds from canal Plantation. (81) Other Receipts.
01 Major Irrigation (Commercial)	114 Telugu Ganga Project.	(01) Contribution from Govt. of Tamilnadu towards their share of expenditure.
02 Major Irrigation (Non-Commercial)	800 Other Receipts 900 Deduct-Refunds 800 Other Receipts.	
1056 Inland Water Transport.	101 Buckingham Canal.	(01) Receipts from Navigation Project.
0702 Minor Irrigation	103 Drainage Projects.	A. Godavary Delta Area. (01) Drainage Cess Collection.
04. Flood Control.		B. Krishna Delta Area. (01) Drainage Cess Collection.
B. Non-Tax Revenue		
(c) Other Non-Tax Revenue.		

(1)	(2)	(3)
(iii) Economic Services.	101 Machkund Hydro-Electric (Joint) Scheme	(01) Sale of Power.
0801 Power		
01 Hyder Generation.		
	102 Thungabhadra Hydro Electric (Joint) Scheme	(01) Sale of Power. (81) Other Receipts. (90) Deduct Share of Receipts transferable to Karnataka State Electricity Board.
	103 Srisaïlam Hydro-Electric Scheme	(01) Sale of Power.
1054 Roads & Bridges.	102 Tool on Roads	(01) Ferry Receipts.
	800 Other Receipts.	(02) Receipts on account of National Highways.
	102 Tool on Roads	(03) Receipts under A.P.Roads and Bridges Tolls Rules, 1975.
	800 Other Receipts	(81) Other Items.
	900 Deduct-Refunds.	

Expenditure

Demand No.	Sector/Sub-Sector/Major Head/Sub-Major Head	Minor Head
(1)	(2)	(3)
XV. Public Works	A. General Services	001 Direction and Administration
	(d) Administrative Services	053 Machinery and Equipment
	2059 Public Works	
	80 General	
	A. General Services	101 Construction General Pool

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(1)	(2)	(3)
	(d) Administrative Services	Office Accommodation
	2059 Public Works	053 Maintenance and Repairs
	01 Office Buildings	Suspense
	A. General Services	101 Construction General Pool
	(d) Administrative Services	Office Accommodation
	2059 Public Works	053 Maintenance and Repairs
	60 Other Buildings	Suspense
XV. Public Works	A. Capital Account of General Service	051 Construction.
	4059 Capital outlay on Public Works	
	60 Other Buildings.	
	A. Capital Account of General Service	052 Machinery and Equipment
	4059 Capital outlay on Public Works	
	80 General	
XV. Public Works	2216 Housing	106 General Pool Accommodation
	01 Government Residential Buildings.	
	B. Capital Account of Social Services	106 General Pool Accommodation.
	(c) Water Supply, Sanitation, Housing & Urban development	

(1)	(2)	(3)
	4216 Capital outlay on Housing	
	01 Government Residential Buildings.	
XXXVIII. Minor Irrigation	C. Economic Services	001 Direction & Administration.
	(d) Irrigation & Flood Control	005 Investigation
	2702 Minor Irrigation	800 Other Expenditure
	02 Ground Water	103 Tube wells
XXXVIII. Minor Irrigation	C. Economic Services	101 Water tanks.
	(d) Irrigation & Flood Control	102 Lift Irrigation Schemes
	2072 Minor Irrigation	800 Other expenditure.
	01 Surface Water	
XXXVIII. Minor Irrigation	C. Capital Account of Economic Services.	101 Water tanks.
		102 Lift Irrigation Schemes
	(d) Capital account of Irrigation & Flood Control	800 Other expenditure
		190 Assistance to Public Sector and other undertakings.
	4702 Capital outlay on Minor Irrigation.	
	01 Surface water	
XXXVII. Irrigation	C. Economic Services	003 Training
		004 Research
	(d) Irrigation & Flood Control	052 Machinery and Equipment.
	2701 Major & Medium Irrigation.	709 Suspense.
	80 General	800 Other expenditure

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(1)	(2)	(3)
XXXVII. Irrigation	C. Economic Services.	101 N.S.Projects 102 G.D.S.
	(d) I.& F.C.	103 G.B.
	2701 Major and Medium Irrigation	104 P.I.Project.
	01 Major Irrigation	105 K.D.System 106 River canal system.
		107 Kurnool Cuddapa Canal.
		108 Tungabhadra Project (HLC) Stage-I.
		109 T.P. (Low level Canal).
		110 Rajolibanda Diversion Scheme.
		111 Nizam Sagar Project.
		112 Kadam Project.
		113 Tungabhadra Project (HLC) Stage-II.
		114 Prakasam Barrage
		115 Vamsadhara Project (Stage I & II)
		116 Srisaïlam Sagar Project
		117 Somasila Projects.
		118 Yeleru Reservoir
		119 Singur Project.
		120 Samarlakot Summer Storage Reservoir for Nagarjuna Fertilizers.
		121 Modernization of Godavari and Krishna canals.
		122 Polavaram Barrage.
		123 Srisaïlam right Bank Canal.
		124 Jurala Project.
		125 Teluguganga Project.

(1)	(2)	(3)
		126 Field Channels.
		127 Srisailam Left Bank Canal.
XXXVII. Irrigation	C. Economic Services	101 Bhairanvani Tippa Project
	(d) Irrigation & Flood Control	102 Dindi Project.
	2701 Major and Medium Irrigation	103 Nagavalli River Canal System.
	03 Medium Irrigation (Commercial)	104 Mopad Reservoir System.
		105 Jurreru Project.
		106 Manair Project.
		107 Lower Sagileru Project.
		108 Pinclia Project.
		109 Koil Sagar Project.
		110 Saralasagar Project.
		111 Upper Pennar Project.
		112 Paliar Project.
		113 Wyra Project.
		114 Mahaboobnagar Project.
		115 Pocharam Project.
		116 Chennarayaswamigudi Project.
		117 Rallapadu System
		118 Lower Upputeru System
		119 Pennar Kumudvati Project.
		120 Narayanapuram Anicut Scheme.
		121 Mallimadugu System.
		122 Kalangi Reservoir.

(1)	(2)	(3)
		123 Musi Project.
		124 Paleru Bitragunta System.
		125 Araniyar project.
		126 Nagavalli right side Canal System.
		127 Denkad Anicut
		128 Siddala Gandhi Project.
		129 Paidigam Project
		130 Vegavathi Anicut
		131 Salivagu Project.
		132 Torrigedda Pumping Scheme.
		133 Iutpalli Project.
		134 Laknapur Project.
		135 Nallavagu Project.
		136 Ramadugu Project
		137 Lankasagar Project.
		138 Kotipalli Vagu Project.
		139 Varaha Reservoir.
		144) Vottigedda Project.
		141 Pampa Project.
		142 Guntur Canal Scheme.
		143 Bahuda Reservoir
		144 Tandava Reservoir.
		14) Pulivendula Canal Scheme.
		146 Gajuladiune Project.
		147 Swarna Project.
		148 Kanupur Canal Scheme.
		149 Ukkachetty vagu Project (R.K. Puram Anicut)
		150 Gandipalem Project.
		151 Sitanagaram Anicut Scheme.

(1)	(2)	(3)
		152 Thatipudi Canal.
		153 Muniveru System.
		154 Cumbum Tank.
		155 Swarna Mukhi Left Bank
		156 Sagileru Project.
		157 Utukuru Marepalli Project.
		158 Asif Nagar Project.
		159 Fathenagar Project.
		160 Ramappa Lake.
		161 Palchal Lake.
		162 Laknavaram Lake.
		163 Sanigaram Project.
		164 Konam Project.
		165 Peddavaru Project.
		166 Mukkamamdi Project.
		167 Maddigedda Project.
		168 Andhra Reservoir.
		169 Pedderu Project Stage-II
		170 Buggavanka Reservoir.
		171 Maddileru Reservoir.
		172 Anicut Across Manjeera.
		173 Mallapuram Reservoir.
		174 Upper Kaulasanâlâ Project.
		175 Taliperu Project.
		176 Sathnala Project.
		177 Gundlavagu Project.
		178 Jalleru Project.
		179 Peddavagu near Ada.
		180 Paddavagu near Dasanapur.
		181 Modikunta vagu near Krishnapuram.

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(1)	(2)	(3)
		182 Chalamalavagu near Irakapalli.
		183 Sileru Diversion Scheme.
		184 Riwada Project.
		185 Pedda Ankalam Project.
		186 Janjavathi Project.
		187 Cheyyeru Project.
		188 Malluruvagu Project.
		189 Vottivagu Project.
		190 Boggulavagu Project.
		191 Vengalaraya Sagaram (Swarna mukhi, Gomukhi, or Dadigam Project)
		192 Maddulavalasa Project.
		193 Krishnapuram Reservoir.
		194 Pedderu Project Stage II
		195 Yerrakalva Reservoir.
		196 Vengalaraya Lift Irrigation Scheme (Mothapalli Lift Irrigation Scheme).
		197 Varadaraja Swamy Gudi Project.
		198 Ghanapur System (Extension of Fathenagar Canal to Papannapet).
		199 Chanapur Lake.
		200 Tammileru Reservoir Scheme.
XXXVII. Irrigation	C. Economic Services	001 Direction and Administration
	(d) Irrigation and Flood Control	101 Nagarjuna Sagar Project Right Canal
	2705 Command area development	102 N.S.P.L.C.
		104 Tungabhadra Project
		200 Other Schemes

(1)	(2)	(3)
		105 Vamsadhara Project.
		103 Sriram Sagar Project.
XXXVII. Irrigation	C. Capital Account of Economic Services	103 Pakhal Lake
		104 Pocharam Project.
	(d) Capital Account of Irrigation and Flood Control	105 Siddalagundi Project.
	4701 Capital outlay on Major & Medium Irrigation.	106 Ramappa Lake.
	03 Medium Irrigation Commercial	107 Andhra Reservoir Scheme
		108 Buggavanka Reservoir.
		109 Maddileru Reservoir.
		110 Anicut across Manjira.
		111 Mailpuram Reservoir.
		112 Upper Kaulasanala Project.
		113 Bahuda Reservoir (Near Boddapadu.)
		114 Bhairavanitippa Project.
		115 Pulivendla Canal Scheme.
		116 Guntur Channel Scheme.
		117 Vattigedda Project.
		118 Bahuda Reservoir.
		119 Varaha Reservoir.
		120 Tandava Reservoir (Gantavari Kothagudem Project.
		121 Swarna Project.
		122 Gajula Dinne Project.
		123 Kanupur Canal Scheme.
		124 Ukka Chetty Vagu Project (Rama Krishna Puram Anicut)
		125 Nallavagu Project.

(1)	(2)	(3)
		126 Kotipallivagu Project.
		127 Koilsagar Project.
		128 Lankasagar Project.
		129 Pampa Reservoir.
		130 Musi Project.
		131 Araniyar Project.
		132 Zurreru Project.
		133 Raiwada Project.
		134 Konam Project.
		135 Pedda Ankalam Project.
		136 Janjavathi Project.
		137 Cheyyeru Project.
		138 Maliurugau Project.
		139 Vottivagu Project.
		140 Boggulavagu Project.
		141 Vengalaraya sagaram, (Swarnamukhi Gomukhi or Dandigam Project).
		142 Mukkamamidi Project.
		143 Maddulavalasa Project.
		144 Krishnapuram Reservoir.
		145 Pedderu Project Stage-I
		146 Yerrakalva Reservoir.
		147 Vengalaraya Lift Irrigation Scheme (Kothapalli Lift Irrigation Scheme).
		148 Lower Sagileru Project.
		149. Pancha Project.
		150 Saralasagar Project.
		151 Mannair Project.
		152 Laknapur Project.
		153 Varadaraja Swamigudi Project.
		154 Wyra Project.

(1)	(2)	(3)
		155 Ramadugu Project.
		156 Mallimadugu Project.
		157 Salivagu Project.
		158 Kalangi Reservoir.
		159 Jutpalley Project.
		160 Lakhnaram Project.
		161 Ghanapur System Extension of Fathenahar canal to papannapet.
		162 Sanigaram Project.
		163 Dindi Project.
		164 Chennarayaswamygudi Project.
		165 Ghanapur lake.
		166 Cumbum Tank.
		167 Tammileru Reservoir Scheme.
		168 Upper Pennar Project.
		169 Pennar Kumudvati Project.
		170 Swarnamukhi Project.
XXXVII. Irrigation	C. Capital Account of Economic Services	101 Sriram Sagar Project.
	(C) Capital Account of Irrigation and Flood Control	102 Tungabhadra Project (Low level canal).
	4701 Major Irrigation Commercial	103 Tungabhadra Project (HLC) Stage I.
	01 Major Irrigation Commercial	104 Tungabhadra Project (High Level Canal) Stage- II
		105 Kadam Project (GNCP)
		106 Vamsadhara Project (Stage I)
		107 Nizamsagar Project.

(1)	(2)	(3)
		108 Rajolibanda Diversion Scheme.
		109 Kurnool-Cuddapah Canal.
		110 Godavari Barrage.
		111 Prakasam Barrage Scheme.
		112 Somasila Project-(Contd
		113 Vamsadhara Project (Stage-II).
		114 Godavari Delta System.
		115 Pennar River canal system.
		116 Yeleru Reservoir scheme
		117 Singur Project
		118 Samarlakota Summer storage Reservoir for Nagarjuna Fertilizers.
		119 Modernization of Godavari and Krishna Canals.
		120 Polavaram Barrage.
		121 Srisaillam Right Bank Canal
		122 Jurala Project.
		123 Teluguganga Project.
		124 Field Channels.
		125 Srisaillam Left Bank Canal.
		126 Ichampalli Project.
		127 Bheema Project.
		128 Pulichintala Project.
		129 Nagarjuna Sagar Project
XXXVII. Irrigation	C. Capital Account of Economic Services	101 N.S.Project Command Area.

(1)	(2)	(3)
	(d) Capital Accounts of Irrigation & Flood Control 4705 Capital Account on C.A.D.	102 Sri Ram Sagar Project Command Area 103 Sri Sailam Project Command Area 104 Tungabhadra Project Command Area. 105 Vamsadhara Project Command Area 200 Other Schemes 901 Deduct-Receipts & Recoveries
XXXIX. Power Development	4801 Capital Outlay on Power Projects 80 General	800 Other expenditure
XXXIX. Power Development	2801 Power 06 Rural Electrification	800 Other Expenditure
XLIV. Roads & Bridges	C. Economic Services (g) Transport 3054 Roads and Bridges 04 District & Other Roads	800 Other Expenditure
XLIV. Roads & Bridges	C. Economic Services (g) Transport 3054 Roads and Bridges 03 State Highways	237 Road Works

REVISED CLASSIFICATION			55
(1)	(2)	(3)	
XLIV. Roads & Bridges	C. Economic Services	001 Direction & Administration.	
	(g) Transport	800 Other Expenditure	
	3054 Roads and Bridges	004 Research & Development	
	80 General	052 Machinery & Development	
		799 Suspense	
XLIV. Roads & Bridges	C. Economic Services	800 Other Expenditure	
	(g) Transport		
	3054 Roads and Bridges		
	04 Districts & Other Road		
XLIV. Roads & Bridges	C. Capital Account of Economic Services	800 Other Expenditure	
	(g) Capital Account of Transport		
	5054 Capital Outlay on Roads & Bridges		
	04 District & Other Roads		
XLIV. Roads & Bridges	C. Capital Account of Economic Services	101 Bridges	
	(g) Capital Account of Transport	337 Road Works	
	5054 Capital Outlay on Roads & Bridges		
	03 State Highways		

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(1)	(2)	(3)
XLIV. Roads & Bridges	C. Capital Account of Economic Services	001 Direction and Administration.
	(g) Capital Account of Transport	
	5054 Capital Outlay on Roads & Bridges	
	80 General	

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The Andhra Pradesh Public Works Accounts Code

CHAPTER I

EXTENT OF APPLICATION

1. The rules contained in this Code describe primarily the procedure relating to the initial and compiled accounts of officers of the Public Works Department, including the Roads and Buildings Department, the Public Health Engineering Department and the Panchayati Raj Engineering Department. They are supplementary to the general rules in Volume I of the Andhra Pradesh Financial and Account Code, which are applicable to that department unless there be something repugnant in the subject or context or except to the extent that they are modified by the rules in this Code.

CHAPTER II

DEFINITIONS

2. Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this Code in the sense here explained.

3. Administrative Approval :—This term denotes the formal acceptance, by the administrative department concerned, of the proposals for incurring any expenditure in the Public Works Department on a work initiated by, or connected with, the requirements of such administrative department. It is, in effect, an order to the Public Works Department to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also paragraph 64 of the Code and paragraph 99 of the Andhra Pradesh Public Works Department Code.

4. Advance payment :— Advance payment means a payment made on a running account to a piece-work contractor for the work done by him but not measured - vide paragraph 313. All intermediate payments made in the case of contracts based on the lumpsum tender system as defined in A.P. Detailed Standard Specifications are also treated as advance payment — vide paragraph 303 (c).

5. Agency Transactions :—Agency Transactions is the term employed to denote the transactions of the Central Government for which, in a State, the Governor acts as merely the Agent of the President under Rule 46 of the Devolution Rules.

6. Appropriation :— An amount required to meet a charge on the Consolidated Fund of the state in accordance with the provisions of the Constitution.

7. 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.

8. Auditor-General's Rules : — (vide Appendix I) Rules framed under Section 96-D of the Government of India Act.

8-A. Bank : —The term “the Bank” is used in the sense in which it is defined in clause (a) of Treasury Order 2.

9. Book Transfer : — This term is applied to the process whereby financial transactions which do not involve the giving or receiving of Cash, or of Stock materials, are brought to account. Such transactions may either affect the book of a single accounting officer, or they may involve operation on the books of more than one accounting officer, whose accounts are ultimately incorporated in the accounts of Government. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transactions previously taken into account.

9-A. Charged :— See para 80.

10. Commercial Department : — See Appendix 5 to the A.P.Financial Code and the Andhra Pradesh Accounts Code.

10-A. Completion and Completed : — In this Code and in all the Public Works Account forms “completion of a work” may be understood to include “abandonment of a work” and ‘completed’ to include “abandoned”.

10-B. Constitution : — Constitution refers to the Constitution of India.

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

12. Contra and Contractor : — The term Contract, as used in this Code, means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the 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.

13. Central :—See paragraph 78.

14. Department : — This term, when qualified by the prefix “The” is used to indicate the Public Works Department, including the Roads and Buildings Department, the Public Health Engineering Department and Panchayati Raj Engineering Department.

15. Deposit Works : — This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of

funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for municipalities and other public bodies fall under this category when the cost is chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries.

16. Detailed Head :—See paragraph 76.

17. Devolution Rules : —Rules made by the President with the approval of both Houses of Parliament, under Section 45 (a) of the Government of India Act, sub-section (1) whereof reads thus :-

45-A. (1) Provision may be made by rules under this Act, —

(a) for the classification of subjects, in relation to the functions of Government, as Central and State subjects, for the purpose of distinguishing the functions of State Governments and State Legislatures from the functions of the President and the Parliament;

(b) for the devolution of authority in respect of State subjects to State Governments, and for the allocation of revenues or other money to those Governments;

(c) for the use under the authority of the President of the agency of State Governments in relation to central subjects, insofar as such agency may be found convenient, and for determining the financial conditions of such agency; and

(d) for the transfer from among the State subjects, of subjects (in this Act referred to as “transferred subjects”) to the administration of the Governor acting with Ministers appointed under this Act, and for the allocation of revenues or moneys for the purpose of such administration.

18. Direct Charges and Direct Outlay : — These expressions as distinguished from “Indirect Charges” and “Indirect Outlay” (vide paragraph 28 below) are applied to those charges pertaining to a work, project or job, which are directly incurred for its execution and are included in the regular accounts of it.

19. Direction Office : —This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipt and disbursement of Public money, i.e., a Chief or Superintending Engineer, or a Superintendent of Works; but, if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer for the purposes of this Code, even though some part of his emoluments may be treated as Direction charges.

20. Direction Officer : — The head of a Direction Office is known by this designation.

Explanation : — A Government servant holding the rank of a Superintending or even a Chief Engineer is not a Direction Officer, unless the direction of the business of one or more divisions is entrusted to him.

Thus a Superintending Engineer employed on special duty is not a Direction Officer.

21. Direct Receipts :—These receipts, as distinguished from Indirect Receipts (vide paragraph 29), relate to 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 directly brought to account as appertaining to the work or project.

22. Division and Divisional Office : — Throughout this Code, these executive terms are used to denote respectively the executive charge held by a Divisional Officer (paragraph 23 below) and the head office of such a charge. Thus, the office of an independent executive sub-division is a Divisional Office for the purposes of this Code, as also that of the superintendent of a Workshop working independently of a Divisional Officer.

23. Divisional Officer : — In this Code, this term is applied to an executive officer of the Public Works 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 purposes of this Code (See also paragraph 19).

Disbursing Officers of other departments, if they spend Public Works funds and are required to render accounts direct to the Audit Office, are also referred to as Divisional Officers in this Code.

24. Final Payment : — 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.

25. Fundamental Rules : — Fundamental Rules made by the Governor of Andhra Pradesh.

26. Grant : — See paragraph 102.

27. Inclusive Rate of Cost : — See paragraph 50.

28. Indirect Charges and Indirect Outlay : — These expressions are applied to those charges, and capital outlay, respectively, which pertain, or are incidental to a work, project, workshop job or manufacture job, but which are not incurred directly and solely in connection therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

29. Indirect Receipts : — Receipts which pertain, or are incidental, to a scheme of work, but cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.

30. Intermediate Payment : — 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” and an “on account payment (other than the final payment on a running account)” or a combination of these.

31. Issue Rate : — This term denotes the cost per unit fixed in respect of an article borne on the stocks of the department at a valuation, for the purpose of calculating the amount creditable to the sub-head concerned (i.e., the sub—head under which the article is classified) of the stock account 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 paragraph 58-A.

32. Labour : — When a separate materials account is kept for one or mote sub-heads of an estimate and the term “labour” if 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.

33. 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 or adjusted regardless of whether or not they have fallen due for payment or adjustment 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.

34. Local Government : — (Omitted).

35. Local loan works : — As used in this Code, this expression indicates works executed by the Public Works Department on behalf of State Government, Municipality, Port Trust, or other corporation, when the cost of the work is to form part of a loan given to it by Government for the purpose.

36. “Major estimate” : — Major estimate is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure is not less than Rs. One lakh. This term is also applied for the sake of convenience to the work itself. (See chapter 15 of the A.P. Budget Manual).

(G.O.Ms.No.1370.P.W.D.,Dt.12-8-1970)

37. Major head : — See paragraph 76.

38. Market Rate : — Used in respect of an article borne on the Stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time at the stores godown from the public markets suitable to the division for obtaining a supply thereof.

39. Minor Estimate : — Minor Estimate is a term applied to the estimate for the work, when the sanctioned amount of the works expenditure does not exceed Rs. One lakh. This term is also applied for the sake of convenience, to the work itself. See also Chapter 15 of the A.P.Budget Manual).

(Subs. by G.O.Ms.No. 1370, PWD, Dt. 12—8—1970)

40. Minor head : — See paragraph 76.

41. Not-voted : — (Omitted).

42. On Account payment or payment on Account : — On Account payment or payment on Account means a payment made, on a running account to a contractor in respect of work done or supplies made by him and duly

measured. Such a payment may or may not be for the full value of work or supplies. If it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

43. Operation : — Used in respect of the accounts and manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

44. Outturn : — Used in respect of the accounts and manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles brought are not supplied departmentally) of manufacture operations connected with specific jobs.

44-A. Petty works : — This term applies to all works, the cost of which does not exceed Rs. 2,500/-.

45. Primary units of Appropriation : — See paragraph 102.

46. Progress : — Progress means the up-to-date quantities of work done or supplies made.

47. Provincial : — (Omitted)

48. 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.

49. Rate : — In estimates of cost, contracts, contractor's bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service. Except in the case of lumpsum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which the payment is to be made.

50. 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 account 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.

51. Re-appropriation : — Re-appropriation means the transfer of funds from one unit of appropriation to another such unit.

Note : — The term applies also to transfer from one object requiring a specific appropriation to another.

52. 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 on supplies made by him, and has therefore to be made good to Government by an equivalent cash recovery or short payment of dues.

53. Reserved subject : — See paragraph 78.

54. Running Account : — 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.

55. Secondary unit of appropriation : — See paragraph 102.

56. Sectional Officer: — This designation is used in this Code to describe those officials usually non-gazetted subordinates, who are placed in responsible executive charge of works/stores under the orders of the officer in charge of a recognized sub—division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub—division.

57. [Deleted]

58. Special Officer (or Specialist Officer) : — This term is applied in this Code, to such officials of the Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer, and have no Divisional Officers working under their control, e.g., Consulting Architects, Electrical Inspectors. etc.

58-A. Storage rate and storage charges : — These expressions denote respectively the centage rate fixed for and charges levied on all issues of stock for any stores for which reserve stock limit is fixed 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, godowns or yards, etc.

(G.O.Ms. No. 1360, TR & BD, Dt. 17-12-1975)

58-AA. : — “State Government” or “Government” means “The Government of Andhra Pradesh”

59. 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 work 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 hold the immediate charge of a recognized sub-division in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional Officer in respect of the charge of the sub-division.

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

61. Sub-work : — In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailors' quarters, etc., in the case of a

large central jail. In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage projects, Head-works, Main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the water-course scheme, and special tools and plant, all form separate sub-works.

62. Supervision charges : — This term is ordinarily applied 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 included in the storage charges (see paragraph 58-A).

63. 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 at once be taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment recovery, or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts in reduction thereof. For suspense accounts within the accounts of works, see paragraph 354.

64. Technical Sanction : — This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the Public Works Department. Ordinarily such sanction can only be accorded by the Government in the Public Works Department or by such authorities of the department to whom the power has been delegated by the Government. Sanction accorded to a work by any other department of Government is regarded merely as an administrative approval of the work (vide paragraph 3).

65. Transferred Subjects : — See Paragraph 78.

66. Unit of Appropriation : — See paragraph 102.

66-A. Value : — This term is used in connection with the sale of stock materials (vide paragraphs 201 and 420) or their issue to works (vide paragraphs 320, 325 and 429) includes storage charges.

67. Voted : — See paragraph 23.

68. 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.

69. Works : — The term “work” when by itself, is used in a comprehensive sense, and applies not only to work 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.

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

CHAPTER III

GENERAL OUTLINES OF SYSTEMS OF ACCOUNTS

A — Classification of Transactions

71. The Public Works Department execute primarily works of all classes required for all departments under the control of the local Government, except such Civil Works as have been entrusted to the administration of the departments concerned (vide paragraphs 95-97 of the A.P.Public Works Department Code). Civil Works of the Central Government which are not under the control of the local Government, or Military or Railway works, may also be entrusted to the department, either occasionally or as a standing arrangement, and at times works for the Public Works or other departments of other Administrations and non-Government works may also have to be undertaken.

General principles to be followed in the classification of expenditure

71-A. The general principles to be followed in the classification of expenditure in Departments maintaining accounts in public works are detailed below:-

(1) As a general rule the classification of transactions in Government accounts shall have closer reference to the function, programme and activity of the Government and the object of revenue or expenditure rather than the Department in which the revenue or expenditure occurs. For example, expenditure incurred by the Public Works Department on the construction of hospital shall be debited as expenditure under the major head “280 Medical” or “480-Capital outlay on Medical”, as the case may be, and not to the major head for public works as was the case upto 31-3-1974. This is however subject to such exceptions as may be authorized specially and expenditure on the maintenance and repairs of non-residential buildings under the administrative control of the P.W.D. are shown under the Major Head “259 Public Works” irrespective of the function to which they relate.

(2) *Expenditure on Public Works :* — Expenditure on Public Works which are under the administrative control of the P.W.D. shall be classified in accounts, according to the following principles :-

- (i)(a) Expenditure on the construction of Government non-residential buildings, for administrative and office purposes and also other buildings which exclusively relate to functions under “General

Service” as distinct from that on the construction of buildings for functional purposes like schools, colleges, hospitals, etc., will be accounted for under minor head “Construction” below the Major Head “259. Public Works” or “459. Capital Outlay on Public Works” as the case may be. This minor head shall be divided into sub-heads corresponding to the functional major heads.

- (b) Expenditure on the construction of buildings for purely functional purposes, such as those for schools, colleges, hospitals, etc., will be accounted for under the relevant major head closely connected with the functions such as “277. Education I 477 Capital Outlay on Education, Art and Culture”, “280. Medical / 480 Capital Outlay on Medical” etc., as the case may be.

Note 1 : — Expenditure on works where the cost individually exceeds Rs. 1 lakh or where the individual cost is below this limit but the works form part of a scheme having a continuity of purpose, time and space and the cost of the scheme, as a whole, exceeds Rs. 5 lakhs is debited to capital, while expenditure on other works is debited to the revenue account. Since the monetary limit for the classification of a work as a major work is the same as the monetary limit for the classification of expenditure on new work as capital, in effect, all original works falling under the category “major works” will go to “Capital” and those falling under the category “minor works” to Revenue. However, minor works forming part of a scheme the cost of which exceeds Rs. 5 lakhs are also debited to “Capital”.

Note 2 : — All expenditure on temporary structures whether falling under the category of major works or minor works will be met from Revenue.

Note 3 : — However, expenditure on non-residential buildings of commercial undertakings will be recorded under a distinct sub-head below the minor heads provided for those undertakings in the Revenue and Capital sections.

(ii) Expenditure on maintenance and repairs of all Government non-residential buildings-whether for administrative office or functional purposes-will however, be accounted for under the major head “259. Public Works - Maintenance and Repairs” and no distinction shall be made between “Ordinary Repairs” and “Special Repairs”.

(iii) Expenditure on Government residential buildings will be accounted for under the major head “283. Housing / 483. Capital Outlay on Housing” in the Revenue or Capital section as the case may be, in the sector “Special and Community Services”. Here distinction is made between Ordinary and Special Repairs as the latter would add to the capital cost of the building. The expenditure is debited under “B. Government Residential Buildings”.

(iv) Expenditure on roads and bridges, being in the nature of communication services, will be accounted for under the major head “337. Roads and Bridges/537. Capital Outlay on Roads and Bridges” in the Revenue or Capital sections as the case may be, in the sub-sector “Transport and Communications” of the sector “Economic Services”.

Note 1 : —Where the buildings etc. are not under the administrative control of the PWD, it is open to Government to prescribe that expenditure on construction and repairs upto certain monetary limits, may be incurred by the Civil Departments (i.e., departments other than the Public Works Department) concerned. In such cases, where the expenditure can be identified with the programme (Minor Head) relating to the function (Major Head) it should be accounted for under the detailed head “Works” below the minor head. Where the minor head is not identifiable, it should be classified under the residuary minor head “Other expenditure” of the relevant major head.

Note 2 : — Expenditure on the Staff-quarters (construction as well as maintenance) forming part of a scheme or project such as those of Doctors or Nurses in a hospital, will normally be accounted for as expenditure of the programme under the relevant functional Major head (‘Medical in the example cited above) and not under the Major head “Housing”. If, however, Govt. funds it difficult for administrative reasons, to follow this principle, in the case of maintenance expenditure, the expenditure on maintenance may be debited to “259. Public Works”. As a corollary, the rent receipts will go to “283. Housing” in such cases.

(3) *Contributions made by or to Government :* — Contributions made by the State Government to District Boards, Municipalities etc. or vice versa shall be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus a grant for the construction of a school shall be debited to “277. Education”, grant for construction of a drainage system to “282. Public Health, Sanitation and Water Supply” and a grant for the construction of a Road to “337. Roads and Bridges” and a grant given for general purposes, such as a grant to make good a deficit or as compensation for revenue resumed, shall be classified under “363. Compensation and assignments to Local Bodies and Panchayati Raj Institutions”

Note 1 : — If the financial assistance given by the State Government to a local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the detailed head “Contribution” below the relevant minor / major head corresponding to the programme / function closely connected with the object of the assistance.

Note 2 : — (a) Contribution paid by a local body or a private party with the express object of meeting the whole or a part of the cost of construction by the Public Works Department of a specific work which is eventually to be the property of Government should be credited as revenue receipt of the Government relevant to the function / programme closely connected with the object for which the contribution is made.

(b) Article 282 of the Constitution provides that the State may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which the Legislature of the State, may make

laws. The word ‘grant’ used here should be taken to mean not merely “grants-in-aid’ but also other direct expenditure.

(4) *Refunds of Revenue* : — Refunds of revenue, shall, as a general rule, be taken in reduction of the revenue receipts. Insofar as the sector “A Tax Revenue” is concerned, the refunds shall be accounted for under a distinct sub-head below the relevant minor heads under the major I sub-major heads in that sector, so that the net collection of each tax I duty (accounted for under the minor heads) can be readily ascertained from the accounts.

The refunds of revenue relating to the sectors “B.Non-tax Revenue” and “C. Grants-in-aid and contributions” shall however be accounted for under a separate minor head “Deduct-Refunds” under the major/sub-major heads falling in these sectors, unless it is not practicable to exhibit such refunds as sub-heads below the programme minor heads themselves.

(5) Advance of pay and travelling allowance on transfer is debited under the same head to which the Government servant’s pay and allowances are debited as is done in the case of advance of travelling allowance on tour and leave salary advance and to the department which makes the advance. Adjustment of such advances from pay will be treated as minus expenditure under pay or travelling allowance of the department to which the government servants are transferred irrespective of whether the recoveries are made in the same year or in the subsequent year.

(6) Important special orders governing classification of certain individual transactions.

(a) *Cost of acquisition of land* :- — Cost of land acquired for any specific work or a project shall be recorded as part of the cost of the works or of the project under the relevant functional major/minor head. The expenditure on acquisition of land by the Public Works Department for general purposes shall be recorded under the head “259. Public Works -Other Expenditure/459 Capital Outlay on Public Works - Acquisition of Land”, as the case may be.

(b) *Sale proceeds of Government land and buildings* : — The classification of the sale proceeds of Government land and buildings shall be regulated in accordance with schedule given below—

SCHEDULE—I

SALE PROCEEDS OF LANDS, ETC.

Particulars		Heads to which creditable
(i)	When the cost of the land was originally debited to, or remains at the debit of, the Capital account of any project or undertaking for which regular Capital and Revenue accounts are kept or was	The Capital or Revenue account of the project, as the case may be, according to the allocation rules applicable to

	Particulars	Heads to which creditable
	Originally met from the revenue account of such projects or undertakings.	the Department concerned.
(ii)	When the cost was originally debited to a Capital expenditure Head outside the Revenue Accounts, even though no regular Capital and Revenue accounts are kept for the work covered by the Capital expenditure.	The capital expenditure head originally debited.
(iii)	When the cost was originally debited, within the Revenue Section of the Accounts to any service or revenue department for which no Capital and Revenue accounts are kept.	The receipt head relating to the Department concerned, or in the case of department not having a corresponding receipt head "068. Miscellaneous General Services – Sale of land and property".
(iv)	When the cost was not so debited -	
	(a) the rights of the Government in agricultural land and covered by clause (b);	"105. Agriculture-Other receipts".
	(b) Nazul lands in the Uttar Pradesh, the Punjab and the Madhya Pradesh, or elsewhere the lands in the Punjab equipped at the cost of State Revenues for resale for building purposes;	"068. Miscellaneous General Services – Sale of Land and Property".
	(c) In all the other cases -	
	(i) if sold in the Public Works Department;	The functional receipt major head concerned or the head "059. Public Works".
	(ii) If sold by civil agency	The functional receipt major head concerned or "068. Miscellaneous General Services".

SCHEDULE - II

SALE PROCEEDS OF BUILDINGS (including the actual area occupied by or auxiliary to a building)

	Particulars	Heads to which creditable
(i)	When the cost of the building was originally debited to, or remains at the debit of, the Capital account of a	The Capital or Revenue account of the project, as the case may be,

- | | | |
|-------|--|--|
| | project or undertaking for which regular Capital and Revenue Accounts are kept or was originally met from the Revenue account of such project or undertaking. | according to the allocation rules applicable to the Department concerned. |
| (ii) | When the cost of the building was originally debited to a Capital expenditure Head outside the Revenue accounts, even though no regular Capital and Revenue accounts are kept for the work covered by the Capital expenditure. | The Capital expenditure head originally debited. |
| (iii) | When the sale affects Irrigation, Navigation, Embankment and Drainage works for which Capital Accounts are not kept. | “133 Irrigation, Navigation, Drainage and Flood Control Projects – B. Irrigation Projects (Non-Commercial) or D. Navigation Projects (Non-Commercial) or F. Drainage Projects (Non-Commercial) or G. Flood Control and anti-sea erosion projects”, as the case may be. |
| (iv) | When the sale is of buildings, the cost of which was originally debited within the revenue section of the accounts, to any service or Revenue Department for which no capital and revenue accounts are kept. | The receipt head relating to the function to which the cost of the building was initially debited or in cases where there is no corresponding receipt head, to the head “068.-Miscellaneous General Services – Sale of land and property”. |
| (v) | In all the other cases - | |
| | (i) if sold in the Public Works Department; | The functional receipt major head concerned or the head “059. Public Works”. |
| | (ii) if sold by civil agency. | The functional receipt major head concerned or “068. Miscellaneous – General Services”. |

(7) *Municipal Rates and Taxes* : — Municipal rates and taxes on Government buildings shall be adjusted as follows :-

(a) As a general rule, municipal rates and taxes on a nonresidential building utilized for functional purposes, such as for schools, colleges or hospital, if paid by the relevant departments dealing with those functions, would be adjusted in accounts as part of the sub-heads I minor heads concerned relating to the function, under the detailed head “Rent, Rates and Taxes”. Where however, the whole or a part of the tax is paid by the Public Works Department in administrative control of building, the payments may be debited to the maintenance estimates of the building concerned viz., “259. Public Works - Maintenance and Repairs”.

(b) Taxes on non-residential buildings occupied by Departments if paid by a department nominated by Government in this behalf and not passed on to the occupying departments shall be debited to “265. Other Administrative Services - Other expenditure”.

(c) Taxes on residential buildings, if payable by Government shall be debited to the maintenance estimates of the buildings under the head “283. Housing - C. Government - Residential Buildings - Maintenance and repairs or 259. Public Works”, in case the Government has decided to debit maintenance expenditure to this head.

Note : — In case where the whole or any portion of the taxes which by local rule or custom are originally leviable from the tenant, is paid by a department of the Government, such payments are treated as part of the contingent expenditure of the Department.

(8) *Accounting for transactions pertaining to more than one major head of account :* — For the sake of the convenience or for other special reasons, receipts or charges pertaining to more than one head of account may be booked in the first instance under one of the heads concerned, but the portion creditable or debit to the other head or heads involved should be transferred from the former head to the latter before the accounts of the year are closed. A few cases in which this procedure is authorised are cited below :—

(1) Where the charges for the supply of water from Irrigation canals are consolidated with the land Revenue demand the consolidated rates are in the first instance credited to the head “029. Land Revenue” and an approximate amount calculated as the share due to Irrigation is transferred to Irrigation Revenue head.

(2) Allocation of common “Establishment and Tools and Plant” charges: — Under the present organizational set-up of the Public Works Department, there are common establishments for dealing with the work both in regard to “Buildings” and Communications’ (Roads), known as “Roads and Buildings Branch”.

The following principles will be followed for apportionment in the accounts of the common establishment I Tools and Plant charges incurred in these branches among the various major heads having due regard to simplicity in accounts.

(a) The charges on account of the common “Establishment and Tools and plant” will continue to be accounted for initially under the major

head “Public Works” as at present, under the minor heads “Direction and Administration” and “Machinery and equipment” respectively.

(b) Distribution of these charges in respect of the works charged to “Revenue” proportionately to the various functional major heads within the “Revenue Section” is not necessary, as this will lead to unnecessary and meticulous calculations, which may be avoided. However, the distributable establishment and tools and plant charges may be allocated proportionately to the major heads “Housing” and “Roads and Bridges” in respect of works relating to residential buildings and roads and bridges, so that the outlay on residential buildings and roads and bridges includes departmental supervision charges. Similarly, proportionate charges will be allocated in respect of works relating to commercial departments or undertakings.

(c) Where a common Public Works Establishment caters to works both under “Revenue” and the “Capital” sections, proportionate establishment and tools and plant charges should be allocated to the capital heads concerned, in respect of all works debited to capital as at present.

Appendix 7 indicates the detailed procedure regarding adoption in the matter of distribution of common Establishment and Tools and Plant charges.

(See Chapter 3 of Accounts Code Vol. I issued by the Comptroller & Auditor General of India and Chapter 9 of A.P. Budget Manual)

72. Transactions relating to the charges and receipts connected with the services pertaining to the works of the local Government and to Civil Works for departments of the Central Government other than the works referred to in the list of services below, are adjusted finally in the accounts of Divisional Officers against the provision of funds therefor placed at their disposal. Transactions connected with the services for other Government works are not so adjusted finally, but pass eventually out of the accounts of Divisional Officers and are incorporated in the accounts of the departments and administrations concerned. Outlay on non-Government works is charged against the deposits received therefor.

List of Services : — The Indian Postal and Telegraphs Department Works, and works in connection with ancient monuments declared to be protected monuments under the Ancient Monuments Preservation Act, 1904.

(1) If an Administration executes, on behalf of another Administration, a Civil work (other than a work relating to Indian Posts and Telegraphs) the cost of which is chargeable to the Central Government, the necessary funds are usually placed at its own disposal.

(2) When a division undertakes a service on behalf of another division of the same Administration, the connected receipts and charges are passed on for adjustment finally in the account of the latter division.

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

73. In all cases, the primary account of these transactions should be kept in accordance with the rules of this Code, even though the ultimate costs of the transactions may not have to be brought to account finally in the books of the Divisional Officer.

74. The performance of these services and the subsidiary proceedings, gives rise to a number of other transactions with other departments, etc., which have also to be brought to accounts; e.g., funds have to be obtained from treasuries to meet liabilities incurred, receipts realized have to be lodged in treasuries, and stores have to be obtained from other divisions or departments.

75. The transaction of Public Works Officers are grouped under the heads indicated below

Part I : Consolidated Fund.

Part II: Contingency Fund.

Part III : Public Account.

In Part I of the Account, there shall be two main divisions namely : —

(i) Revenue (consisting of sections for Receipt Heads and Expenditure Heads both in Revenue Account);

(ii) Capital Public Debt, Loans, etc., (consisting of sections for Receipt Heads and Expenditure Heads in Capital Account and public Debt, Loans and Advances, etc.,)

The first division shall deal with the proceeds of taxation and other receipts classed as revenue and expenditure met therefrom. Section II Receipt Heads (Capital Account) in the second division shall deal with the receipts of a Capital nature which cannot be applied as a set off to capital expenditure.

Section I — Expenditure Heads (Capital Account) in the second division shall deal with expenditure met usually from borrowed funds with the object either of increasing concrete assets of a material and permanent character or of reducing recurring liabilities. It also includes receipts of a capital nature intended to be applied as set off to capital expenditure.

In Part II of the Account, there shall be recorded the transactions connected with the Contingency Fund set up by the Government under Article 267 of the Constitution.

In Part III of the Account, the transactions relating to Deposits and Remittances are recorded.

Under Part I — Consolidated fund, the transactions shall be grouped into sectors, such as, the General Services, Social and Community Services, etc., under which the specific functions or services are grouped. The sectors or sub-sectors are sub-divided into Major Heads of Accounts. Part III-Public Account is also divided into Major Heads.

Each Major Head is allotted a three digit arabic number Code. The first digit indicates the section to which it belongs and the next two digits the Major Heads. These two digits would remain the same both for receipts,

expenditure on revenue account and expenditure on capital account (See Appendix 4).

(Articles 24 and 25 of the Accounts Code, Vol.1 issued by the Comptroller and Auditor General, of India).

76. Each Major Head or Sub-Major Head is sub-divided into minor heads. Each minor head has a number of sub-heads which are further sub-divided into detailed heads. (See Appendix 4 and the Statements appended thereto).

77. The detailed classification of the account heads used in respect of Public Works accounts is given in Appendix 4.

(1) To meet local requirements, the Accountant-General is authorized to make necessary changes in the standard list of detailed heads.

(2) In the case of works of other departments and Governments undertaken by the Public Works Department as a standing arrangement, the prescribed classification applicable to the connected transactions is intimated by the Accountant-General.

78. The receipts and disbursements classified under the prescribed major and minor heads of account fall under two main divisions.

(1) Central : — Receipts and disbursements of the Government of India.

(2) State :---Receipts and Disbursements of the Andhra Pradesh Government.

79. All revenues realized shall be credited to the Consolidated Fund of the State and shall not be applied for meeting any expenditure which can only be incurred against a grant voted by the Legislature or against an allotment made by Government including an amount required to meet charged expenditure.

80. All expenditure of the Public Works etc., Departments can be incurred only when it is provided for in the Appropriation Act passed by the Legislature . either as voted provision or as a charged provision (appropriation). In respect of the expenditure of the following categories the provision must exist in the budget which is duly approved by the Legislature in a form of an Appropriation Act, as “charged” appropriation.

(a) Expenditure incurred as charged by or under a provision of the Constitution like payments made to satisfy any judgment, decree, award of any court or arbitration tribunal relating to contracts etc, in the Public Works Department.

Note (1) — Even the intermediate payments of the type referred to above cannot be made from the voted provision. But an advance from the Contingency Fund should be obtained to meet such expenditure.

(G.O.Ms. No. 1710, P.W.D., Dt. 10-08-1963)

Note (2) : — Any sum required to satisfy the award of an Arbitral Tribunal which is constituted by the State with inherent Judicial powers as distinct from purely administrative or executive powers and the “affing of a court” is

charged to the Consolidated Fund of the State. Where the award made by Advocate. Arbitrator is filed in a court and decree is obtained thereon, the expenditure will also be charged to the Consolidated Fund of the State.

(Memo No. 915-Y/69-3, PWD, Dt. 27-10-1969)

Explanation : — The amount prescribed should be considered to mean ‘the amount which at the time of expenditure is prescribed’. Prescription under any law should be considered to include all cases in which an authority is empowered to fix the sum which shall be expended upon a particular object and that authority proceeds to declare the particular amount which shall be so expended.

Note : — In respect of payments made to satisfy any judgement decree or award of any court or arbitral tribunal relating to contracts etc., of P.W.D. the expenditure should be classified as “charged” expenditure on the consolidated fund of the State and the provision therefor made in annual budget as far as can be anticipated. In cases of immediate payment, it will be necessary to ask for an advance from the contingency fund.

Such Payments made by the State Government in cases of disputes arising out of the acquisition of buildings and properties by States for the purposes of the Union Government decided by courts of law shall also be charged on the Consolidated Fund of the State initially and subsequent reimbursement by the Union Government would be merely an inter-Government adjustment.

(G.O.Ms. No.1710, P.W.D., Dt.10-8-1963)

81. The incidence of revenue and expenditure under Central or State and of State under Reserved or Transferred, is determined by the division of subjects as detailed in Rules 3 and 6 at . Schedules I and II of the Devolution Rules. See also Rules 4 and 7 of the Devolution Rules.

Note : — At present the only Central revenue and expenditure of the Public Works Department in Andhra Pradesh is that relating to -

(i) buildings used or intended for any purpose in connection with the administration of a Central subject

(ii) ancient monuments declared to be protected monuments under the Ancient Monuments Preservation Act, 1904, unless these monuments have been removed from the operation of the exception specified in clause (a) of entry 6 in Part II of Schedule I and in clause (a) of entry 6 in Schedule II to the Devolution Rules by notifications issued by the President in Gazette of India, and

(iii) Deleted : —

The Governor acts as the Agent of the President in regard to Central Public Works revenue and expenditure.

82. The term “expenditure” used in paragraphs 78 to 81 includes also charges classified as (a) refunds of revenue receipts and (b) working expenses, both of which are taken in reduction of revenue receipts. It also includes expenditure on stores, leave salary, etc., incurred in England by the High Commissioner, and charges against the Union Grant sanctioned separately for the purpose.

B — System of Accounts

83. The main features of the system of Public Works accounts are—

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

(b) The accounts of these receipts and disbursements (including the transactions of subordinate officials acting on his behalf) are compiled under his supervision by an accountant posted to his office by the Accountant—General, and are substituted monthly to the Accountant-General who audits them against sanctions and appropriation of funds and then incorporates them in the general accounts of the state.

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

(d) Under each major head of expenditure, the changes on each project, work or sub-work are recorded separately in the accounts of Divisional Officers. In the case of works of certain classes (see examples cited below) proforma accounts of all transactions connected therewith are prepared annually by the Accountant-General and, for this purpose, the receipts pertaining to each work of this class insofar as the Divisional Officer is responsible for realizing and accounting for the same, are also shown separately in divisional accounts —

(i) Irrigation, Navigation, Drainage and Flood control works.

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

(iii) Residential buildings.

(e) Personal payments to all Government servants of the department are made on bills presented at civil treasuries in accordance with the general rules of the A.F.&A.C., applicable to all civil departments, and are therefore brought to account by the Accountant-General himself from data furnished to him direct by Treasury Officers.

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

of facts, if required in a Court of Law. All transactions involving the giving or taking of cash, stores, other properties, rights, privileges, and concessions which have money values should be brought to account. The record of a transaction of receipt or expenditure should always be made at once under the final or the debt or remittance head to which it pertains, if that be known; but if the exact head cannot be ascertained at once, then the transaction should be temporarily classified under Deposits, if a receipt, or under Miscellaneous Public Works Advances, if a charge.

CHAPTER IV

RELATIONS WITH AUDIT

A — General

85. The Divisional Officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transaction correctly and in accordance with the rules in force. (See also paragraphs 3-35 of the A.P.Public Works Department Code).

86. The Divisional Officer is further required to submit his accounts to the Accountant-General who has to apply to them such audit checks as may be prescribed by the Comptroller and Auditor General under Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

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

87. The Divisional Officer is responsible that the accounts of his division are not allowed to fall into arrears; but if arrears or confusion arose, which in his opinion cannot be cleared without the assistance of the Accountant-General, he should at once apply for such assistance.

B — Divisional Accounts Officer

88. To assist Divisional Officers in the discharge of their responsibilities referred to in paragraphs 85 and 86 the Accountant General will post a Divisional Accounts Officer to each Divisional office.

Note : — The Administrative Control of Divisional Accounts Officer is with the State Government with effect from 1-1- 1980, vide G.O.Ms. No. 304, Finance (WAI) dated 20-11-1979.

1. Rules regarding the establishment of Divisional Accounts Officer are given in Appendices 2 and 3.

2. The employment, as an Accountant in a Divisional Office, of any person who does not belong to the establishment of Divisional Accounts Officer is not permissible. But when a regular Accounts Officer is not

available, and as a purely temporary arrangement, the Accountant-General has to entrust to a clerk the duties of a Divisional Accounts Officer, he will be appointed to officiate as a Divisional Accounts Officer in the particular vacancy, even though he is not eligible for such appointment under the rules in Appendix 2.

89. (a) The functions of the Divisional Accounts Officer are threefold—

- (i) as accountant i.e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him;
- (ii) as internal checker charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc.

(Memo No. 1353-470-8, P.W.D., Dt.18-3-1971, & G.O.Ms.No.1215, P.W.D., Dt.26-8-1969)

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

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

(c) The Divisional Officer should see that he is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently the Divisional Accounts Officer is treated as the senior member of the office establishment of the division, in fact as manager of the Division Office, though his position is analogous to that of a Sub-divisional Officer.

(G.O.Ms. No. 2368, P.W.D., Dt. 2-12-1963)

90. The Divisional Accounts Officer is expected to see that the rules and orders in force are observed in respect of all the transactions of the division. If he considers that any transaction or order affecting receipt or expenditure is such as would be challenged by the Accountant-General if the internal check entrusted to the Accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons, and to obtain the orders of that officer. It will then be his duty to comply with the orders of the Divisional Officer, but if he has been overruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the Register of Divisional Accounts Officer's objections. Form 60 [P.W.D. UI—60(a)] and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accounts Officer's advice on reconsideration and ordering action accordingly, or of recording, for the

information of the Accountant— General, his reasons for disregarding that advice. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant- General, for whose inspection the register should be available at all times.

(Memo No. 1353-4/70-8, dated 18-3-1971)

91. (a) The Divisional Accounts Officer's would bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

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

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

(c) The Divisional Accounts Officer will be solely responsible for issue of objections on account of excess over or for want of sanctioned estimates in the case of petty works (vide para 44-A ibid and paras 108 and 110 (iii) of the A.P.P.W.D.Code) and for regularizing them. He should maintain an objection book in Form VI-116 to record and watch the clearance of such irregularities. The Accountant— General will examine the register during annual inspection. (G.O.Ms. No. 50, P.W.D., dt. 17-1-1966).

92. The Divisional Accounts Officer should inspect at least once a year under the orders of and at the same time as the Divisional Officer, the accounts, records of sub-divisional offices and check a percentage of the initial accounts. The defects noticed should be reported to the Divisional Officer for orders, but the Divisional Accounts Officer will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instructions thereon to the Sub—divisional Officers and their staff.

(1) The results of these inspections should be placed on record for the inspection of the Accountant-General but serious financial irregularities should be reported at once for the information of that officer, even though set right under the orders of competent authority. See also article 72 and 72 (a) of the A.P.Financial and Account Code, Volume I, requiring a report to be made immediately to the Accountant -General of defalcations or losses of public money, stores or other property.

(2) The accounts of interest-bearing securities maintained by Sub divisional Officers should be examined to see that the rules relating to them are observed and that the register in P.W.A. Form 85 (P.W.D. VI-104) is correctly maintained and with this object a few transactions of the register should be compared with the entries in the cash book or other account, and vice versa. The securities certified in the last Annual Account of Interest

—bearing Securities, P.W.A. Form 86 [P.W.D. VI-105] as being on hand should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgments of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgments of the authorized custodians, as the case may be.

92-A. Two sets of questions for the guidance of the Divisional Accounts Officer in carrying out his inspections are contained in Appendix 8 of this Code. Part I of the questions contains the subjects which should necessarily be examined by the Accountants. Part II refers to matters about which the Accountant should obtain, before commencing his inspection, the specific orders of the Divisional Officer in writing as to whether he should examine them or whether the Divisional Officer would take them up. The Accountant will then take up those subjects in Part II which the Divisional Officer has ordered him to do so. The remaining points therein should be examined by the Divisional Officer himself.

93. The Divisional Officer has a right to seek the advice of the Accountant—General in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will be usually be desirable, however, that he shall first obtain the advice of the Divisional Accounts Officer who is specially trained for this duty and this should be done in writing in all cases of importance.

“(i) The D.A. is responsible for the arrangements for checking the computed tenders (i.e.) for seeing that satisfactory and efficient arrangements are made for checking.

(ii) He should conduct personally a test check of the computed and checked tenders, sufficient to satisfy himself responsibly that the checking work has been properly done; and

(iii) He should see that the comparative statement correctly incorporates the total checked on the individuals tenders.”

[G.O.Ms.No.1035, P.W.D. Dt. 20-4-1960]

C—Audit Inspections

94. The Accountant-General arranges for periodical test audit and local inspection of the accounts of Divisional and Sub—divisional offices, and the Divisional Officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting Officers, are required, if possible, to discuss the drafts or their reports with the head of the office inspected before submitting them to the Accountant-General, and, for this purpose it is desirable that the head of the office should be present at the inspection, unless his presence is urgently required elsewhere.

The following procedure should be adopted in dealing with the reports of inspection of the accounts of Divisional Offices :-

(1) The report will be sent officially by the Accountant-General to the Executive Engineer concerned who should forward it with his explanations to the Superintending Engineer within one month of the receipt of the report.

(2) The Superintending Engineer should forward the report to the Accountant—General with his remarks and orders within one month of the receipt by him from the Executive Engineer.

(3) The Accountant-General will forward to the senior Chief Engineer extracts from the reports which may seem to call for notice.

(4) The Chief Engineer concerned will deal with all matters within his competence and refer the rest to Government for orders. A copy of the Chief Engineer's order on the Accountant—General's reference (in the form of proceedings) should be sent to the Accountant-General within a month of the receipt by the Chief Engineer of the Accountant—General's reference. The Chief Engineer should also send to the Accountant-General copies of any separate references which he makes to Government. Only those cases where an officer has to be censured or where money is to be written off or where important questions of policy or procedure are involved should be referred to Government.

(5) The Accountant-General will refer to Government separately questions on which he does not accept the Chief Engineer's orders and general questions of policy or importance on which he requires the decision of the Government.

Note 1 : — The dates specified above should be strictly observed.

Note 2 : — Chief and Superintending Engineers and other officers should specify a time limit for reply when calling for explanations and strictly enforce the time limit. The particular points on which further information is required should be specified not only in the reference but in the proceedings sent to the superior or audit authority.

Note 3 : — Executive Engineers should be present at their headquarters throughout the period of inspection to avoid delays and to minimize correspondence and they should also make a point of summoning to headquarters any sub-divisional officer or subordinate whenever it appears likely that their presence will help to elucidate doubtful points.

Note 4 : — The Audit Department has power to examine contracts and to bring before the Public Accounts Committee any cases where competitive tenders have not been sought or where high tenders have been accepted, or where other irregularities in procedure have come to light.

Note 5 : — Inspecting Officers wishing to make comments on the confidential records shown to them should write such comments in their own hand, treat them as strictly confidential and submit them separately from the general audit report to the Accountant—General.

D — Communication of Sanction to Audit

95. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted in the Audit office are communicated to in accordance with the procedure settled locally in consultation with the Accountant- General.

(See also paragraphs 512 and 513 of this Code and paragraph 212 of the A.P. Public Works Department Code).

When the tenders are accepted by the S.E. but agreements are concluded by the E.E., they have to be sent to audit.

(Memo No. 116-Y/71-3 P.W.D., dt. 19.3.1971)

Technical sanctions exceeding Rs.25,00,000 for project works and exceeding Rs.2,00,000 for non-project works must be sent to the Accountant-General.

Copies of administrative approval need not be supplied to audit. (G.O.Ms.No. 997, P.W.D., dt. 17-6-1967 - implemented w.e.f. 1-4- 1970).

(1) Audit against sanctions accorded by the Divisional Officer is conducted in the Audit Office only in respect of technical sanctions to estimates and sanctions to write off stores or losses of public money. In respect of other sanctions of the Divisional Officer, the Divisional Accounts Officer is responsible for the necessary check - vide paragraph 91.

(2) Sanctions to contract agreement accorded by officers higher than the divisional officer should be communicated by them to the Accountant- General so as to enable the Accountant-General audit the payments to contractor on the basis of rates sanctioned for each item of work or supply and other necessary terms and conditions. (Even in cases where agreements are entered into by the Executive Engineer, copies of sanctions to contract agreement should be communicated to the Accountant-General if the tenders are accepted by officers higher than the Executive Engineer.

(vide Memo No. 116-Y/71-3, P.W.D., dated 19-3-1971)

Duplication of agreement should in no case be required; that is to say, an authority who has concluded an agreement should not be required to draw up and sign against an agreement already executed.

(3) All sanctions to works in connection with Government House, whether original works, special or ordinary repairs, should be referred to the Audit Officer for preaudit and must be accepted by him before any expenditure on the works incurred.

Exception : — Urgent works in Government Houses may be executed without pre-audit up to a limit of 10 per cent of the total annual provisions for original works subject to the condition that any liability incurred should at once be reported to the Audit Officer together with an explanation of the urgency.

E—Results of Audit

96. The results of audit are communicated to the Divisional Officer in the form of Audit Notes, Objection Statements, Inspection Reports, Letters or Memoranda. These should receive prompt attention - vide article 67, A.P.Financial and Account Code, Volume I, and the replies of Divisional Officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared

in this manner have more than once, by lulling suspicion, led to greater irregularity afterwards.

97. The maximum limit of time allowed to each division for return of each audit note is given in the following table

	DAYS		DAYS
Godavari, Eastern & Western	20	Krishna Eastern	13
Visakhapatnam	23	Kurnool	19
Godavari Northern	20	Nellore	14
Godavari Head Works	20	Madanapalle	15
Godavari Central	20	Guntur	15
Krishna Western	17	River Conservancy	17
Krishna Central	17	Electrical Engineer	1 month

These limits may be altered by the Accountant-General in consultation with Government.

98. Objection Statements and Inspection Reports should be returned through the Superintending Engineer after the Divisional Officer has recorded his replies thereon. The Superintending Engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points, before returning the documents to the Accountant-General.

99. Once a transaction has been entered in Objection Statement, otherwise challenged in one of the other documents referred to in paragraph 96, the responsibility for having the objection removed will devolve upon the Divisional Officer, and the Accountant-General is required to report to the higher authorities cases in which objections are not cleared within a reasonable time.

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

100. The audit Office is required to place under objection any transaction coming to its notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Divisional Officer may have already taken action to regularize the transactions, or the excess (if any) over sanction, plus any further excess that may be anticipated, may be within his own powers of sanction without preparing a revised estimate and he may have accorded the necessary formal approval to it; yet, if the necessary intimation of sanction does not reach the Audit office when the divisional accounts in which the irregular transaction appears are being audited, the Audit office is bound to raise the objection, as it is not authorized to assume that the necessary sanction has been accorded.

Divisional Officers will, therefore, find it advisable to send to the Audit office the earliest intimation of such of their sanctions and orders as are required to be communicated to audit (vide paragraph 95), and to give it, without waiting for the receipt of the Objection Statement or Audit Note, all necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement, prepared monthly and signed by the Divisional Officer himself, will ordinarily suffice, in respect of transactions brought to account in the Monthly Account, but, if it cannot precede or accompany the Monthly Account, it should be sent to the Audit office within a week of the despatch of the Account.

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

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

(3) The Accountant-General, A.P, is empowered to waive excess of Rs. 250 and below on works reported completed.

CHAPTER V

APPROPRIATIONS & CONTROL OF EXPENDITURE

A — Introductory

101. (a) Expenditure as defined in paragraph 82, can only be incurred on a work or other object -

- (i) If the sanction of competent authority has been obtained, as required by any statutory rules or by any orders, general or special, issued thereunder by competent authority, e.g., the rules in any authorized Code, and
- (ii) if funds to cover the charge during the year have been provided by competent authority.

In the case of charges against suspense accounts, and expenditure which is not expected to cause an excess over the net provision for the year may be held to be covered thereby. (See also paragraph 125 (b)).

- (iii) if no breach of any of the canons of financial propriety (vide rule 11 of Appendix 1) is involved.

(b) For payments chargeable to the accounts of their divisions, departments or Governments, or of non-Government works, and repayments of deposits, a Divisional Officer does not require any specific provision of funds within the appropriations for his own division. It is sufficient to see that such payments are made only in accordance with the rules in the relevant chapters of this code.

For inevitable payments uncovered by sanction or provision of funds, see Article 38, A.P.F. & A.C. Volume I.

B — Grants and their Distribution

102. A grant or supplementary grant may include expenditure falling under one or more major heads or sections of a major head. For purposes of accounts classification, each major head of account is subdivided into sub-major heads, minor heads, the latter being further divided into detailed heads, service and departmental heads—see paragraph 76. The sub-divisions of a minor head from the point of view of the distribution of grants and the control of expenditure are known as primary and secondary units of appropriation. The primary and important secondary units into which the grants for expenditure under the several Public Works major heads, are divided, are contained in Appendix-4-A. The primary and secondary units for Civil Works of the Central Government are contained in Appendix 4-A II.

“The demands for grants presented to the State Legislature are for the gross amount of expenditure to be incurred; recoveries taken in reduction of expenditure being shown separately by way of foot notes. Accordingly, the appropriations for the minor heads “suspense” subordinate to the Public Works Major Heads provide for the gross debits of the whole year. The issue of stock materials to works etc. and other credits of the year are exhibited separately in the demands.

(G.O.Ms. No. 1260, PWD. dt. 6-9-1969)

103. (Deleted)

104. Communication of Grants : —As soon as the Legislature has voted the grants or grants for the service or administration of the several branches of the Public Works Department, the Finance -Department will communicate to the Chief Engineer concerned the amounts so voted as well as the provision made on account of non-voted expenditure. The particular attention of the Chief Engineer will be called to reduction made by the Legislature from a demand, as no addition can be made in the case of a demand so reduced. The amounts will be communicated in the form of lumpsums allotted under minor heads and sub-heads of account and distributed over the appropriate primary and when considered desirable, over the secondary units of appropriation. In any case in which the primary and secondary units described in Appendix 4-A are too numerous or are too inadequate, Government will adopt a smaller or larger number of units as the case may be. If, in any case the appropriation under a primary or secondary unit includes also expenditure on objects requiring a specific

appropriation, such items and the appropriation therefor will also be specifically communicated through the Departmental Budget. A copy of the order communicating the distribution will be sent to the Secretary to Government in the Administrative Department concerned of Government and to the Accountant-General.

Sub-para Deleted.

105. An appropriation or reappropriation within the grants of a year can be authorized at any time before, but not after, the expiry of the year.

106. A grant or allotment is intended to cover all the charges including the liabilities of past years to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year. Any unspent balance lapses and will not be available for utilization in the following year unless Government include any anticipated lapses in the demand for the following year.

The financial year closes on the 31st March. After that date all cash and stock transactions are treated as pertaining to the following year, but bona fide transfer entries are permissible for same months-vide paragraph 575.

107. Deleted.

108. In the absence of provision in the year's budget no expenditure may be incurred on any new major work under the heads '259, 282, 283, 306, 332, 333, 334, 337, 459, 482, 483, 506, 532, 533 and 537 and other major heads under which provision for works expenditure is made, until a supplementary grant has been obtained except in the case of major works pertaining to His Excellency the Governor's residences, in which case a lumpsum provision for all works is adequate.

109. Distribution by the Chief and Superintending Engineers : — The Chief Engineer, Roads and Buildings, and the Chief Engineer, Irrigation will distribute the amounts allotted to them among the Superintending Engineers and other officers under their direct control. The Superintending Engineer will likewise distribute the amounts at their disposal among the several Executive Engineers who are subordinate to them. The Chief and Superintending Engineers may, in carrying out such distribution, retain a portion of their grants or allotments as a reserve in their own hands. In making this distribution, the following points should be borne in mind :-

(i) The sum total of the grants or allotments made by any authority from a unit shall not exceed the amount of the unit or portion thereof placed at his disposal.

(ii) An officer at whose disposal a grant or allotment for a primary or secondary unit has been placed may, out of it, allot funds for expenditure on a specific work or item or on a group of works or items of expenditure, provided that no funds are allotted to new minor works costing more than Rs. 5,000 or to new major works not mentioned in the Budget.

(G.O.Ms.No. 1684, PWD, dated 1-7-1965)

(iii) The appropriation for any unit or for works or other objects for which a specific appropriation has been provided may be increased or decreased only by a formal order of reappropriation authorizing a transfer of funds from or to another unit or work by a competent authority.

110. Lumpsum appropriation at the disposal of the Divisional Officer: — A Divisional Officer at whose disposal a lumpsum grant or allotment has been placed for a group of works or items may allot out of it funds for specific works or items. Thus, for example, a Divisional Officer may allot grants or allotments for minor works and repairs individually cut of the lumpsums at his disposal.

C —Progress of expenditure and the watching of actuals

I—Duties of the Divisional Officer

111. It is an important function of the Divisional Officer to keep a constant watch over the progress of expenditure and to keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps to obtain extra funds or surrender probable savings, as may be necessary. The plan to be followed in actual practice for this purpose will be slightly different in the case of expenditure met by means of cheques drawn on the treasury and accounted for in the monthly divisional accounts, from that to be followed in the case of expenditure met by bills presented at the treasury and not passing through the divisional accounts.

112. Procedure to be followed in the case of expenditure accounted for in the Divisional accounts : — The bulk of the expenditure falls under the category of one or the other of the following :-

- (1) Works (Original works, extensions and improvements, maintenance and repairs);
- (2) Tools and plants; and
- (3) Suspense

The accounts maintained in the Public Works Department contain already all the details necessary for an adequate watch of expenditure under the above heads. Thus in the case of works costing over Rs. 1,000 Works Abstracts and registers of Works [Public Works Account Code Forms Nos. 33, 34, 40 and 41 (P.W.D VI-81, 82, 89 and 90)] and in the case of those under Rs. 1,000 the Petty Works Requisition and Account in Public Works Account Code Form 32 (C.F.No. 145) contain a progressive account of the expenditure on each individual work.

Where a specific appropriation has been provided for any work, the progress of expenditure against the appropriation can, therefore, be watched through the register of Works. In cases in which a lumpsum has been placed at the disposal of the Divisional Officer for a number of works the Divisional Officer can, if he distributes the lumpsum among individual Works, watch the expenditure on each of the latter in the same manner. Further the expenditure on all such works against the lumpsum may be watched through

the schedule of Works Expenditure [Public Works Account Code form 63 (P.W.D. VI-26)] —vide paragraph 558.

Similarly Public Works Account Code Form 63 (P.W.D.VI-26), which is also the form utilized for consolidating the month's expenditure on tools and plant and the Suspense Schedules in Forms 67 to 71 (P.W.D. VI-20, 27, 29 and 30) can be utilized after noting in the latter in a suitable place the appropriation for the year in watching the progress of expenditure against the appropriation. Thus the divisional accounts can be suitably adopted for the purpose.

It is however, necessary that an abstract of expenditure should be prepared monthly for each major head of account with the help of the divisional accounts to enable the Divisional Officer to take a comprehensive view of the -expenditure for the division as a whole and also to furnish the information necessary to enable the Superintending Engineer to watch the progress of expenditure in the divisions severally and collectively.

113. The Divisional Officer should prepare a monthly statement in Form F (G.O.Ms. No. 172, Tr. & B dated 3-6-1980). (Appendix 4-A) for each major head of account for the reason referred to in the last sentence of paragraph 112 above. This statement should show the various minor and detailed heads (primary and secondary units of appropriation), individual works for which specific appropriation has been sanctioned by a higher authority, as well as the appropriations therefor as modified from time to time. Work for which a lumpsum appropriation has been placed at the disposal of the Divisional Officer may, however, be grouped together and only the total shown.

The expenditure incurred under each primary and secondary unit under any work or item requiring a specific appropriation should be posted in the relevant column in the register of Works and the Schedules of Works Expenditure in Public Works Account Code Form 65 (PWD VI-26). In the case of the suspense heads, the net debit or credit alone need be posted from the register in Public Works Account Code Form 67 (PWD VI-20).

Undischarged liabilities and anticipated credits should be separately recorded in the column provided for the purpose, as it is necessary to take them into account in reviewing the progress of expenditure - vide paragraph 115 (a) and (b). The special attention of Divisional Officer is drawn to paragraphs 103, 116 and 122 to 125.

The Electrical Engineer and civil officers acting as Public Works disbursers should forward a monthly statement in Form 'F' (Appendix 4-A) in duplicate direct to the Chief Engineer who will review the progress of expenditure with the help of these statements.

(G.O.Ms.No. 172, Tr. & B (C) dt. 3-6-1980)

114. The statement referred to in paragraph 113 above should be completed within a week after the date fixed for the closing of the divisional accounts and a copy should be forwarded to the Superintending Engineer with such proposals as the Executive Engineer may think necessary for the reappropriation of funds or for the surrender of probable savings. The

Divisional Officer should attach special importance to the statements after the first six months of the year and should devote particular attention to their review.

115. (a) In this review of expenditure, undischarged liabilities play an important part and their effect on individual and lumpsum appropriation should, therefore be watched.

1. Liabilities may be divided into four classes — (i) those outstanding in the suspense accounts, relating to contractors and labourers in the accounts of works, (ii) those outstanding in any of the regular suspense accounts of the division, (iii) outstanding debts adjustable by book transfer, and (iv) mature claims of contractors, supplies, etc., awaiting settlement, and all unmature claims, recurring or non-recurring likely to fall due for settlement before the close of the year. Liabilities of class (ii) may affect not only the grants for minor head “Suspense” but also the grants for works and services falling under the same and other major heads; see also paragraph [125 (b)].

(b) Anticipated credits (if any) which will ultimately be taken in reduction of the expenditure chargeable against any individual or lumpsum appropriation should also be taken into account. See statement E. of Appendix 4.

116. All liabilities and assets of the division adjustable by transfer credit or debit to remittance heads of account should be registered in Public Works Account Code Form 57 [PWD VI-37 (a)] Register of Transfers Awaited, as soon as they become known. As they are cleared an entry should be made in columns 7 to 9 so that items awaiting adjustment may be known at any time.

This register is intended primarily for all transfer transactions, recurring or non-recurring which have to be responded to by the division, but if desired, important items which will be cleared by original debit or credit may also be entered to facilitate the watching of their clearance.

II—Duties of the Superintending and Chief Engineers

117. The Superintending Engineer should, after a thorough review of the statements received from the Divisional Officers, take such action as he considers necessary without delay and consolidate the statement of the Divisional Officers in Form G [Appendix 4-A] in order to review the progress of expenditure against the appropriation placed at his disposal by the Chief Engineer. A circle report should be prepared in duplicate and forwarded to the chief Engineer. The Chief Engineer will review the progress of expenditure for each circle with the help of these statements. The circle statements should then be consolidated in Form G [Appendix 4-A] for the purpose of reviewing the progress of expenditure for the whole state.

(G.O.Ms.No. 172 Tr. & B. dated 3-6-1980)]

118. The Chief Engineer will check the circle report with the accounts of the Audit office and return the duplicate copy of the report with corrections, if any, to the Superintending Engineer explaining at the same time the reasons

for such corrections. Any correction pointed out by the chief Engineer should be incorporated by the Superintending Engineer and communicated to the Executive Engineer.

III—Expenditure incurred by bills drawn on the treasury debitable to the public works major heads

119. The only expenditure that falls under this category is that classified under the minor heads “establishment” and “grants-in-aid”. The detailed procedure for controlling the expenditure under “establishment” will be found in Appendix 4-A.

IV—Grants-in-aid

120. Grants-in-aid falling under the Public Works major heads are not accounted for in the divisional accounts as they are paid directly at the treasury.

121. Grants-in-aid under “50. Civil Works” are, however considerable and the majority of them consist of grants to District Boards and Local Bodies -

[a] For the maintenance of –

[1] trunk roads

[2] second-class roads

[3] miscellaneous recurring grants-in-aid or road maintenance paid on standing sanction, and

[b] other specific public works such as construction of roads, bridges and so on.

In the absence of a head of a department to record and match the progress of expenditure under these heads, Government [in the Local Administration Departments] watch the progress of expenditure on the information furnished by the Accountant-General between the months of November and April in the prescribed return [Appendix 4-A].

D — Special Rules Relating to Expenditure in England

122 . Deleted.

123 . Deleted.

124. Deleted.

125. The minus appropriation for the units under the minor head “Deduct-English cost of Stores and Establishment” is covered by an equivalent plus provision included within the appropriation for the units for works stores and establishment. The additional provision under the latter units should be reserved for the English charges on stores and establishment by savings likely to accrue should be surrendered.

E — Appropriation Audit by the Accountant-General

126. (a) The Accountant-General is responsible for watching firstly that the total expenditure under a grant does not exceed the grant and secondly that the total expenditure under each minor head and each primary unit within a minor head does not exceed the provincial appropriation therefor as modified by orders of reappropriation passed by a competent authority from time to time.

(b) He must further see, with reference to paragraphs 108 and 109 above-

(1) that the expenditure on each irrigation, navigation, drainage and Flood Control Works audited against the specific appropriation for it.

(2) that in the case of Capital expenditure on irrigation, navigation, Drainage and Flood Control Projects not mentioned in the budget it is not incurred without the Prior Sanction of an advance from the contingency Fund, by Government.

(3) that in the case of irrigation, navigation, drainage and embankment projects for which neither capital nor revenue accounts are kept, the expenditure on every major work is audited against the appropriation for that work.

(4) that in the case of Public Works the expenditure on each major work is watched against the appropriation therefor and that no expenditure is incurred on any new work, major or minor, costing over Rs. 5,000 not mentioned in the Budget, without the sanction of Government.

(G.O.Ms. No. 1684, Dt. 1-7-1965)

Note : — The duty of enforcing that the distributions made by the Chief Engineers among the Superintending Engineers and by the latter among their subordinates are not exceeded rests with the Chief Engineers and the Superintending Engineers themselves. Divisional Officers should likewise see that the distributions made by themselves or by a higher authority for specific works or projects are not exceeded.

(c) Subject always to the provisions of clause (a) above the Accountant-General is authorized to pass in audit up to Rs. 5000-

(i) expenditure not covered by appropriation unfinished major works of the previous years which are likely to be completed in the new year, and

(ii) expenditure in excess of appropriation.

F — Miscellaneous

127. The detailed procedure relating to the preparation of demands for grants, to the appropriation and reappropriation of funds and to budget matters generally, is laid down in the Budget manual. The powers of reappropriation delegated to the chief Superintending and Executive Engineers will be found in Chapter VI of the A.P.Public Works Department Code.

CHAPTER VI

CASH

A — Introductory

128. The term “cash”, as used in this chapter, includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of Revenue postage stamps, may, when necessary for use as receipts, stamps be kept as a part of the cash balance. Government securities, deposit receipt of banks, debentures and bonds accepted as security deposit under the provisions of paragraph 453 are not to be treated as cash. See also Articles 16 (a) & (b), A.P.F. & A.C., Volume-I.

129. Primarily the Divisional Officer is the responsible disbursing Officer of the division, but he may delegate this function to his subordinate Officer in certain cases - vide paragraph 286.

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

B — Modes of obtaining cash from Treasuries

I— General

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

132. The appropriation of departmental receipts to expenditure in the department is strictly prohibited except in the cases provided for in paragraph 149. See Article 22(j) A.P. F. & A.C., Vol. I.

Note : — Contingent bills are directly encashed at the treasury, and not paid out of the departmental receipts. ‘,

133. Sub-treasuries collecting deposits and not disbursing treasuries, but to meet the convenience of Public Works Officers it has been arranged that funds required for disbursement may be obtained by means of cheques drawn on sub-treasuries subordinate to a treasury with which a disbursing Officer has been placed in account. See also Article 49 (v), A.P.F. & A.C., Vol. I.

Note : — The term “treasury” as used throughout this Code includes a sub-treasury unless the contrary is evident from the context.

134. The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works or on contingent bills is detailed in Chapters XVII and XVIII. Undisbursed balances of cash thus obtained may be kept in departmental cash chests, but they should not be mixed up with regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted for in accordance with the rules in the following paragraphs.

135. Without making previous arrangements through the Accountant-General no Officer is authorized to draw cheques on a treasury situated outside the limits of the province.

136. When, for the convenience of work, it is necessary that the Divisional Officer or any of his subordinate disbursing Officer should be authorized, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Accountant-General on the recommendation of the Superintending Engineer. Similarly, the Divisional Officer may, if necessary, specially authorize any of his Sub-divisional Officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division.

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

II—Monthly estimates and receipts and expenditure

137. (Deleted - vide G.O.No. 2379 W., dated 14th November, 1972)

III — Limits on Sub-divisional Officer's drawings

138. If the Divisional Officer considers it necessary, for the maintenance of efficient control over the disbursements of his division, to set a monthly limit on the drawings of any of his Sub-divisional Officers, he may do so, fixing either a standing limit or fresh limit either every month or whenever necessary. All such limits may be raised or lowered subsequently. Intimation of every limit when fixed or changed should be sent both to the Sub-divisional Officer and to the Treasury Officers concerned. In places where an office of the Reserve Bank of India or a branch of the State Bank of India, Hyderabad is conducting treasury business, similar intimation should be sent to the bank also direct.

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

2. The limit when fixed should be for the account month of the Sub-division and the dates of the commencement and termination of the month

must be specified in the intimation to the Treasury Officer and the bank concerned.

3. At the option of the Divisional Officer, the limitation may not be limited to the Treasury Officer, and the bank concerned, if the check exercised by the Divisional Accounts Officer over the Sub-divisional cash accounts, after the expiry of the month, is considered sufficient for the purposes of the Divisional Officer. See paragraph 91.

IV—Cheques

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

140. In drawing cheques (Form 6) drawing Officers should be guided by the general rules laid down in Chapter I of the A.P.F. & A.C., Volume I. The special rules applicable to the department are set forth in paragraphs 141 to 145.

141. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing Officer on any treasury should be distinguished by a different letter from those drawn by the other disbursing Officers of the division on that treasury and also from those drawn by himself on any other treasury.

142. In the case of sub-treasuries the advice of the number of the cheque book to be used (vide Article 49-I and II of the A.P.F. & A.C. Volume I) should ordinarily be sent through the district treasury; but in cases of urgency, it may be sent direct to the sub-treasury, a copy being forwarded simultaneously to the district treasury.

143. If a limit has been set by the Divisional Officer on the drawings of a Sub-divisional Officer under the provisions of paragraph 138, the limit prescribed for the drawings on each treasury during a month should be entered on the reverse of the counterfoil of the cheque book or that treasury before any cheques are drawn during that month, and the Sub-divisional Officer should watch that the limit is not exceeded by deducting from it, on the reverse of the counterfoils, the amount of each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month.

1. In the absence of a monthly limit on his drawings the Officer should record on the reverse of the counterfoil of each cheque the amount of the next cheque drawn and the total of the drawings during the month, and carry

forward their total to the next counterfoil, thus enabling himself, from time to time to exercise an independent check on the postings in his cash book.

144. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the month of its issue (vide Article 49-IV of the A.P.F.&A.C., Volume I), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and the date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment a note being made at the same time against the original entry in cash book.

1. For procedure relating to lost cheques, see Article 50 of the A.P.F.&A.C., Volume I.

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

C — Receipt of Money

I—Account Procedure

146. When money is received by a Government servant on behalf of Government it should at once be brought to account in the cash book and a receipt in Form 3 (P.W.D. VI-17) should invariably be granted to the payer. If, however, the amount be realized by recovery from a payment made on a bill or other voucher setting forth full particulars of the deduction, a receipt should be granted only if specially desired by the payer, but the fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt.

1. Final acquittance for private cheques and drafts on local banks accepted under proper authority [vide Article 16 (b) of the A.P.F. & A.C., Volume I] should not be given to the payer until they have been cleared.

2. Before an Officer signs a receipt in Form 3 (P.W.D. VI-17) for cash actually received by him, he should see that the receipt of the money has been duly recorded in his cash book and in token of this check the entry in the cash book should be initialled and dated at the same time.

When the Officer signing the receipt is in camp but the cash book is at his headquarters, the counterfoil of the receipt book should be compared with the entry in the cash book on the next occasion when he sees the cash book or when he returns to headquarters whichever is earlier the entry in

the cash book being initialled and dated in the usual manner in token of his check.

3. The head clerk or cashier may, when specially authorized to do so by the Divisional Officer or Sub-divisional Officer, receives money at headquarters when the latter is in camp. In such cases he should promptly issue a temporary receipt in C.F.No. 106 (a) for the cash actually received by him and should simultaneously enter the amount in the Cash Book. Formal receipts in Form 3 (P.W.D. VI-17) in confirmation of the temporary receipts should be issued duly signed by the Divisional or Sub-divisional Officer immediately on the latter's return to headquarters. Before signing the formal receipt the Officer concerned should compare it with the amount of the counterfoil of the temporary receipt and the corresponding entry in the cash book and he should initial the counterfoil of the temporary receipt and the entry in the cash -book.

Note :—Temporary receipt books should not be allowed to be in the custody of a head clerk or cashier beyond the minimum period necessary and they should be kept in the personal custody of the Officer when he is at headquarters.

147. Receipts in Form 3 (P.W.D. VI-17) can be issued only by Divisional Officers, Sub-divisional Officers, or other Government servants specially authorized -by Government, and all persons regularly or frequently receiving money on behalf of Government, should keep a cash book in Form I (P.W.D. VI-3).

148. When a Section Officer collects revenue from parties to whom grass plots, fruit trees, padugai lands, canal berms, etc., are leased or receives money from sales of material, etc., (or if any other Government servant who is not in charge of a Cash Book similarly receives money on behalf of Government at exceptional times), he. should not mix it up with the imprest or any other cash in his charge but should at the earliest opportunity (1) remit it to the Sub-divisional Officer (or other nearer superior Officer by a chalan in duplicate and send the treasury receipt to the nearest superior Officer having a Cash Book. The cash in the former case or the treasury receipt in the latter case should be accompanied by a remittance slip in P.W.D. Form 111-2 on the back of which the Section Officer should enter full particulars of the money realized by him with the date of its realization. In either case, the Section Officer should also send a copy of the remittance slip to the Divisional Officer for check of the receipt entry which should appear in the copy of the Sub-division or other Cash Book. The record of the transaction will be in the correspondence and not in the Imprest account of the receiving Officer.

The Sub-divisional Officer should, on receipt of the duplicate copy of the remittance slip along with cash or treasury receipt, fill in the two forms of memorandum of acknowledgment attached thereto, one intended to be the Sub-divisional Office copy the other intended to be sent to the Section Officer, and send the latter forthwith to the Section Officer along with a permanent receipt for the amount received from him or remitted by him into the- treasury.. if the memorandum of acknowledgment and the permanent receipt are not received by the Section Officer within a week of his sending the cash or treasury

receipt he should forthwith report the fact in writing to the Sub-divisional Officer by name and obtain them.

Note : —(1) The Section Officer or other Government servant who receives money on behalf of Government should promptly issue to the payers a temporary receipt in C.F.No. 106 (a). The Sub- divisional Officer or other nearer superior Officer who maintains a cash book and to whom the money or treasury receipt therefor is sent, should, on receiving the money or the treasury receipt (with remittance slip) make the necessary entry in the cash book and issue to the payer a receipt in Public Works Department Form IV-17 in confirmation of the temporary receipt granted by the Officer who collected the money. The number of the temporary receipt if any issued, with date and that of the permanent receipt should be recorded in the prescribed columns of the cash book. The entries made in the cash book in such cases should be initialled and dated by the Sub-divisional Officer at the same time - vide rule (2) below paragraph 146 above.

(2) If the headquarters of the section Officer or other Government servant who received money on behalf of Government are situated in or near the station where there is a treasury, he should remit the money into the treasury and send the treasury receipt with other particulars to his superior Officer who maintains a cash book.

(3) The section Officer or other Government servant receiving money should at the end of every month, send to his superior Officer in whose cash account the receipt will appear, full particulars (giving reference to remittance slip or treasury chalan and temporary receipt), of amounts collected and remitted by him during the month. The superior Officer should personally verify the items with reference to the entries in the cash book and take prompt and efficient action in regard to discrepancies, if any. He should also verify if the numbers of the temporary receipts and remittance slips relating to the transactions of a month in each section are continuous. If not he should enquire immediately what the missing numbers pertain to and promptly take all necessary further action. When the transactions are nil, a nil statement should be sent. If the statement is not received on the due date it will be the duty of the superior Officer to call for it.

II — Disposal of Receipts

149. Cash realized by Officers of the department should, be paid, as soon as possible, into nearest treasury, for credit as miscellaneous receipts of the department. Should a Divisional Officer or sub-divisional Officer, however, require to make use of cash receipts temporarily for current expenditure, he may do so instead of obtaining fresh cash by cheques; but before the end of the month, he must send to the treasury a cheque for the amount thus utilized drawn in his own favour and endorsed by himself with the words “Received payment by transfer credit to the Public Works Department”.

Note (1) : — This rule does not apply to receipts realized by short payment on bills or other vouchers.

Note (2) : — The remittance of collections into the treasury may be made once in a month in time for incorporation in the cash book of the superior

Departmental Officers for the month or when the total collection on hand exceeds Rs. 5.

D — Payments

I — Manner of Payment

150. Officers authorized to draw cheques should, as far as possible pay by cheques. (See also paragraph 139).

151. It is permissible to make payments to suppliers of stores by obtaining remittance transfer receipts from the district treasury in accordance with the rules in article 325, A.P.F.&A.C., Vol.1. Remittances for such purposes, for which remittance transfer receipt cannot be issued by treasury Officer, may be made by postal money order at the public expense.

152. As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and other should be made over to them by the disburser direct; but the disburser may be assisted in making disbursements by a cashier appointed for the purpose under Paragraph 500 of the A.P.Public Works Department Code. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disburser. In such cases the subordinate should make an entry in any accounts which he keeps, as a payment made by cheque should appear in the cash account of the disbursing Officer who draws the cheque, and the subordinate's record will be in his correspondence.

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.

152-A. Payment due to contractors may be made to financing Banks instead of directly to contractors

Provided that the department obtains (1) an authorization from the contractor in the form of a legally valid document like a power of attorney or transfer deed conferring authority on the Bank to receive payment, and (2) the contractor's own acceptance of the correctness of the account made out as being due to him by Government of his signature on the bill or other claim preferred against Government before settlement of the account or claim by payment to the Bank. While the receipt given by the Bank holding a power of attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should, wherever possible, be induced to present their bills duly receipted and discharged through their Bankers.

152-B. The amounts due to deceased P.W.D. contractors may be paid to their heirs upto a limit of Rs. 100 in each without insisting on the production of a certificate of heirship, provided such enquiry as may be deemed necessary has been held into the rights and titles of the claimants. In case of doubt, payment should be made only to persons producing legal authority.

(G.O.Ms.No. 1482, P.W.D., dt. 26-6-1964)

II — Prohibitory orders or Injunctions

153. When money due to a contractor or other creditors is attached by a prohibitory order of a Court and is afterwards paid into the Court, the receipt (to be prepared by the Public Works Department) signed by the Court should show that the payment is on account of an attached debt and should set forth inter alia, the name and capacity of the actual creditor to whom the money is due by the department, on what account it is due, and the number and date of the Court's order in accordance with which the payment is made. The receipt should be attached to the contract certificate or other bill in which the particulars of the creditor's claim are recorded and should be enfaced in red ink by a reference to that bill, the bill being correspondingly enlaced by a reference to the attached receipt of the Court.

III—Vouchers

154. As a general rule, every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used. Suppliers of stores and others should be encouraged to submit their bills and claims in proper departmental forms. But bills not prepared on such forms should not be rejected if they set forth the necessary details of the claims. In such cases, the additional particulars required should be added by the disbursing Officer - vide paragraph 311-A.

1. When it is not possible to support a payment by a voucher a certificate of payment prepared in manuscript, signed by the disbursing Officer, and endorsed, if necessary, by his superior Officer, should always be placed on record. Full particulars of the claims should invariably be set forth, and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon.

155. Every voucher must bear a pay order signed or initialled and dated by the responsible disbursing Officer. This order should specify the amount payable both in words and figures.

1. Cashiers and others authorized to make disbursements on passed vouchers, vide paragraph 152, should make no payment without a proper pay order of the responsible disbursing Officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

156. Except as provided us paragraph 152-A, every voucher should also bear, or have attached to it, and acknowledgment of the payment, signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of the payment.

(1) If a disbursing Officer anticipates any difficulty in obtaining, from the person to whom money is due, a receipt in the proper form, it is open to him to decline to hand him the cheque or cash, or to make a remittance to him, as the cases may be until the acknowledgment of the payment with all necessary particulars, has been given by him. In all cases of payment by

remittance, a note of the date and mode of remittance must be made on the bill or voucher at the time of remittance. In cases of remittance by postal money order, the purpose of the remittance should be briefly stated in the acknowledgment portion thereof. vide Note under rule 6, Appendix 19 to the A.P.F & A.C., Volume II.

(2) In the case of articles received by value-payable post, the value payable cover together with the invoice or bill showing the details of the items paid for may be accepted as a voucher. The disbursing Officer should endorse a note on the cover to the effect that the payment was made through the post office and this will also cover charges for the postal commission.

(3) A certified copy (marked duplicate) of a receipted voucher may be retained by the disbursing Officer should this be necessary to complete the record of his office, but the payee should not be required to sign such a copy or give a duplicate acknowledgment of the payment.

(4) When a bill submitted by a contractor/supplier for supplies made to Government is endorsed in favour of a Bank, payment may be made to the Bank only if the bill is receipted by the contractor/supplier and endorsed in favour of the Bank.

To ensure the genuineness to the contractor's/supplier's signature in both (1) the receipt, and (2) the request to pay the amount to a Bank, the disbursing Officer concerned should call for the specimen signature of the contractor or supplier or his agent, who may be authorized to receive payment on his behalf the signature in the case of an agent being also required to be attested by the contractor or supplier. The disbursing Officer should satisfy himself that the signature both on the receipt and on the request to pay the amount to the bank is genuine, by comparing it with the specimen signature obtained separately before payment is actually made.

157. General instruction regarding the preparation and completion of vouchers are given in Chapter I of the APF & AC, Volume I. The following supplementary instructions should also be observed.

(a) When the payee signs in a vernacular, he should be required to note the amount acknowledged in the vernacular in his own handwriting. In transliterating his acknowledgment, the amount acknowledged, as well as any remark made by him should also be reproduced in English.

(b) The disbursing Officer is responsible that the full name of the work as given in the estimate (and other particulars specified in paragraph 287) or the head of account to which the charges admitted on a voucher are debitable, or to which the deductions or other credits shown in the voucher are creditable is clearly indicated on it in the space provided or in some prominent position.

158. When vouchers or accounts exhibit any expenditure from which revenue may prima facie be expected to accrue as, for instance, when payment appears in a bill for removing material from a building or other work, either dismantled or undergoing repairs or for clearing jungle or cutting trees in the compound of buildings or in canal banks, etc., the necessary information

should be given in the account or voucher concerned as to how the old materials removed or the trees cut have been disposed of, and if sold when the sale amount will be credited in the accounts.

All vouchers for expenditure should, in such cases, invariably bear a note by the Divisional Officer, as to whether the timber etc., has a saleable value, and if so, by what approximate date the value will be credited in the accounts after realization by auction, etc.

159. Bills received from firms for supply of stores should be dealt with in original and submitted to the audit office as vouchers.

E — Remittances to Treasuries

160. The Officer in charge of a cash book should keep a book in Form 4 (P.W.D. VI-14), in which he should enter all his remittances to the treasury as they are made - vide paragraphs 148 and 149. This book should accompany the cash.

1. Remittances made to the Bank of **cheques paid in as Public Works receipt should be entered in the Remittance Book**, but in the place for the treasury receipt should be entered "By bank Cheques" and even then the book should accompany the cheque, so that the treasury may give a preliminary acknowledgement for the receipt of the cheque in the book. The final receipt will be given by the treasury after the cheque is cleared, on the "original challan".

Note : — All payments of miscellaneous receipts made by Public Works Officers into civil treasuries, whether acknowledged or not by the treasury Officer in the same month, should be debited to the civil department as payment into treasuries. Differences, if any, between the amount debited and that acknowledged by the treasury Officer should on no account be charged to a suspense head pending adjustment.

F — Cash Accounts

I—Cash Book

(a) Upkeep

161. An account of their cash transactions should be maintained in the Cash Book, Form 1 (P.W.D. VI-3) by all Government servants authorized as a regular arrangement, to receive money on behalf of Government as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on the treasury, Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in Imprest Cash Account, Form 2 (P.W.D. VI-2).

162. The cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on Form 1 (P.W.D. VI-3) and disbursing Officers are required to observe them strictly in practice.

(b) Balance

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

(c) Rectification of Errors

164. An erasure of an entry once made in the cash book is strictly prohibited. If a mistake has been made and it is discovered before the copy of the cash book has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and by inserting the correct ones 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 at once be sent to the divisional office, accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of an entry once made in his cash book should be made by a Sub-divisional Officer, unless authorized by the divisional office to do so.

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

(d) Verification

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

1. The following is the memorandum of the more important parts to the verification :-

The disbursing Officer should -

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

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

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

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

166. The actual balance of cash in each chest should be counted on the last working day of each month (i.e., immediately after closing the cash account of the month under paragraph 163), but where this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in Form 5 (P.W.D. VII), and the certificate of the count of cash, specifying both in words and figures the actual cash balance (exclusive of imprests and temporary advances), should be recorded below the closing entries in the previous month’s cash book. This certificate should be signed by the disbursing Officer who should invariably date his signature.

1. Should it not be possible for the disbursing Officer, owing to his absence, to make the count on the dates prescribed in this paragraph, he should do so at the earliest opportunity recording the reasons for the delay on the Cash Balance Report.

167. Whenever, on the contents of the cash chest being counted, the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 164, be rectified forth with by making the necessary receipt or payment entry - “To cash found surplus in chest” - under Deposits or “By cash found deficient in chest”, under Miscellaneous Public Works Advances, as the case may be. The administrative action taken on the occurrence of a deficiency must depend on the nature of each case.

Note : —Actual losses of cash by theft or otherwise, and irrecoverable personal advances in cases where the persons to whom the advances were made are no longer in the service of Government are to be charged to Establishment, sub-head Contingencies.

II. IMPREST ACCOUNT

168. An imprest is a standing advance of a fixed sum of money given to an individual to enable him to make certain classes of disbursement which may be entrusted to his charge by the Divisional Officer. The amount of an imprest should not, however, exceed one thousand rupees, in any case, without the special sanction of Government.

169. The Imprest Cash Account, Form 2 (P.W.D. VI-2), is printed so as to facilitate copies being taken by carbon process. The first sheet should be retained by the imprest-holder and the detachable sheet, supported by the

necessary vouchers, should be forwarded to the Officer from whom the imprest is held whenever the imprest-holder finds it necessary to have the account recouped, or it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be rendered so as to reach the Officer from whom the imprest is held, in time to enable him to incorporate the account in his cash book before it is closed for the month on the date fixed for the purpose.

170. The recouping Officer should examine the imprest cash account and the supporting vouchers initial and date vouchers in token of approval, and by a formal pay order (vide paragraph 155) recorded on account, authorize the recoupment, enhancement, reduction or closing of the imprest, as the case may be. The account should then be abstracted and incorporated in the- cash book in the manner prescribed in notes on Forms 1 and 2 (PWD VI-3 and 2).

(1) A Sub-divisional Officer can authorize temporary reduction and recoupment of the imprests held by the subordinates in his Sub-division but the enhancement permanent reduction or closing of the accounts must be sanctioned by the divisional Officer.

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

Note : — The limit of payment of petty bills by imprest-holders on their own responsibility is fixed at Rs. 50 - vide also rule 6 to paragraph 306.

(Memo No. 68-Y/69-3, dated 11.3-1969)

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

III — Temporary Advance Account

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

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

(2) Sub-divisional Officers may authorize payment of passed nominal muster rolls up to a limit of Rs. 25 by section Officers from their permanent imprest.

(3) The General Superintendent, Public Works Workshops, may grant temporary advances on other than passed vouchers to Officers of the rank of Supervisors and Foremen in the Public Works Workshops, Hyderabad, in the following cases :-

(i) to meet incidental charges required for vehicles, such as renewal of tubes or patching, greasing, etc., in transporting and railing machinery from one place to another.

(ii) to make cash deposits for the registration of wagons as required under the Railway Rules in force, and

(iii) to make cash payments towards the cost of the purchase of iron and steel materials in cases in which permits are issued by the Director of Controlled Commodities or registered stock holders who refuse to allow the materials to be taken out of their premises without immediate cash payment.

(4) The driver of a vehicle in the Public Works Workshops, Hyderabad may be entrusted with a temporary advance up to a maximum limit of Rs. 50 (Rupees fifty only) for the purchase of petrol and for incurring any other incidental expenditure en route in cases when the vehicles have to be sent to distant places with Government articles to meet urgent needs.

G — Cheque books and Receipt books

173. Cheque books required by Officers of the Public Works Department will be obtained by the Accountant-General, by indents on the Manager, Government of India Press, Calcutta, and supplied to them, free of charge, through the medium of Head Treasury Officers. Divisional Officers should intimate to the Accountant-General their annual requirements of cheque books by 1st March of each year. The number of each kind (Treasury and Bank) of cheque books and in the case of the former, the name of the District Treasury should also be given in the indent. The sub-divisional Officers in each division should obtain the cheque books required by them only from their Divisional Officers. Receipt books, Form 3 (P.W.D. VI-1) should be obtained by them from the Superintendent of Stationery, Hyderabad.

174. Every cheque book and receipt book should be carefully examined by the divisional or Sub-divisional Officer concerned immediately on receipt. The Officer should, then count the number of forms in each book and record a certificate of count on the fly-leaf. In the case of books issued to the Sub-divisional Officers by the Divisional Officer, the certificate of the latter on the fly-leaf will not dispense with the examination of the books on their receipt by the former. The Sub-divisional Officer should make a fresh count in such cases and record a certificate of count again on the fly-leaf as soon as the books come into his hands.

175. Counterfoils of used cheque books should be returned promptly to the divisional Officer for record, but those of completed receipt books should be sent back to the Sub-divisional Officer after their check in the divisional office - vide paragraph 586 (c). The Sub-divisional Officer should keep them in some safe or box the key of which remains in his personal custody.

CHAPTER VII

STORES

A — Introductory

176. The rules in this chapter are not wholly applicable to the Public Works Stores Division, A.P., as regards the details of accounts. All rules of general principle, however, in this Chapter, and also in Chapter XII of this Code and those in the Stores Manual, should be held to be applicable to the Public Works Stores Division, A.P., until they are revised and embodied as an Appendix to this Code.

177. The general administration of all the stores of a division is vested in the Divisional Officer, on whom primarily devolves the duty of arranging, in accordance with the rules, for (1) the acquisition of stores, (2) their custody and distribution according to the requirements of works, and (3) their disposal.

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

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

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

“(b) In accordance with this general rule, the cost of supply of all stores required as tools and plant, except office furniture, for the general use of the division is debited at once to the minor head “Tools and plant” subordinate to the major head under which such charges of the division are classified. The expenditure on office furniture is debitable to the office contingencies subordinate to the Major Head under which the divisional establishment is maintained. Specific items of tools and plant which are required not for general purposes but for a special work are charged off to that work—See also paragraph 1 and 4 of Appendix 7”.

(G.O.Ms.No. 948, PWD, Dt. 20-8-1973).

Exception : — Tools and plant except tents held in Public Works Stores Division, in A.P. are held as a 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 there of 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 so transferred the division receiving them will deal with them as in the rules in paragraph 221 etc. seq.

(G.O.Ms.No. 948, PWD, Date 20-8-1973)

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

(d) in the case of other materials, when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head “Stock” vide paragraph 324 of A.P.Public Works Department Code. Materials purchased specially for a work are however, charged to that work.

181. The four classes of stores enumerated in paragraph 304 of the A.P.Works Department Code, thus fall into two distinct categories as shown below: -

(1) Stores charged to suspense

(i) Stock.

Stores finally charged off-

(ii) Tools and plant (except those in Public Works Stores, A.P)

(iii) Road-metal

(iv) Materials charged to works.

182. A numerical or quantity account of receipts, issues, and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity accounts has further to be reconciled periodically with the value accounts except in the case of tools and plant and road-metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of sub-divisions, should take account of quantities only, and that the value accounts should be maintained in the divisional office.

B—Stock

I—General

183. 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. Again, the stock, although scattered over the entire division, may be the general charge of a single official and the Sub-divisional Officers may merely indent upon him, by keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

184. Stock accounts may be maintained in a sub-divisional office, even though the officer in charge is not authorized to keep a cash account in Form 1 (PWD VI-3). A separate account should be kept in the divisional office of any stock which is directly under the charge of the Divisional Officer or of an officer under his orders and not under the orders of a Sub-divisional Officer.

II — Quantity Accounts

(a) Receipts

185. Materials may be received on stock from the following sources —

- (a) Suppliers
- (b) Stores Department, London
- (c) Other Sub-divisions, or departments (including Government workshops);
- (d) Manufacture, and
- (e) Works, buildings, etc.

In all cases, there should be proper authority for the -receipts, by the storekeeper of 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.

186. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. The record of the detailed count or measurement should be kept in the Measurement Book in the manner prescribed in paragraphs 293 and 294, and the total number or quantity received should be simultaneously entered in the Register of Stock Receipts, Form 8(P.W.D. VI-4). Such acknowledgement as may have to be given to a supplier for store received from him can be signed only by the Divisional or the Sub-divisional Officer. Any certificate that the store-keeper or sectional officer concerned- may be called upon to record in respect of the receipt of stores, for this or any other purpose (vide paragraph 196) should be in the following form:

'Receive on and duly recorded in the Register of Stock receipts. See also page of Measurement Book No '.

Dated

(Signature)

In the case of the P.W.Stores Division, A.P., the record of detailed count or measurement is made in a Register in P.W.D. Form 1-32 "Stores Receipt Book," A daily report of receipts-one for each sub-section of

stores-should also be simultaneously prepared in Form P.W.D. IV-125, from which the quantity and value ledgers are subsequently posted.

(b) Issues

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

(a) for use on works either by issue to contractors or direct (paragraph 321).

(b) for despatch to other Sub-divisions, divisions or departments.

(c) for sale to contractors, employees, other persons or local bodies- vide paragraphs 423 (b) and 432 (c) (ii) of the A.P.Public Works Department Code.

They should be issued only on receipt of an indent, Form 7 (P.W.D. VI-II) signed by the Divisional or the Sub-divisional Officer. But when a sectional officer has to issue stock materials for the requirements of -works under himself, the use of this form is not obligatory, if the sectional officer has been authorized under the Divisional Officer's orders to draw such materials from his stock up to any assigned limit not exceeding the provision made for materials in sanctioned estimates.

(1) When examining Registers of Stock Issues and Works Abstracts, Sub-divisional Officers should see that in practice this rule is observed strictly and they should deal suitably with instances of unauthorized and excessive issue to works made by sectional officers without due cause.

(2) The term "Works" includes manufacture operations- vide note I under paragraph 192.

188. Indents should be filled up carefully as all subsequent accounting \ depends upon it. In the column "Head of Account, etc.", besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and office to which stock is to be issued and of contractors, employees, other persons or local bodies to whom it is authorized to be sold, should be added in all cases in which stores are ordered to be issued otherwise than for the requirements of works within the division. The last column, headed "Name of Work, etc." should be filled in only when the stores are required for works within the division, and in such cases the full name of the work as given in the estimate, should be entered, as well as the name of the contractor from whom the value is recoverable (vide paragraph 321).

189. When issuing materials from stock, the store-keeper or sectional officer should examine the Indent, Form 7(P.W.D. VI-II) and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply as actually made, and simultaneously make an entry in his Register of Stock Issues, Form 8(P.W.D. VI-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 1 : — It should be seen that the acknowledgment of materials signed either by the person to whom they are ordered to be delivered or despatched, or by a duly authorized agent. This precaution is specially necessary in the case of issues to contractors and private persons whose acknowledgments should set forth all the particulars mentioned in paragraph 329.

Note 2: “The issue rates should be worked out to the nearest multiple of five paise, fractions of 2.5 paise should be taken as 5 paise.”(Sub.by G.O.Ms.No. 219, PWD, Date 9-2-1966).

190. When making entries in the Register of Stock Issues, the store-keeper or sectional officer should pay particular attention to record in the columns headed “To Whom issued” and “Head of Account, etc.” the full particulars as given in the last two columns of the Indent or as otherwise known to him.

If the materials are issued for use on a work, the particulars required to be entered in the column “Name of works’ etc.” of Form 7(PWD VI-II), vide paragraph 188, should invariably be given in the column “To whom issued”.

(c) Monthly Abstracts of Receipts and Issues

191. The receipt and issue transactions of the entire Sub-division should be abstracted monthly in a single “Abstract of Stock Receipts.” Form 9(P.W.P. VI-5) and in a single “Abstract of Stock Receipts.” (P.W.D. VI-6) These forms should be posted in the Sub-divisional office’ from the Registers of Stock Receipts and Stock Issues, Form 8(P.W.D. VI-4) entries being made only in respect of quantities.

(1) The several transactions of the month need not be entered severally in the Abstract, it being sufficient to show as a single transaction the total receipt from each source or the total issues to each account of work. The quantities received (or issued) in each transaction should be noted in the lower part of the Abstract, against the entry of transaction, in separate columns for each distinct article of stock, these columns being so written up as to group the articles by the prescribed heads of Stock. After all transactions of the month have been posted. the total receipts (or issues) of each article should be computed and noted in the column headed “Quantities” in the upper part of the form. No entries need be made in the Sub-divisional office in any of the money columns in either part of the form, as these will be filled up in the divisional office, vide paragraph 202.

Note: —The Bezwada and Dowlaishwaram Sub-divisions may, however, continue to maintain value accounts of their stock in view of their heavy transactions.

(2) In posting columns I of the Abstracts, those receipts and issues of the month, which represent transactions the value of which is brought to account in the same month through the cash book or transfer entries,

should be separated from transactions not so brought to account within the month, See paragraph 566

(3) It is felt to the Sub-divisional Officer to make the most suitable arrangements for collecting the information required to complete these Abstracts. The registers of Stock Receipts and Stock Issues of subordinates stationed at the sub-divisional headquarters may be obtained in original, and store-keeper and sectional officers at out-stations may be required to furnish copies of their Registers. Care should be taken to reconcile all transfers of stock between subordinates of the same sub-division and reconciled transactions connected with such transfers within the sub-division should not appear in the Abstracts of the sub- division.

(4) The Registers of Stock Receipts and Stock Issues maintained by sectional officer may, if necessary, be closed a little earlier than the date fixed for the closing of the sub-divisional accounts. See Rule 1 to paragraph 531.

192. When abstracting the transactions recorded in the Registers of Stock Receipts and Stock Issues, care should be taken to observe strictly the prescribed accounts classification-vide Appendix 4. It is not sufficient to enter the name of the major head affected, but the minor and detailed heads should also be stated, as well as the additional particulars mentioned in paragraph 190.

Note : —Although “manufacture”, is a sub-head of the Stock account issues of stock to manufacture operations and receipts of out turn from manufacture, should be accounted for in the. same way issues to or from any other distinct head of account, and each manufacture operation should be treated as a separate work. See also paragraph 69.

193. The quantity account of particular month shows all quantities received or issued in that month; but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreement between the quantity and value accounts receipts, and issue, the value of which can not be adjusted in the accounts of the month in which the actual transactions take place should be accounted for in the Abstracts under the suspense heads “Purchases” and “Miscellaneous Public Works Advances” respectively. See also Rule 2 to paragraph 181.

(d) Half-yearly Balance Return

194. (a) The total quantities of the receipts and issues of each article of stock, as recorded in the Monthly Abstracts, Forms 9 and 10 (P.W.D. VI-5 and 6) should before the Abstracts are transmitted to the divisional office (vide paragraph 534), be posted in the Half-yearly Balance Return Form 11 (P.W.D. VI-8) in the columns provided for the month concerned both under “Receipts” and “Issues.” As soon as the receipts and issues of the last month of the half year are posted, the closing balances should be worked out and entered both in column 21. “Closing balance carried forward” of the return for that half-year and in column 6, “Balance brought forward.” of the return for next half- year.

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

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

(e) Corrections

195. (a) Any errors that may be discovered in the Registers of receipts and issues or in the Monthly Abstract, before the accounts for the month are closed, may be set right by the Sub- Divisional Officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials.

Store-keepers and sectional officers may similarly correct their respective Registers of Reports and issues before submitting them to the sub-divisional office.

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

(c) Erroneous entries noticed in a Half-yearly Balance Return, which has not yet been submitted to the divisional office, may be corrected by the Sub-divisional Officer, only if the corresponding entries in the Monthly Abstracts concerned, or in the previous Half-yearly Return, are correct or have been duly set right.

III—Value Accounts

(a) Payment for Stock Received

196. Bill of supplies should, before payment, be examined and dealt with in the manner prescribed in paragraphs 288 and 298 to 312.

Note :—Special attention is invited to the rule in paragraph 309 the object of which is to prevent erroneous or double claims being put forward successfully. Store-keepers and sectional officers may, if desired, be required to verify suppliers, bill before payment (vide paragraph 186), but the disbursing officer is responsible that no payment is made unless the precautions referred to above have been observed.

197. Cash payment should not be made for stock received from other sources except in accordance with the rules in Appendix 5. to the A.P.F & A.C., Volume II. When under those rules payment for supplies made by any department is made in cash, the claims of such department should be dealt with in the same way as those of suppliers. In other cases the necessary adjustment of the cost, through the remittance or other head concerned should be made by the divisional office in accordance with the instructions

in Chapters VII and XVI, after obtaining a verification of the claim, which should not be certified without crossing off the connected measurement book entries with suitable remarks-Vide also paragraph 186.

(b) Recoveries for Stock issued

(i) Issue Rates

198. An Issue Rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials are to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide beyond the original price paid, for carriage and other incidental charges, if any actually incurred on the acquisition of stores.

(1) It is not necessary that the Issue Rate for an item should be the same in all Sub-divisions, but a uniform rate should ordinarily be prescribed for all localities in a Sub-division.

(2) The Issue Rates should be worked out to the nearest Five paise as far as possible.

(3) In the case of the plant and machinery of the Public Works Stores Division, A.P., which are borne under “stock” (vide “exception” to paragraph 180 of this Code), the original book value shall include the original price fixed and the cost of carriage to the Stores. This book value shall be depreciated annually by the percentage fixed for “depreciation” in rule (7) of the rules in paragraph 330, A.P. Public Works Department Code.

An estimate for working expenses of plant and machinery in the Stores Division shall be sanctioned by the Superintending Engineer, every year under the sub-head “Stock” and the depreciation charges referred to in the first sub-paragraph shall 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 shall also be debited to the estimate. The handling charges realized from the hirers of plant and machinery and the portion of the hiring charges realized under rule (7) of the rules in paragraph 340, A.P. Public Works Department Code 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 a loss or a profit. The portion of the hiring realized representing “interest” shall be credited to the head “XXXIX. Civil Works-Miscellaneous.”

199. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched, and if these are appreciable, Issue Rates may, and in important cases shall, at once be raised or lowered, as may be necessary. Further, when closing the Half-yearly Register of Stock (paragraph 208), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

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

200. If the Issue Rate of an article of stock is appreciably less than the market rate the following precautions should be taken in addition to any restrictions on sales or on issue outside the division which the Divisional Officer may prescribe-

(a) Issue to contractors in pursuance of paragraph 327 and 328 of the code should be restricted to the bonafide 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.

200-A. A storage rate is fixed annually by the Superintending Engineer concerned for stores, for which the reserve stock limit has been fixed, based on the estimated expenditure and the anticipated issues of Stores such that the expenditure actually incurred on storage should be recovered in full by levy on the issues from stores during the year.

(Substituted by G.O.Ms.No. 1300, Tr.R&B, DL 17-12-75)

(ii) Mode of Recovery

201. (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. A sale of account in Form 19 (P.W.D. VI-34) should be prepared in support of every such sale.

(b) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts, vide paragraph 197. 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 under paragraph 331 (a) of the A.P. Public Works Department Code, 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 of rule 5 of Appendix 7 to this Code, as centages are leviable separately on them.

(c) Valuation of Quantity Accounts

202. When received in the divisional office, the Abstracts of Receipts and issues will be incomplete 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 operations, storage and incidental charges such as those for carriage, loading, storage, and unloading of stock materials. They should now be completed in all these respects. (See note under 1 to paragraph 191)

(1) The lower part of each Abstract should first be taken up in this part, quantities of the several articles received or issued in connection with each transaction have already been entered separately in the columns provided for this purpose- vide Rule 1 to paragraph 191. These quantities should now be valued by recording the amount of each just below it, and the total value of each transaction should be shown in the first money column [third column of Form 9(P.W.D. VI-5) or sub-column I of the second column of Form 10 (P.W.D. VI-6), as the case maybe]. "In Form 10(P.W.D. VI-6), storage charges should be calculated on the book value entered in sub-column 1 and shown in sub-column 2 and a total of these should be entered in the last sub-column of the second column against each transaction." Total should then be struck in the next money column, "Total" separately for each head of account. The upper part of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column headed, "Amount (separately for each article)" against that article, it being seen further, in the case of issues, that this total is equal to the rate for the article multiplied by the total quantity. Finally, entries in the last money column should be totalled up both for each sub- head of Stock and for the whole Abstract. "In Form 10 the total of the sub-column 2 of the second column in the lower part should be shown against the line "Total Storage" in the upper part and Grand total struck in that part" The grand total should agree with the total of the second money column "Total" in the lower part of the form, The cash and transfer entry debits and credits to stock (vide Rule 2 to paragraph 191) should be agreed with the transactions pertaining to Stock brought to account in the cash book and the transfer entry book; vide paragraph 566.

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

(3) Issues should be valued at the Issue Rates fixed for the purpose- vide paragraph 198 to 200.

(4) All entries made in the Divisional Office should be in red ink to distinguish them from those made in the Sub-divisional Office.

203. Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general stock requirements. These charges should be adjusted against the particular sub-heads 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. See also paragraph 389.

204. To classify and collect, by objects of expenditure, the charges debited to Stock from time to time, the same procedure should be observed as is adopted in respect of expenditure on works, that is, works abstracts and registers of works, should be maintained. See also paragraph 560.

IV—Half-Yearly Register of Stock

205. 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 12(PWD VI-42) Half-yearly Register of stock, which is in three parts —

Part I — The Register.

Part II — The Summary.

Part III — The Review.

206. Part I should, as regards quantities, be posted monthly from the sub—divisional abstract, Forms 9 and 10 (PWD VI—5) and balanced half -yearly, in the same manner as the sub—divisional half-yearly balance returns; see paragraph 194. The only values to be posted should ordinarily be the aggregate values of the total issues and receipts for each sub-head, as recorded in the upper part of these abstracts; but, if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to values being recorded in red ink, immediately below the respective quantities.

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

207. At the end of the half-year, the closing balances of quantities should be reconciled with those in the Half-yearly Balance Returns received from Sub-divisional Officer—vide paragraph 535. The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II—vide paragraph 209.

208. The Register should be closed by the Division on 31st March and 30th September, respectively the following instructions being observed in respect of money columns 20 to 24.(G.O. Ms. No. 486, PWD, Dt.17-5-74)

(a) **Market Rates (column 24) :** —This column should be filled up in respect of each item, under the orders of the Divisional Officer, by a person other than a ministerial subordinate. It should be written up at or about the close of the half-year, but before and entries are made in the column for future Issue Rates.

(b) **Current Issue Rates (column 20) :** — This column would have been filed 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 item and of 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 current Issue Rates during the last month of the half-year.

(d) **Future Issue Rates (column 22) :** — This column should show the rate for issues during the following half-year which should be fixed, separately for each item, in accordance with the principles laid down in paragraph 198 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 the column for Current Issue Rates of that Register.

(e) **Value at Future Issue Rates (column 23) :** — This column should show against each item the value of the closing balance at the Future Issue Rate. The entries in this column should be totalled by sub-heads of stock for each sub-division and 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 known reasons (to be recorded). If the resultant figure does not agree with the corresponding book balance as brought out in column 19 (vide paragraph 207), 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 be struck which should agree with the book balance.

209. Part II, Summary, intended to serve two purposes : — (1) To prove the value balances brought out in the column 19 of Part I (vide paragraph 207), and consequently the amounts of the surpluses and deficits requiring adjustment in consequences of the revision of rates, and (2) to abstract the value balances, so as to bring out, by sub-heads of stock, for the entire division, the aggregate value at Current Issue Rates side by side with the balances as shown in the accounts.

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

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

211. (Deleted by G.O. Ms No. 486, P.W.D. Dated 17-5-1974)

V—Ledger

212. 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., those of electrical stores, where the number of articles, handled is large and 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 but, if values are entered therein for any purpose, they will not be recognized for purposes or accounts.

(b) They should not replace the Register of Stock, Receipts and Stock Issues, Form 8(P.W.D. VI-4), is considered unnecessary, they may be dispensed with, provided that suitable arrangements are made for the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10(P.W.D. VI-5 and 6), to 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 necessary vouchers.

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

VI—Stock-taking

213. The results of all verifications of stock (vide paragraph 325 of the A.P.Public Works Department Code should be reported to the Divisional Officer for orders, but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer treating a surplus as a Receipt and a deficit as an issue, with a suitable remark.

214. (a) The value of stores found surplus should be credited at once as revenue receipt or receipt on capital account, as the case may be.

(b) The value of a deficit should, however, not be charged off finally, but kept under “Miscellaneous Public Works Advances” pending recovery or adjustments under order of competent authority. When the loss is declared to be irrecoverable and its write-off ordered, a transfer entry should be prepared clearing the head “Miscellaneous Public Works Advances” by debit to

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

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

215. The rule in paragraph 325 of the A.P.Public Works Department Code suggests that the stock-taking of a sub-division may go on gradually throughout the year. The stocks of an article in a sub-division may however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate bank balance of any article for sub-division, by an actual verification of all the stocks of it at the same time. Where such conditions prevail, the following expedients are recommended for adoption under the order of 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) or 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 Half-yearly Balance Return of the sub-division.

(c) As far as possible, the various stocks, in charge of a sectional office of each article should be verified at or about the same time, so that the difference between the sectional book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in paragraph 213 without waiting for the results of verification of stock in other sections.

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.

216. The procedure of verification outlined in the foregoing paragraphs is suitable primarily for divisions executing ordinary works. In the cases of special stores depots or divisions or of construction divisions where there may be large concentration of stores, their physical verification should be the duty of the executive authorities and should be performed by such agency and in such detail as may be decided by the Local Government in consultation with the Audit Officer.

Note : — The Public Works Stores at Hyderabad, Bezwada, and Dowlaishwaram and verified by stock-verifiers working under the control of the Accountant-General, A.P. and this arrangement has been agreed to as a special case by the Controller of Civil Accounts.

VII — Rectification of Accounts

217. Clerical errors in value accounts of stock should be dealt with generally under paragraph 164; see also paragraph 195. Corrections of errors discovered after closing the accounts of the month, should when permissible, be made (i) by making entries of values (without quantities) in the Stock accounts of the current month when no change is to be made in the head of account affected, and (ii) by preparing transfer entries in other cases.

218. Other corrections in Stock accounts may be necessary in the following cases:

(i) when quantities are found surplus or short, either as the result of stock-taking, or otherwise; vide paragraph 325, 329 and 330 of the A.P. Public Works Department Code.

(ii) When Issue Rates have to be raised or lowered; vide paragraph. 199.

(iii) When stores of any description become unserviceable (vide paragraph 333 of the A.P. Public Works Department Code) and have, there fore, to be removed from stock.

219. These corrections 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 8,9 and 10(P.W.D. VI-4,5 and 6); see also paragraphs 213 and 214. These entries must be made as soon as differences in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should be made until receipt of

orders of competent authority, which should be obtained on a Survey Report in Form 18(P.W.D. VI-45).

(b) Alterations in rates made when closing the Register of Stock should be carried out as indicated in paragraph 208 (d). Those made on other occasions should be noted at once in Part I of the Register of Stock by making a fresh entry (with the month of change) in column 20. The resultant rectification of the value of the stock balances should in all cases be made only when the Register of Stock is closed, vide paragraph 208(e). The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the Abstracts of Receipts and Issues, Forms 6 and 10 (P.W.D: VI-5 and 6), as the case may be, the values being classified in accordance with the principle enunciated in paragraph 214.

220. No correction will be made in the accounts in respect of stores declared to be in excess of requirements, vide paragraph 326 of the A.P.Public Works Department Code. Such stores will continue to be borne on the Stock Account until transferred elsewhere or otherwise disposed of in the ordinary course.

C — Tools and Plant

I—General

221. 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 purpose, but for a specific work.

The cost of supply, repairs and carriage of articles of class (a) is charged to the minor head “Tools and plant” except in the case of supply of furniture to divisions and sub-divisions which should be debited to office Contingencies.

(G.O.Ms.No. 948, PWD, dated 20-8-1973)

Note (1) : — See exception under paragraph 180 and rule 3 below paragraph 198 of this Code with regard to tools and plant in the Stores Division, Andhra Pradesh.

Note (2) : — All expenditure on furniture which can be classified as “Fixtures” should be debited direct to the works.

Note (3) : — The expenditure on furniture supplied to the divisions shall be debited to the “Office Contingencies” as in the case of offices of the Superintending Engineers and the Chief Engineers.

(G.O.Ms.No. 948, P.W.D., dated 20-8-1973)

222. 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 sub-division and one in the divisional office for tools and plant directly under the Divisional Officer.

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 account other than “Tools and Plant” or received free of cost.

Note :—The sub-divisional returns in Forms 13 and 14 [P.W.D. VI-7 and 7(a)] of the monthly accounts of Receipts and Issues, respectively, of tools and plant should be carefully filed together in the Divisional Office after audit, vide paragraph 229.

223. The accounts of tools and plant issued for use by subordinates of the sub—division, or temporarily lent to contractors, as well as those of articles lent to local bodies and others 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.

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

II — Numerical Accounts

(a) Receipts

224. All articles received should be examined and counted when delivery is taken, and the transaction should be posted in the Accountant of Receipts of Tools and Plant, Form 13 (P.W.D. VI-7). Such acknowledgement as may have to be given to the person from whom the articles are received can be signed only to the Divisional or sub-divisional Officer. An acknowledgment should invariably be given when articles lent are received back.

(1) The record of the detailed account, should, in case of purchases from suppliers, be kept in the Measurement Book in the manner prescribed in paragraphs 293 and 294.

(2) The entries in Form 13 (P.W.D. VI-7) in respect of the receipt book of articles lent or sent out (vide paragraph 223) should be made in red ink, with a reference to the original entries in the Account of Issues of Tools and Plant.

(b) Issues

225. All transactions of issues (including those of articles referred to in paragraph 223) should be posted in the Account of Issues of Tools and Plant, Form 14EP.W.D. VI-7(a)]. Except in the case of cash sales unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools, etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent, as determined by the Sub-divisional Officer. See also rule 1 to paragraph 189.

Entries of articles referred to in paragraph 223 should be made in red ink.

(c) Register of Tools and Plant

226. A consolidated account of the receipts, issues and balances of tools and plant should maintained in the Sub-divisional Office in Form

15(PWD VI-9),. Register of Tools and Plant. This Account should be for the twelve months ending September that is, it should embrace transactions upto the date on which the accounts of the sub-division for that month are closed. It should be kept in three parts:

Part I : — For articles in hand.

Part II : — For articles temporarily lent or sent out, vide paragraph 223.

Part III : —For shortages awaiting adjustment.

In Part I articles should be grouped under the prescribed sub- heads, which are (1)Scientific instruments and drawing materials, (2) Plant and machinery,(3) Tools, (4) Navigation plant, (5) Camp equipage, (6) Live-stock, and (7) Office- furniture. In Part II, the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent for repairs, etc. Part Ills brought into use only if any shortages come to notice, and the instructions relating to it are given in paragraph 240.

227. Parts I and II of the Register should be posted thus-

(a) The account of Receipts and Issues, Forms 13 and 14 [PWD VI- 7 and (a)] 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 15 (PWD VI-9) in the column for Receipts and issues respectively.

(c) Each separate transaction connected with articles lent or sent out (vide paragraph 223) should- further be posted in Part II in the section reserved for the contractor or person concerned, articles lent, etc., being shown under 'Debits' and those received back under Credit'

228. As soon as the transactions for the month of September have been posted, the accounts should be closed by 30th September and balanced, and the closing balances should be carried-forward to the next year's return.

(G.O.Ms.No. 486, P.W.D., dated 17-6-1974)

(d) Check in Divisional Office

229. The monthly accounts of Receipts and Issues of Tools and Plant in Forms 13 and 14 [P.W.D. VI-7 and 7(a)], 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 13(P.W.D. VI-7) 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 13(P.W.D. VI-7) of the sub—divisions concerned. The annual returns of the sub-divisions in Form 15 (P.W.D. VI-9), Register of Tools and Plant, should also be checked with the monthly returns in Forms 13 and 14 [P.W.D. VI-7 and 7(a)], before submission to the Accountant General-Vide Paragraph 577.

230. Payments for tools and plant received from supplies and other sources should be made generally in the manner prescribed for stock receipts in paragraphs 196 and 197. But when the Mathematical Instrument Department

is unable to supply any instruments intended for and arranges for their purchase, the supplier's bill will, if that department so desires, be paid in cash or by a Remittance Transfer Receipt.

IV— Recoveries

(a) For Use of Tools and Plant

231. 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 7.

232. When tools and plant are lent to local bodies, contractors or others, vide paragraph 223, the hire and other charges should be recovered regularly in accordance with the rules in paragraph 340 of the A.P. Public Works Department Code.

233. The incidence of the cost of carriage of Government tents belonging to the Public Works Department for use during tours is governed by the provisions in the A.P. Travelling Allowance Rules.

(b) For sale and Transfers

234. The Sub-divisional Officer is responsible, but when tools and plant are disposed of by sale or otherwise with the sanction of competent authority, the amount recoverable from the parties concerned is realized at the earliest opportunity. If the amount is not recovered within the month in which the articles are delivered, it should be charged to Miscellaneous Public Works Advances as a sale transaction, by the issue of a transfer entry.

A Sale Account in Form No. 19 (PWD VI-34) should be prepared in support of every transaction.

235. When tools and plant are transferred to other divisions or departments, the Sub-divisional Officer should note in Form 14 [PWD VI-7(a)] (a) [in red ink, just below the entries of quantities, the values thereof if recoverable under the rules in Chapter XVI. The necessary adjustment will be effected by the Divisional Office.

236. The foregoing rules will 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 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 Officers may transfer them. If in efficient conditions, 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, A.P., 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 work 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 for and the probable date when they will be required for the Works.

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 anywhere in the near future. Even in the case of ordinary plant offered by any division to the Public Works Stores, such as pumps, rollers, portable engines and all other articles that are in common and regular use in the department, the General Superintendent shall have the option of taking them over to the stores 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 and plant in anticipation of the possibility of the articles being utilized on another work or project at some distant date.

Note 2 : — No articles can be removed from the numerical accounts, on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until, owing to their having become unserviceable, their write-off has been sanctioned.

237. Tools and Plant which the General Superintendent, Public Works Stores Division, proposes to take over from a division to the stores stock under paragraph 236 above shall be valued by him by taking into consideration the life, the then actual condition of the plant and the then prevailing market price for a new plant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant and credit given to the extent of the value so arrived at to the work concerned by the Public Works Stores Division. In such 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 of A.P. 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 shall 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 component materials to be transferred to the stock of the Public Works Stores Division, A.P. or the Divisional Stores at Bezwada or Dowlaiswaram 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 afforded to the work to which the value of the plant stands charged.

V — Verification

238. The rule in paragraph 213, 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 14 [P.W.D. VI-7(a)], 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 paragraph 240.

VI— Rectification of Accounts

239. Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 195 for stock accounts except that no transfer entries will be necessary.

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

(a) When they are noticed, action should be taken as indicated in paragraph 238, losses being treated as deficiencies.

(b) When writing up the Register Form 15(P.W.D. VI-9) the deficiencies should be registered in Part III under “Debits” and their clearance should be watched. Articles found surplus will be treated as receipts in Part I, and will, therefore, require no further action.

(c) If the deficiencies are made good in kind, the receipt of recovery should be shown in the Account of Receipts, Form 13(P.W.D. VI-7), without making any entry in the quantity columns, and when posting the account into the register, Form 15(P.W.D. VI-9), 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 14[P.W.D. VI-7(a)], with a suitable remark, and when this entry is transcribed into the register, Form 15(P.W.D. VI-9), 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 1 : — when articles temporarily lent or sent out for repairs are lost and the cost thereof is adjusted by recovery or write-off, the items should be shown as received back in the appropriate columns of Part I and II of the Tools and Plant Ledger and should also be shown as issued permanently in Part I of the Ledger.

[G.O.Ms.No. 80, P.W.D., dated 20-1-1972)

Note 2 : — The authority to write-off should be obtained on a Survey Report in Form 18 (P.W.D. VI-45).

D — Road-Metal

I — Quantity Accounts

241. Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, vide Chapter X. But as

metal is often kept in store at the road-side before being laid down, a quantity account of it should maintained in the Sub-divisional Office in Form 16(P.W.D. VI-12 and 13) "Statement of Receipts" Issues and Balances of Road-Metal.' copies on loose sheets being submitted monthly to the Divisional Officer within a fortnight of the submission of the monthly accounts.

(1) The authority to write-off should be obtained on a Survey Report in Form 18 (P.W.D. VI-45).

(2) 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.

(3) The 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 would 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 receipt of metal and to paid vouchers showing the labour charges for spreading the same. The total balance- as per this abstract sho4d agree with the total balance of the statement.

242. Unused balances of road-metal should be verified at least once a year in the manner prescribed in paragraph 325 of the A.P.Public Works Department Code, and whenever this verification is made, a report of verification of the road-metal should be prepared by the Sub-divisional Officer, showing the balances as per account in Form 16 (P.W.D. VI-12 and 13), the actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be made when the officer responsible for the balance of road-metal is transferred.

II — Rectification of Accounts

243. Metal found surplus, as the result of check-measurement (vide paragraph 296 of the A.P.Public Works Department Code) or otherwise, should at once be brought on the quantity accounts. Deficits should however, not be removed from the quantity accounts until recovery of their value or receipt of sanction to write-off; but a red ink remark should be recorded at once and carried forward, from month to month until the discrepancy is set right.

III—Schedule of Rates

244. 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 17(P.W.D. VI-47), 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. See also paragraph 116 of the A.P. Public Works Department Code.

IV—Charges for Quarries

245.(a) When land is taken up for digging 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 on the work.

(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 produce of the quarry is executed 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. This 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, kiln 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, kiln, 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.

E — Materials Charged to Works

246. The accounts procedure relating to materials obtained specially for a work is described in Chapter X. Special tools and plant charged to works do not fall under the category of “materials charged to works”-vide paragraphs 221 and 222.

CHAPTER VIII

TRANSFER ENTRIES

247. Transfer entries, that is entries intended to transfer an item of receipt or charge from amount of a work in progress or of a regular head of account to the account of another work head are necessary-

- (a) In order to correct an error of classification in the original counts;

Sometimes it is 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 transactions, relating to it are taken to the account of a single party in the first instance, and before closing the accounts of a month, the necessary distribution over all the accounts is effected by the transfer entry.

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

Note : — The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock account at the end of the month-vide paragraph 325(a).

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

- (i) For credit to “Purchases” or “London Stores”, as the case may be, on account of materials received for works from sources other than stock vide paragraph 325 and 330;
- (ii) For credit to “Public Works Deposits” on account of balances due to contractors on closed accounts-vide paragraph 327;
- (iii) For credit to revenue heads on account of revenue not recovered in cash;
- (iv) For original debits or credits to Remittance heads based on transactions not appearing in cash or stock accounts;
- (v) For credit to the heads concerned of the several percentages leviable under the rules, e.g., those on account of storage (when not recovered in cash), establishment, tools and plant and workshop charges vide paragraph 331 (a) of the A.P. Public Works Department Code and Appendix 7 and paragraph 449 of this Code.
- (vi) For debits to “London Stores” on account of the value of English Stores-vide paragraph 430;

- (d) In order to respond to a remittance transaction advised by the Accountant-General or directly by the division or department concerned if the corresponding debit or credit to the remittance heads has not already appeared in the accounts;

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

- (i) items which have ceased to be chargeable against the estimate for the work; and
- (ii) suspense charges which can no longer be kept within the accounts of the work (vide paragraph 354). Such transfer

entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries (otherwise than in cash) have become due, e.g., by the transfer of stores to any other work or account.

248. For every transfer entry there must either be an authority in Form 53 (P.W.D. VI-10). Transfer Entry Order or an order recorded on another document [e.g. Survey Report, Form 18 (P.W.D. VI-45) and Final Bill of a contractor's closed account placed under Public Works Deposits] which sets forth all the necessary particulars; see also paragraphs 537 and 555.

(1) In case in which transfer Entry Order is not required to be submitted to audit with the monthly account, vide paragraph 569 the necessary order, if not initiated by a Sub-divisional Officer, may be signified by the Divisional Officer's initials against the entry in the Transfer Entry Book (paragraph 252).

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

(3) Transfer entries initiated by the Sub-divisional office should be done in triplicate, the second and third copies being prepared by the carbon copy process. The Divisional office will file one copy in support of an abbreviated entry in the adjustment register and forward the second copy to the Audit office in support of the monthly account-vide paragraph 569.

249. 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 paragraph 247 which come within his cognizance.

250. The Divisional Officer is responsible that no transfer entry is made in the accounts unless admissible under the rules; that a transfer entry is made as soon as it becomes necessary, and that Transfer Entry Orders in respect of transactions falling under clauses (a)(b) and (c) of paragraph 247, proposed by Sub-divisional Officers, are countersigned by himself in token of acceptance.

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

251. All Transfer Entry Orders should set forth such explanation of the correction or adjustment proposed to be made as would establish clearly the correctness and necessity of the entry.

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

252. All transfer entries ordered to be made should be registered in the Transfer Entry Book, Form 54 (P.W.D. VI-18) 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 the Divisional Accounts Officer should see that no adjustments which are required to be made under any rule are omitted.

253. No transfer should be made from one sub-head to another u the accounts of a work except on the authority of a formal Transfer Entry Order prepared in accordance with the procedure prescribed in this chapter and approved by the Divisional Officer. The order should be filed with the Works Abstract for the month in which the transfer is effected and it should not be entered in the Transfer Entry Book.

CHAPTER IX

REVENUE RECEIPTS

A — General

254. The bulk of the Irrigation Revenue for the supply of water for cultivation purpose is collected by the Land Revenue Department and the Public Works Department has no hand in its collection or accounts. Dues on account of water supplied from irrigation work to towns, mills or plantations are assessed in the Public Works Department and realized in the Revenue Department; revenue from the sale of canal produce is assessed and realized in the Public Works Department. The latter is also responsible for the realization of revenue from miscellaneous properties such as the sale of rights to enjoy the usufruct of trees, grass and fisheries, for the assessment and recovery of rents of buildings and lands, rents of staff boats and other floating plant, and for the collection of license fees and other dues leviable under the Navigation Rules. The detailed rules relating to the realization of revenue from miscellaneous properties and rent buildings are contained in paragraphs 345-347 of the A.P. Public Works Department Code. The rules relating to license and other fees under the Navigation Rules have been issued separately in the form of separate booklets for the several canal systems. The general principles for the hiring of floating plant are contained in paragraphs 341 and 349 of the A.P. Public. Works Department Code.

Public Works revenue collected should be brought into account in accordance with the classifications prescribed in Appendix 4.

255. A register of miscellaneous properties should be maintained in each sub-division in Form 49 (P.W.D. VI-49 (a), 49(b)), in order that no item of revenue may be lost sight of. This register should be submitted to the divisional officer monthly and also at the time of the audit inspection.

If, however, the registers cannot be spared by the Sub-divisional Officers in any particular month (e.g., in the month in which grass sales have to be conducted) they should be sent to the divisional officers soon as the sales are over. On the first page of the register there should be clear information available to show (1) that the register is signed by the Sub-divisional Officer every month, whether there are transactions during the month or not, (2)

when the register is sent to the divisional office, and (3) when it is received back in the Sub-divisional Office.

When there are no transactions in a month, the register need not be submitted by the sub-divisional Officer to the division office. The reason for the non-submission should be recorded in the register against the month under the signature of the Sub-divisional Officer and the fact intimated to the division office.

As soon as the sales of miscellaneous properties are confirmed and lease amounts or installments thereof are collected the Sub-divisional Officer should see that the particulars pertaining to each item are entered in the register. He is personally responsible

(i) for obtaining, the lease agreements wherever necessary within the prescribed time.

(ii) for collecting the lease amounts or installments thereof and the security deposits on the due dates, and

(iii) for seeing to the fulfillment of the other conditions of the sale notice and the agreement-vide Appendix X to the A.P. Public Works Department Code and also paragraphs 345 and 34 of that Code. The Sub-divisional Officer should also verify regularly every month the particulars entered in the register against the items in which there were transactions along with the cash book and connected vouchers and documents and entered in the relevant column in the register the balance yet realizable in each case for the year both in figures and in words in his own handwriting with dated initials. He should also see if the entries verified by him in respect of those items in the previous month are in any manner tampered with.

When the register is received in the Division office for scrutiny the Divisional Accounts Officer should get the particulars entered against each item verified under his supervision. He should take to the notice of the Executive Engineer in writing cases where lease agreements are not obtained and lease amounts and security deposits are not collected within the due date and see that they are pursued until the agreements are obtained and the amounts are collected or until the properties are resold and the amounts recoverable from the defaulted lessees including losses, if any, are realized.

The Sub-divisional Officer primarily and the Divisional Accounts Officer secondarily will be held personally responsible for losses, if any, arising from failure to observe the procedure laid down above.

The detailed rules for the accounting of navigation receipts by canal officers are contained in Appendix 6.

256. Distinction must 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 eventually repaid or to be utilized to meet the cost of some service to be rendered or already rendered, or to be taken in reduction of expenditure previously incurred. Receipts of the latter class are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter; see also Statement E of Appendix 4.

(1) For appropriation of unclaimed balances lying in the deposit accounts, see paragraph 463.

(2) Cemetery endowment receipts are not treated as revenue, but interest thereon is credited annually to Civil Works revenue in the books of the Audit office, see paragraph 13 of Appendix 5.

(3) Receipts in connection with District Fund Works which are realized by Public Works Officers are creditable to the Head “Deposits of Local Funds—District Funds”.

(4) When the fines collected for damaging toddy-yielding Government trees are credited to the Public Works Department the rewards payable to abkari officers for detecting the cases admissible as charge (refunds of revenue) against this department. The disbursement of these rewards should be made under the authority of the Executive Engineers of the division.

(5) Amounts realized by the sale of fruits, etc., should be credited to the head “Revenue”.

(6) 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.

(7) 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 Provincial Revenues under the head “XXIX.Civil Works”.

257. (a) It is not permissible, except in the case of supervision charges on stock sold on credit, and hire charges recoverable from the Contractors in respect of departmental lorries and other heavy tools and plant lent to them, to credit revenue to the head concerned until it is realized, but Divisional Officers are responsible that demands are made as revenue falls due that the steps are taken with a view to effect prompt realization of all revenue, regular or occasional, and that proper records are kept to show, in respect of all items of revenue, recurring or non-recurring, the assessments made, the progress of recovery and the outstanding debts due to Government.

(G.O.Ms.No. 1224, P.W.D., dated 23-5-1962)

In respect of departmental lorries and other heavy tools and plant lent to the contractors on works in a Division, fortnightly log report should be obtained, collected together every month and calculations and assessment of hire charges checked in the Division Officer. A statement of due recoverable from each contractor should then be prepared and the amount so arrived at adjusted in the accounts of works by a transfer entry debiting the work ‘contractors suspense’ and crediting XXXVII or other relevant receipt Head, the amounts recovered subsequently from the bills of the contractors, being credited to the head “contractor suspense.

(Ins, by G.O.Ms.No. 2639, P.W.D. dated 17-12-1964)

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

(b) The recovery of all debits due to Government should receive the special attention of the Divisional Officer and no debt should be remitted or written off except under the orders of competent authority.

258. (a) The charges for water drawn for industrial purposes from Government sources will be shown in the following statement : —

Water taken direct from Government sources		Water taken from private sources benefited by percolation from Government sources.	
(a)	(b)	(a)	(b)
By hand.	By mechanical contrivances.	By hand.	By mechanical contrivances.
(i) Up to 99 cubic metres no charge	At Rs.4 per 1,000 cubic metres subject to a minimum of Rs.50 per annum.	No charge	(i) Upto 99 cubic metres no charge.
(ii) 100 cubic metres and above at Rs.10.50 per 100 cubic metres per annum, the excess over round hundreds of cubic metres being disregarded.	... ..		(ii) 100 to 999 cubic metres Rs.4 per annum. (iii) 1,000 cubic mtrs. And above at Rs.4 per 1,000 cubic metres excess over round thousands of cubic metres being rounded off to the nearest thousand.

Note : — The minimum charge of Rs. 50 per annum will not apply to railway companies.

The above rates do not apply to water drawn for the development of electrical power, applications for which should be submitted to Government for orders through the Collector of the district.

The Board of Revenue is empowered to waive the recovery of back charge for water taken for industrial purposes up to a limit of Rs. 500 in each case, and also to order the recovery of an amount less than the minimum charge of Rs. 50 fixed for water taken by mechanical contrivances directly from Government sources on the recommendation of the Collector or the Superintending Engineer, as the case may be.

(b) Where permission is given to the taking of water from drains it will be subject to the condition that, should the drains be cross banded or obstructed in any way, the concession will be immediately withdrawn.

(c) No rent will be levied on land acquired for irrigation and navigation works by the Public Works Department, and temporarily transferred to other department of Government.

(d) No water-rent for canal water used for the following purposes will be levied :—

(i) Rearing a coconut nursery at a lock

(ii) Growing fruit-bearing revenue or other useful trees in the backyards of lock establishment quarters and in a rent-house compound.

Note : — Superintending Engineers may sanction the supply of water, free of cost to drinking water tanks in unions with the concurrence of the Collectors concerned.

(e) Agreements entered into with private parties for water drawn from Government sources are liable to a stamp duty of 12 annas and should be registered. The memorandum of terms entered into with railway companies need not be stamped nor registered.

Note : — No agreements need be taken in petty cases especially where the taking of water is not going to be regularly repeated as, for example, when a person takes water to make bricks for a house which he is building. All cases, whether petty or important, will be entered by Karnams in Village Account No. 7 Statement of Miscellaneous Revenue.

It is also not necessary to take formal agreement from local bodies for the water drawn by them from Government sources. The Government Order permitting the local body concerned to take water from the Government source should be entered as the 'authority' in column 7 of the Register of Agreements referred to in Board's Standing Order No. 11-A—Appendix IX.

(f) The revenue realized from fees for the use of Government water for the generation of electricity and for propelling machinery should be credited as follows:

(i) Where the use of water-power is for the generation of electricity, the investigation of the proposal and the royalties and other revenues derivable from it should, viz, to "XXXVII Miscellaneous Department."

(ii) Where the water-power is to be used for purely mechanical purposes without electric power, e.g., a water mill, the Irrigation Department should carry out the investigation and get credit for the royalties, fees and other revenues, i.e., to "XVII or XVIII", as the case may be, whether the source of water is in charge of the Public Works Department or the Revenue Department; and

(iii) Where the water-power is used for the generation of both electricity power and mechanical power, the fees realized should be divided between the electricity and Irrigation Departments on the basis of the quantity of water utilized

for the purposes, but such decision in each case should be subject to the previous approval of Government.

259. (Deleted-vide G.O.Ms.No. 783 W., dated 5th March 1929).

B — Irrigation Revenue Collected in Civil Department

260. Irrigation revenue which is collected in the Revenue Department as part of land revenue, is not brought into the accounts of the Divisional officer. The necessary adjustments in the accounts are made by the Accountant-General in correspondence with the Board of Revenue (Land Revenue and Settlement.)

C — Rents of Buildings and Lands— Demands and Recoveries

(a) From Private Persons

261. When a public building, land or other property is to be let to a person not in the service of Government, the full assessed rent must be recovered in advance.

Note : — Sums received in advance for payment of rents of lands should be credited direct to revenue.

(b) From Government Servants and Pensioners

262. The recovery of rents from Government servants occupying rentable buildings in charge of the department made either in cash or by deduction from their pay bills through the Treasury Officer or other disbursing officer concerned as may be directed by Government.

(1) Amount due on account of the hired Government furniture and on account of the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him may also be recovered either in cash or by deduction from pay bills in accordance with the rule in this paragraph.

(2) The system of direct recovery in cash from employees of other divisions and departments is ordinarily not suitable when the rent recoverable is dependent upon the rate of pay of the occupant.

263. Where rent is recoverable in cash a bill in suitable Form should be sent to the tenant on or before the last day of each month. The tenant should be required to pay the rent before the expiry of the following month.

264. When recoveries of rent are to be effected through a Treasury Officer or other disbursing officer, a demand in Form 48 (P.W.D. VI-49), statement of rent recoverable in cash or by deduction from pay bills, should be sent, in duplicate before the close of each month, to the officer concerned who will make the necessary recoveries and return one copy of the statement duly completed. The statement should be forwarded to the Treasury Officer not later than the following dates:—

In a month of 28 days, the 26th of the month.

Do. 29 do. 27th do.

Do. 30 do. 28th do.

Do. 31 do. 29th do.

The Officer concerned will return the copy of the statement between the 22nd and 24th of the following month.

(G.O.Ms.No. 807, P.W.D. Dt. 25-3-1960)

(1) In cases of cash recovery from Government servants the Divisional officer should obtain from the disbursing officers a certified statement in Form 48 (P.W.D. VI-49).

(2) In Form 48 (P.W.D. VI—49) will also be included any amounts due on account of the hire of Government furniture, the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which Government servant may be liable to Government in respect of the residence allotted to him—vide rule 1 under paragraph 262.

(3) A separate Form 48 (P.W.D. VI-49) should be prepared in respect of each tenant who is a gazetted Government servant who draws his pay direct from the treasury. For non-gazetted Government servants there should be a single consolidated form for each class of establishment whose pay is drawn in a separate bill. Particulars in regard to this should be obtained by the Divisional Office from the drawing officers.

(4) In the case of gazetted Government servants the Form 48 (P.W.D. VI-49) will be filled up from the information contained in the pay slip received from the Audit office under Article 232-A, Audit Code. When a tenant goes into occupation of a residence the Divisional Officer will intimate the fact to the Audit Officer and call for pay slip. In the case of non-gazetted Government servants the Form 48(P.W.D. VI-49) will be prepared on the basis of information to be obtained from drawing officers.

(5) Treasury Officers and other disbursing officers have Instructions to recover the amounts specified by the Divisional Officer, without prior reference to the tenants and to note in statement of rents the particulars of emoluments, and of changes therein, in respect of Government servants whose is limited to percentage of such emoluments.

(6) If the rent recoverable from a Government servant is limited to a certain percentage of his emoluments, and such emoluments are charged retrospectively, the rate at which rent is recovered should also be changed retrospectively.

(7) If a Divisional Accounts Officer becomes aware that the emoluments of a Government servant have been changed in respect of a period during which he occupied a Government residence at some other station, he should see that the intimation of the change of emoluments is given to the Divisional Officers of the stations concerned to enable them to recover the arrears of rent where necessary.

265. In preparing the statements of Demands the Executive Engineer should rely on the report of Heads of Offices referred to in para 277 infra and intimation from Heads of Office, of the changes in the emoluments of non-gazetted officers occupying Government residences. The completed copy of Form 48(PWD VI-49) returned by the Treasury officer or other Disbursing officer should also be made use of in preparing the statements of rents for the next month, and the assessment should be revised whenever any change of emoluments has been noted by the Treasury officer or the disbursing officer. The Executive Engineer should provide also for the recovery of additional rent due either because the full amount has not been collected in the previous month or because arrears of emoluments have been paid to a Government servant.

(G.O.Ms.No. 533, PWD. Dated 21-3-1966)

Note : — After necessary action had been taken on the statement of rents in Form 48 (P.W.D. VI-49) returned by the Treasury Officer, the Executive Engineer will forward it to the Audit office with the monthly return of buildings.

266. Amounts recovered by deduction from pay bills cashed at the treasuries subordinate to the same Accountant-General as the Divisional Officer, will not be passed on to the latter for adjustment in his accounts, as the Accountant-General will credit the revenue heads (and canals, etc.) concerned direct in his own books. The Divisional Officer should, however, credit the amounts of the tenants in the Register of Rents of Buildings and Lands, Form 49 [P.W.D. VI-49 (a)], paragraph 280, with the recoveries as certified by the Treasury, Disbursing or Drawing Officer concerned.

The Accountant-General will communicate to the Divisional Officer through the Audit Notes, variations, if any, in the emoluments noted in the copies of demand statements of rents received by him with the Treasury Accounts. The Divisional Accounts Officer should compare these statements with the corresponding entries in the Register of rents of buildings and land Form 49 (P.W.D. VI-49(a)) and see that necessary action is taken to revise these assessments of rents of Government servants whose rates of emoluments have been altered by the Audit Office, recover the arrears of rent, if any, due and intimate to the Accountant-General of the action taken in the settlement of the points raised in the Audit Note.

(G.O.Ms.No. 1180, P.W.D.(Y) Dt. 31-8-1971)

267. All heads of offices and officers who draw their own pay bills are responsible for the recovery from pay bills of all amounts due to Government towards rent as assessed by the Executive Engineer for the occupation of Government residential buildings by them and their subordinates and they should furnish not later than the 15th of every month to the Executive Engineer, a statement in C.F.No 307 showing the particulars regarding the names, designations, emoluments, etc. of the officers occupying the quarters provided by Government irrespective of the fact that rent is payable for them or not and the changes in the occupying of such buildings. In the case of vacant buildings heads of offices should furnish information as to what period each building is expected to be vacant and whether the building will be required during that period by any officer of the same department. The Executive

Engineer should then consider the desirability of finding tenants for the vacant buildings.
(G.O.Ms.No. 533, P.W.D. Dt. 21-3-1966)

Note (a) : — For the purpose of the above rule, it will be sufficient if heads of officers intimate monthly in the form of additions to, and changes in, the completed statement once furnished. When there are no changes, the fact should be intimated to the Executive Engineer concerned.

Note (b) : — Heads of offices should obtain reports of Recoveries of House Rent from their subordinate officers and it is their responsibility to furnish to the Executive Engineer, in charge of the buildings not later than 20th of every month a report in Form P.W.A. XLI-A of A.P.Account Code, Vol. III the rents recorded from pay bills of the preceding month with details of amounts recovered, the gross and net amounts of the bills in which the amounts were drawn and the treasury voucher number of the bills.

(G.O.Ms.No.533, P.W.D., dated 21-3-1966)

Note (c) : — Gazetted Officers, who draw their own pay bills should send treasury payment slips in duplicate with the Demand notices to the Treasury officers and the duplicates are returned acknowledged by the Treasury Officer to the Executive Engineer in charge of the buildings who will then bring it on to his register of rents of buildings and land.

(G.O.Ms.No. 533, Dt. 21-3-1966 and
Memo. 796/Y-66-47, Dt.16-12-70)

268. When a Government servant is transferred or proceeds on leave or retires the Executive Engineer should give the Treasury Officer as early notice as possible of the date upto which rent is payable.

269. The duties of Treasury Officers or other disbursing officers in the matter of recovery of rents are laid down below:

(i) The Treasury Officers or other disbursing officers will note in column 6 of both copies of the statement of rents recording at the bottom of the statement a certificate that he has done so-

(a) the emolument actually drawn by the tenant, where they differ from those entered by the Executive Engineer in column 3;

(b) any sum drawn by the tenant as arrears of emoluments, with details of the rate at, and period for, which it has been drawn.

He will also note in column 6 of the number of the bill from which deduction of each item of the rent was made; and if, in any instance, the rent noted in column 4 has not been recovered in full, a brief explanation of the reasons for non-recovery.

(G.O.Ms.No. 807, Dt.25-3-60)

(ii) He will return one copy of the statement thus completed to the Executive Engineer, so as to reach the later Officer.-

In a month of 28 days, by the 22nd of the month.

Do. 29 do. 23rd do.

Do. 30 do. 24th do.

Do. 31 do. 25th do.

(iii) He will obtain from sub-treasuries details of recoveries of rent effected there, in time for inclusion in this copy of the statement of rents. Any subsequent recoveries effected by the Treasury Officer, or a Sub-Treasury Officer, too late for inclusion in the statement, should be included in the statement of the following month.

(iv) He will compare and agree the total of the recoveries shown in the other copy of the statement of rents (which should include recoveries made too late for inclusion in the first copy) with the total credits in the Treasury Account and will submit this copy to the Audit Office with the Treasury Account for the month in which the recoveries were made.

He will collect the second copy of the Rent Demand Statement attached by the Drawing Officer, to the relevant pay bills of N.G.O's and send them to the Accountant—General under the provisions in Article 18 of the A.P.F.C. Volume I.

(G.O.Ms.No. 533, P.W.D., Dt. 21-3-1966).

(v) He will continue to recover rent at a rate once as intimated by the Executive Engineer, until advice to the contrary is received from him, whether the monthly demand statement Form 48 (P.W.D. VI-49) has been received or not, and when a Government servant is transferred, proceeded on leave, or retires, he will unless otherwise instructed by the Executive Engineer—

- (a) if the Government servant is paid up to the date of making over charge, recover from the pay bill the rent due up to that date;
- (b) if the Government servant is not paid up to the date of making over charge, recovery from pay any bill paid, the rent due for the period covered by the pay bill, and note on the reverse of the last-pay certificate of the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

(vi) He will not conduct any correspondence with tenants on the subject of their rents but will refer them to the Executive Engineer.

270. Recoveries made by Treasury Officers not subordinate to the same Accountant-General as the Divisional Officer and by disbursing officers, should be credited to the accounts of tenants in the Register of Rents of Buildings and Lands, Form 49 [P.W.D. VI-49 (a)] and adjusted in the divisional accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them, without waiting for the intimation or the corresponding credit from the Audit office- vide rule 1 to paragraph 493.

Statements received from disbursing officers and submitted to the Audit Officers along with the divisional accounts will be sent periodically to the

Audit Officers of the circles concerned for verification, and the procedure indicated in rule 1 under paragraph 266 will then be followed in respect of the verified statements.

271. A tenant who is in receipt of a pension from Government; should be treated as a private individual for the purpose of these rules. But if he desires to make payments by deductions from his pension recoveries from him may be made through the Treasury Officer or other disbursing officer concerned, on the pensioner's furnishing the Divisional officer with a written request authorizing such deduction. This authority should be transmitted to the Treasury or disbursing officer with the first demand.

272. In the case of vacation of quarters by a Government servant before the last day of a month, owing to his departure on transfer, leave or retirement, the demand for the rent for the broken period should be made at once, so that the amount due may be recovered before his departure.

273. Pending orders on a representation against the Divisional officer's assessment, the amount assessed must be paid by tenants on demand should the representation prove successful, the excess amount charged should be adjusted as soon as orders are issued, by a reduction in the assessment of a subsequent month, or, if this is not practicable or convenient, by an actual repayment.

D—Refunds and Remissions

274. Remissions of irrigation revenue allowed before collection should be treated as reductions of demands, and cash repayments of such revenue after collection, as outlay against the appropriation for the head "Deduct-Refunds" subordinate to Direct Receipts. All other refunds of revenue and repayments of "Receipts and Recoveries on Capital Account" (Appendix 4) should be taken in reduction of the receipts under the heads concerned.

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

Note (1) (a) : — In cases of refund of deposit realized in cash and credited in departmental cash accounts, a certificate in the following form should be recorded on the refund voucher by the Divisional Officer.

Certificate

"Certified that the payment of receipt originally issued to the party has been received and checked with the counter-foil and the original entry in the Cash book and Accounts, that a reference to the repayment has been noted in red ink across the counterfoil and that a note has been made in the Cash Book against the entry of receipt. The Original receipt has been destroyed by me."

(b) in cases of refund of deposits realized by recovery from a payment made on a bill or other voucher and no separate receipts are issued for such recoveries (vide paragraph 146), a certificate in the following form should be recorded on the refund voucher by the Divisional Officer:

“Certified that the original entry in the cash book and accounts have been duly verified and that a reference to the repayment has been noted in red ink across the original receipt entry in the cash book and deposit register.”

Note (2) : —When the original receipts are not produced due to loss etc. a repayment can be ordered by the Divisional Officer only on execution of an indemnity bond by the payee on stamped paper.

Note (3) : — In regard to deposits remitted into Treasuries directly by the parties and adjusted in the departmental accounts through Schedules for which no receipts are issued, a certificate in the following form should be recorded by the Divisional Offices.

Certificate

“Certified that the original entry in the deposit Register and the original entry in the transfer entry book have been duly verified and that a reference to the repayment has been noted in red-ink across the original receipt entry in the deposit Register and original entry in the Transfer Entry ‘Book.’”

E — Accounts Procedure

I— Registers of Revenue

276. All Revenue receipts of the division should be classified, and abstracted in the Register of Revenue, Form 46 (P.W.D. VI-25) maintained in the divisional office. The receipts relating to each 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. The receipts relating to the agency transactions of the Central Government should be recorded separately.

277. In this register a column is opened for each minor of head revenue (and detailed heads subordinate to it) other than “Deduct-Refunds,” for which a single deduction is made from the total revenue of the month, the details of the charges making up the figure to be deducted being recorded in a separate Register of Refunds of Revenue, which should also be in Form 46 (P.W.D. VI-25).

For accounts procedure in respect of refunds of rents realized, see Rule 1 to paragraph 282.

278. All receipts falling under the minor head “Receipts and Recoveries on Capital Account” should also be abstracted in Form 46 (P.W.D. VI-25) a separate account being kept for each project the expenditure whereon is booked separately. Receipts falling under the minor head “Recoveries and Expenditure” will appear in the register of revenue for the major head concerned under three district detailed heads, viz, in,-

(1) Recoveries of charges for establishment.

(2) Recoveries of charges for tools and plant being sub-divided into (a) percentage recoveries, and (b) other items, and

(3) Other items.

279. In respect of rent receipts of the buildings and special services for which a subsidiary account is kept in Form 49[P.W.D. VI-49(a)] (see paragraphs 280 and 282), it is not necessary to make entries in detail in any of the registers in Form 46 (P.W.D. VI-25). The monthly totals only (excluding the amounts realized by Treasury Officers under the same circle of audit), for each class of the rents for which separate detailed heads have been opened under the minor head “Rents” should be transferred from Form 49 (P.W.D. VI-49(a)) to Form 46 (P.W.D. VI-26).

II — Register of Rents

280. A register in Form 49 [P.W.D. VII-49(a)] (Register of Rents of Buildings and Lands) should be maintained in the divisional office to show the monthly assessments, realization and balances of rents, of all residential buildings (including office buildings used as residences) and of such other buildings; lands, etc., as may be available for being let. No building other than those falling within the categories specified in clauses (a) and (b), of article 301 of the Account Code, or site 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 may be grouped separately.

(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.

(2) Rent-free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable. Nor need rest-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’.

281. 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.

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 by Fundamental Rule 45 A-TV (b) a reference to the specific order of Government allowing it should be recorded in the remarks column of the Register of rents.

282. 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 (paragraph 270), and (3) recoveries at treasuries of the Province adjustable in the Audit office (paragraph 266), for both rents of buildings and rents of lands, etc. If any buildings are provided with special services such as furniture,

etc., for which rent is 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 realization on account of each of these services should be shown separately.

Refunds of rents realized should be treated as payments made (paragraph 82) and should therefore be shown separately as minus realization in the register of rents and buildings and lands and thus distinguished from the gross realizations of rent.

CHAPTER X

WORKS ACCOUNTS

A— General Principles

283. (a) Expenditure on the construction or maintenance of a work may be broadly divided into two classes, viz., (1) Cash, and (2) Stock charges. As explained in Chapters VI and VII, these charges are recorded in the cash and stock accounts, respectively.

(b) In addition to the charges falling under these main classes there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, materials received from them or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the rules.

(c) All these transactions pass into the general accounts of the division in the manner described in Chapter XXI and are thence consolidated into the accounts of the Province. As, however, the units of classification adopted in the general accounts in respect of expenditure are certain heads of accounts and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in sub-divisional and divisional offices for recording (1) the cost of individual works, and (2) the transactions of individual contractors. These are known as Works Accounts.

284. 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 for analysis of the comparative cost of various classes of work, of types of buildings, etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction is a prolonged one, it would not be possible for the Divisional Officer to exercise efficient financial control over the recorded transactions of the 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 that 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.

285. In regarding the cost of an individual work in the accounts, no attempt is made to include therein any charge on account of general services, like Establishment and Tools and Plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimated for a work is rendered by another division or department and the claim made by it includes an authorized charge on account of such general services, under paragraph 5 of Appendix 7, such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

(1) When the cost of special tools and plant is included in the cost of a work under paragraph 221, the rules in Chapter VII regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments, will be governed by the rules in paragraphs 236 and 237.

(2) The cost of special establishment employees on the acquisition of land when chargeable to the accounts of the works concerned under article 235 of the A.P. Financial and Accounts Code, Volume I, should be treated as part of the works expenditure.

(3) 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 7.

286. Primarily the Divisional Officer is the responsible disbursing officer of the Division, Superintending Engineers may empower Sub-divisional Officers to pay bills without pre-audit in the divisional office up to a maximum amount of Rs. 500 in the case of all first and final bills and Rs. 5,000 in the case of intermediate bills. A Divisional Officer may, if necessary, require bills even below the limits laid down under the above rule to be sent for pre-audit.

Note 1 : — Payments to several payees as provided in paragraph 299 of this Code may be made by Sub-divisional Officers themselves in a single First and Final bill without the necessity for pre-audit in division office, provided the amount due to such individuals included in the bill does not exceed Rs. 500.

Note 2 : — The limit of Rs. 5000 in respect of intermediate payments refer to the value of work actually executed or supplies received and is also the maximum limit upto which payments may be made on any work in a month-vide paragraph 321(a). This limit is not affected by bills paid after pre-audit in the division office.

Note 3 : -. Failure to pre-audit may be condoned by the Superintending Engineer in regard to intermediate bills, subject to the condition that overpayments are recovered from subsequent bills. In regard to first and

final bills, the powers of condition by the Superintending Engineer or higher authority should be restricted to bills, the value of which is within their powers of write off.

(G.O.Ms.No.227, P.W.D., dt 24-1-1958)

Note 4 :— Annual scheme maintenance estimates connected with irrigation works are excluded from the operation of the rule in the above paragraph.

Note 5 :—Sub-divisional Officers are authorized to refund deposits credited in the subdivision cash book after necessary verification except in cases where the party fails to produce the original receipt, or the item to be refunded has already been credited to Government under paragraph 463 of the A.P. Public Works Accounts Code, or confiscated under the provisions of an agreement or bond.

287. Initial accounts and vouchers connected with charges relating to works must invariably specify (1) the full name of the work as given in the estimate, (2) the name of the component part (or “Sub-head”) of it, if separate accounts are kept up for the several component parts, and (3) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

In the case of recoverable charges it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entitled if they had themselves incurred the charges.

B — Cash Payments

I — Introductory

288. Cash charges on works consist of payments : (1) to labourers and members of work-charged establishments of their wages, and (2) to contractors and others for work done or other services rendered. The cost of materials procured specially for work is charged to the accounts of works by transfer credit to the “Purchases” account, but payments to supplies are governed by the same rules as payments to contractors for work done.

The general rules relating to cash payments and vouchers in paragraph 150 to 159 apply to all these classes of payments. Only special rules are, therefore, set forth in this chapter.

289. The rules in Article 38, A.P. Financial and Accounts Code, Volume I, enjoining that inevitable payments should be liquidated and recorded at the earliest possible date, should be carefully observed; see also second sub-paragraph of paragraph 153 of the A.P. Public Works Department Code. There should be no delay in the payment of bills for work done for want of approved agreement, sanction to revised estimate, or work-slip or similar reasons.

Superintending Engineers should prescribe for officers under their control the maximum intervals permissible at the several stages between the measurement of a work and the payments of the bill, and should make it a

point to see how far the orders are observed during inspections. The intervals fixed by the Superintending Engineer should be put in a tabular form and hung in the room of each Executive Officer and the Divisional Accounts Officers.

II—Payments to Labourers

(a) Departmental Labour

290. With the following exceptions, all persons, engaged departmentally for the execution of works are considered as day labourers and their wages should be drawn on muster rolls, Form 21(C.Forms Nos. 474 and 475) and charged to the estimates of the works on which they are employed.

(1) Permanent and temporary employees of the division whose pay is charged to the head “Establishment.”

(2) Members of the work-charged establishment as defined in paragraphs 58 to 62 of the A.P.Public Works Department Code.

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

291. Muster rolls should be prepared and dealt with in accordance with the following rules, Form 21(C.Forms Nos. 474 and 475) being used:

(a) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

Note : — Entries in muster rolls should be made in ink or indelible pencil.

(b) Labourers may be paid more than once a month and the period covered by each payment may be determined locally; but separate rolls must be prepared for each period of payment.

(c) The daily attendances and absences of labourers and the fines inflicted on them should be recorded daily in Part I of the muster roll in such a way as

(i) to facilitate the correct calculation of the net wages of each person for the period of payment.

(ii) to render it difficult to tamper with or to make unauthorized additions to or alterations in, entries once made, and

(iii) to facilitate the correct calculation of the net wages of each person for the period of payment.

Note : —Sub-divisional officers should, as frequently as possible, test check the attendance of the labourers especially in cases where the outturn is not susceptible of measurements or where it is anticipated that the aggregate payments on nominal muster rolls in connection with a work will exceed Rs. 1,000.

(Substituted by G.O. Ms. No. 792, P.W.D., Dt. 1-4-1964)

(d) After a muster roll has been passed by the Sub-divisional Officer, payment thereon should be made as expeditiously as possible. Each payment should be made or witnessed by the official of highest standing available, who should certify to the payments individually or by groups, at the same time specifying, both in words and figures, at the foot of muster roll, the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in part II, the register of arrears before the memorandum at the foot of the muster roll is completed by the person who made the payment.

Note (1) : — Acknowledgments duly stamped, wherever necessary should be obtained from each payee on the Muster Roll.

(Ins.by Memo No. 295-Y/68-2, P.W.D, Dt. 25-3-1968)

Note (2) : — The rule that a Sub-divisional Officer should pass all muster rolls may be relaxed by the Executive Engineer in exceptional cases, where its enforcement will lead to objectionable delays so far as works executed departmentally in non-Agency tracts are concerned.

The relaxation of pre-audits by the Sub-divisional Officer given under this delegation by the Executive Engineer carries with it also the permission to pay the amounts of the Nominal Muster rolls from the permanent imprest with the Section Officer.

In regard to work executed in Agency tracts, the Section Officer shall pay muster rolls without pre-audit by the Sub-divisional Officer from his imprest, provided the outturn on work done by the coolies is up to the standard fixed in the schedule of rates: but this rule does not do away with the duty imposed on the Sub-divisional Officer to test check the musters frequently—vide note under clause (c) of this paragraph.

In cases where the outturn of work done by the coolies in the Agency tracts is not up to the standard fixed in the schedule of rates, if the deficit outturn does not exceed 10 per cent of the standard outturn, the Sub-divisional Officer is empowered to pay muster rolls in full, for reasons which should be recorded.

(e) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified to in Part II in the same way as payments of current items. It is optional, however, with Divisional Officers to adopt any other alternative method of making payments of unpaid wages, provided that a systematic record of items remaining unpaid is maintained on the basis of the original entries made in Part II of the muster roll under clause (d), that a systematic record of such payments is maintained and that suitable precautions are taken to prevent double payments. See also paragraph 366.

(f) Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the sub-divisional record prescribed in clause (e).

1. For action to be taken on the completion of the work, see paragraph 360.

(g) In Part II of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases where such work is susceptible of measurement. If the work is not susceptible of measurement a remark to this effect should be recorded.

Note : — It is not necessary to reproduce the details of measurement in Part III, nor need Part III be written up if progress is reported once a month or often or in any other suitable form and such separate reports are considered sufficient.

(h) In exceptional and urgent cases, such as urgent silt- clearance of canals or closing breaches, where labourers are employed casually for short periods, payment may be made on a casual labour roll, Form 22 (P.W.D. VI-68) in which the names of the labourers need not be given, but such payments may- not be made except by a gazetted officer or an upper subordinate. Nor need muster rolls in Form 21 (C.Forms Nos. 474 and 475) be used in the case of the work done on requisition, Form 32 (C.F.No. 145), when the entries of daily labour are few; in such cases the particulars can be endorsed on the form of requisition.

(b) Labour engaged through a contractor

292. The payment of daily labour through a contractor, instead of by muster roll in the usual way, is objectionable in principle. In a case of great emergency it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such a case to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates on the basis of work actually executed. See Form No. P.W.D.III-30(d). But, if as in the case of urgent repair of canal breaches, this method of payment is not practicable: it is permissible to pay the contractor on the basis of number of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in lumpsum, or at a percentage rate. When this course is adopted, a report of the number of labourers of each class employee daily should be made by the subordinate in charge of the work daily to the Sub-divisional Officer in the prescribed form P.W.D. 111-14 to enable the latter to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct.

III—Payments to Suppliers and Contractors

(a) Record of Measurements

(i) Measurement books

293. Payment for all work done otherwise than by daily labour and for all supplies, are made on the basis of the measurements recorded in measurement books, CF No. 298. in accordance with the rules in paragraph 292 of the A.P.Public Works Department Code. The measurement books

should therefore be considered as very important account records. All the books belonging to a division should be numbered serially and the pages of each books should be machine-numbered and a register of them should be maintained in Form PWD VI-20, in the Divisional Office showing the serial number of each book, the names of the sub-divisions to which issued, the date of issue and the date of its return, so that its eventual return to the Divisional Office may be watched.

“The rules relating to the mode of payment in the case of earthwork are set forth in Note 1 under para 292 of APPW ‘D’ Code”.

(G.O. Ms. No.1705, PWD, dated 22-11-1968)

Note 1 : — A similar register should also be maintained in the Sub-divisional office showing the names of the Sub-divisional Officer and Sectional Officer to whom measurement books are issued. Books no longer in use should be withdrawn promptly even though not completely written up.

(a) Such completed measurement books which contain measurements of the works executed by contractors, having running accounts, should be sent to the Divisional office for final record, after final bills have been paid to the contractors. Until then such books if not required for reference by Sub-divisional Officers, or Section Officers should be sent to the Division office for “temporary records” to be taken back when payments have to be made.

But the completed books, which contain wholly measurements, works or supplies, for which payments are made on hand receipt are “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, the measurements of which are recorded therein, have been paid.

Note 2 :—Boat notes which take the place of measurement books in respect of materials loaded into and unloaded from boats should be treated as measurement books. The procedure is not applicable to the River Conservancy Subdivision, Guntur division.

Note 3 : — In special cases of distance over 100 miles where the Executive Engineer has authorized the drivers concerned to purchase petrol or diesel oil enroute-vice sub-paragraph 4 under instruction 6 in paragraph 306-the record of measurements and payments may be made by the Supervisors or other authorized Officer as early as possible after the actual purchase and payment by the drivers, such records being based on the cash bills for the purchase and on a review of the log book of the vehicle for consumption of petrol or oil and balance on hand at the time of such record.

(ii) Detailed Measurements

294. (a) ‘(i) Where payment is resorted to, with reference to the levels, in the case of earthwork, the levels taken should be recorded in LF Books, calculation of quantity of earthwork done should be made after plotting the levels on Section sheets. In such cases, the LF books section

sheets and calculation statements should be treated as adjuncts to the measurement book.”

(G.O.Ms.No. 1705, PWD, dated 22-11-1968)

(ii) In recording detailed measurements, the following General instructions should be carefully observed: The top most lines under columns 1 to 4 on each page of a measurement book should invariably be filled in the field. Non of the lines should be left blank. Any lines not required should be carefully scored through in order to prevent additional entries being made later on. 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.

Note 1 : — Engineer and Engineer subordinate students undergoing their practical course may be allowed to record measurements provided they are systematically checked by one of the officers mentioned above.

Note 2 : — Divisional storekeepers or stores clerks or the divisional head clerks in the absence of both may, in cases where there are no executive subordinates on the spot, and in special cases where the Executive Engineer considers that the exigencies of the service require it, record their measurements of stores received in measurement books.

Note 3:—The Wharf Superintendents at Nidadavole and Tadepalligudem in the Godavari Western Division and the Lock Superintendent at Duggirala in the Krishna Western Division are authorized to record their measurements of articles received in measurement books.

Note 4 : —The Foremen in the Public Works Workshop, A.P. are permitted to record detailed measurements in measurement books.

Note 5: — The Port Conservators at Calingapatnam and Bheemunipatnam Ports are authorized to record measurements in Measurement Books.”

(Ins, by G.O.Ms.No. 481 Tr, Rd., Blds., Dated 25-10-1983)

The tools-keeper in the Public Works Workshops, A.P., is authorized to record in measurement books the receipt of materials in cases where their value does not exceed the amount of his security deposit.

The measurements of works in the Dowlaishwaram Workshops will ordinarily be recorded by the Foreman Superintendent when necessity arises owing to emergency or rush of work due to closure of works, etc., the Executive Engineer, Godavari Head works Division, may permit the mechanical draughtsman and the floating plan draughtsman also to record measurements. The measurements recorded by these subordinates must be checked by the Junior Superintendent. The Road Superintendent, Dowlaishwaram, is permitted to record in measurement books the quantities of materials received by him from time to time from the Public Works Stores, etc., for the running of the floating plant in his charge.

The Boat Superintendent and the Foreman, Vijayawada Workshops, are permitted to record measurements in measurement books subject to the condition that the measurements are checked by the Junior Superintendent of the Public Workshops, Vijayawada.

The outdoor Foreman, Public Works Workshops, Dowlaishwaram, is also permitted to record measurements in the measurement books under the supervision of the Junior Superintendent, Public Works Workshops, Dowlaishwaram.

Note : — In special cases of distance over 100 miles where the Executive Engineer has authorized the drivers concerned to purchase petrol or diesel oil on route subparagraph 4 under instruction 6 in paragraph 306-the record of measurements and payments may be made by the Supervisors or other authorized Officer as early as possible after the actual purchase and payment by the drivers, such records being based on the cash bills for the purchase and on a review of the log book of the vehicle for consumption of petrol or oil and balance on hand at the time of such record.

(b) All measurements should be neatly taken down in a measurement book, CF No. 298, issued for the purpose, and nowhere else.

(c) Each set of measurements should commence with entries stating —

(i) In the case of bills for work done-

(a) full name of work as given in estimate,

(b) situation of work,

(c) name of contractor,

(d) number and date of his agreement,

(e) date of commencement of work (i.e., date on which the site was handed over).

(f) date of actual completion of work, and

(g) date of measurement.

(ii) In the case of bills for supply of materials-

(a) name of supplier.

(b) number and date of his agreement or order,

(c) purpose of supply in one of the following forms, applicable to the case:

(i) "Stock" (for all supplies for stock purposes),

(ii) "Purchases" for direct issue to (here enter full name of work as given in estimate)

(iii) "Purchase" for (here enter full name of work as given in estimate) For issue to contractor on

(d) date of written order or commencement of supplies.

(e) date of actual completion of supplies, and

(f) date of measurement and should end with the dated signature and designation of the person making the measurement see-also paragraph 294. A suitable abstract should then be prepared which

should correlate, in the case of measurement for work done, the total quantities of each distinct item of work relating to each sanctioned sub-head.

(d) As all payments for work or supplies are passed, on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurement to record the quantities clearly and accurately. He will also be responsible for the correctness of the entries in the column 'Contents or area' for the measurement recorded by him. If the measurements are taken in connection with a running contract account on which work has been previously measured, he is further responsible

(1) that reference to the last set of measurements is recorded; and

(2) that if the entire job or contract has been completed, the date of completion is duly noted in the prescribed place vide clause (c) above. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book and in the latter case the actual date of completion noted in the prescribed place. The signature of the contractor or his agent should be obtained in measurement books after each set of measurements, with the addition: "I accept the measurement". In the case of illiterate men their marks should be attested by an independent witness.

(e) Entries should be recorded continuously in the measurement book. No blank pages may be left and no page be torn out. Any pages left blank inadvertently must be cancelled by diagonal lines, the cancellation being attested. See also paragraph 292 of the A.P. Public Works Department Code.

(f) No entry may be erased. If a mistake is made, it should be corrected, by the responsible officer and initialed and dated. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialled by the officer who made the measurements. In either case, the reason for cancellation should be recorded.

(G.O.Ms.No. 1589, P.W.D., Dt. 24-7-1963)

(g) Entries should, if possible, be made in ink; when this is not possible, pencil entries should not be inked over. Entries in the "contents or area" column should be made in ink in the first instance.

(h) Each measurement book should be provided with an index which should be kept up to date.

(i) Where payment is resorted to with reference to the levels, in the case of earthwork, the levels taken should be recorded in L.F. Books. Calculation of quantity of earthwork done should be made after plotting the levels on section sheets. In such cases, the L.E Books, Section Sheets and Calculation Statements should be treated as adjuncts to the Measurement Book. (O.O.Ms.No.1705, PWD, 22-11-1968)

(iii) Standard Measurement (Repealed)

295. [Deleted as per G.O.Ms.No. 1231, P.W.D., dt.10-5-1966]

(iv) Review of Measurements

296. Sub-divisional Officers should be required to submit the measurement books in use to the Divisional officer from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accounts Officers 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 the Divisional Accounts Officers on all final bills on running accounts and first and final bills which are received in the Divisional Office for pre-audit- see paragraph 286.

(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 per cent at least of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculations in 50 per cent of the entries selected for review, should also be checked by the Divisional Accounts Officers. He need not however, personally check the arithmetical calculations, when bills come up for pre-audit- vide paragraph 540..

(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 Section Officer and Sub divisional Officer should make a note of the numbers and pages of the measurement books in which entries are made by them every month and report these particulars direct to Executive Engineer within the first week of the following month. From these monthly reports of Section 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 be not rushed in a few months of 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 paragraph 292 of the A.P.Public Works Department Code. It should also be seen that measurement books do not contain any entries relating to labour engaged through contractors- vide rule 1 to paragraph 292.

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

(h) Every page reviewed should be initialed and dated by the Divisional Accounts Officer with 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 :—Deleted.

(v) Check-Measurement of Works

297. (1)(a) Sub-divisional Officers should necessarily check measure before Payment and in proper time in the following cases : —

(i) all final bills on running accounts.

(ii) all first and final bills over Rs. 500; and

(iii) works including in all kinds of bills over Rs. 100/- (G.O.Ms.No. 244 P.W.D. 4-10-1960) which will not be susceptible of check measurement after a certain stage, for example, works in channel, river or tank beds, foundations which will be covered up, etc.

(G.O.Ms.No. 2445 P.WD., Dt. 4-10-60)

(b) As regards other bills not pertaining to works of the kind mentioned in item (iii) in the above sub-clause, viz., (i) intermediate bills on running accounts and (ii) first and final bills over Rs. 100 and not over Rs. 500, Sub-divisional Officers should check measure a large proportion of them: If in such cases, it is not possible for the Sub-divisional Officer to check measure before payment owing to pressure of work, etc., then the reasons for not having done the check measurement before payment should be recorded by him in the “remarks” column of the measurement books concerned and check measurement should be done by him at the earliest opportunity after Payment has been made.

(G.O.Ms.No.508 P.W.D. dated 17-3-66)

The Chief Engineers and Superintending Engineers of P.W.D. may condone irregularities arising out of failure to conduct check measurement subject to the following conditions:

(a) that the cost of work concerned is within the powers of the Chief Engineers or Superintending Engineers concerned to write off;

(b) that the Chief Engineer or Superintending Engineer concerned is satisfied that there has been no loss on account of lack of initial check measurement.

(G.O.Ms.No.227, P.W.D., dated 24-1-1958)

(c) The following will be exceptions to the above rules—

(i) In the case of Korambu works, where the quantities of perishable materials used, such as brushwood, nanal, etc., cannot be check measured after use, the Section Officer and the Sub-divisional Officer should inspect and stay on the works for as long a period as possible, having regard to the importance of the works and certify to the satisfactory execution of the works. On such certificates payment may be made.

(ii) In the case of first and final bills for Rs. 200 and less, pertaining to works of the kind mentioned in item (iii) in sub-clause (a) above, if the Sub-divisional Officer could not check measure them in proper time, owing to pressure of work, etc., it is sufficient if the Sub-divisional Officer

enters in the measurement book the reason why check measurement could not be done in time and certifies that he is satisfied after inspection that the work has been done. On such certificates, payment may be made.

- (iii) Check measurement is not necessary in the case of articles received by one Public Works Division from another and in the case of materials obtained from firms, departmentally for use on works, when the cost of materials purchased at a time is Rs. 500 or less:

Provided however, that check measurement will be necessary when supplies are arranged by the Public Works Stores Division from the firms direct to the Division concerned.

- (iv) The Assistant Engineer [Electrical Engineer, (General Division)] who is in charge of Electrical Works in the mufassal, shall check measure all first and final bills of Rs. 1,000 and over before payment and all first and final bills over Rs. 25 up to Rs. 1,000, wherever possible before payment. In the case of works of which, it is not possible for the Assistant Engineer to check measure before, payment, the check measurement should be done by him at the earliest opportunity after payment, the reasons for not have done check measurement before payment being recorded by him in the 'Remarks' column of the measurement books concerned.

In the case of supplies of which, it is not possible for the Assistant Engineer to check measure before payment, he should satisfy himself to the extent possible at the earliest possible opportunity after payment that the supplies have been actually received and used on the works for which they were obtained and record to that effect in the concerned measurement book.

Note 1 :—This rule does not apply to advance payments made under paragraph 313 subject to detailed measurements. It applies to the bills in which the advance payments are adjusted after detailed measurements.

Note 2 :—Measurements of all jungle or prickly-pear to be cleared whether the jungle is solid or in patches should be recorded by the Section Officer in a measurement book before clearance. The Sub-divisional Officer should also check measure the works before clearance except in the case of those costing less than Rs. 50 in out of the way places where there are no other works requiring Sub-divisional Officer's attention. In such cases the Executive Engineer of the Division concerned will decide whether the work should be check measured or not.

Clearance works which cost more than Rs. 300 should be inspected by the Sub-divisional Officer after clearance and before payment.

“(2) In addition to check measurement by the Sub-Divisional Officers, it is an important duty of Executive Engineers/Divisional Engineers that they should, during their inspections, frequently check measure works which are

in progress and that they should maintain a register of such check measurements. The Number of check measurements by the Executive Engineers/Divisional Engineers in charge of construction/maintenance divisions should be at least 36 and those by the Executive Engineers/Divisional Engineers incharge of Special Divisions should be at least 24 in a financial year. Further, the Executive Engineer/ Divisional Engineer should check measure at least once all individual works costing Rs. 50,000 and more.

The check measurements to be done by the Executive Engineer/Divisional Engineer should be spread out throughout the year and there should be no rush of check measurements towards the end of the financial year. The frequency of check measurements should be correlated with the amounts of bills to be paid in the respective months.

In addition to the above, the Superintending Engineers of Circles should also check measure works at random in a particular year or years as may be directed by the Chief Engineer from time to time.”

(G.O .Ms.No. 1740, P.W.D., Dt.30-12-1969).

(3) The fact of check measurement by the Sub-divisional Officer or the Executive Engineer should invariably be noted in the measurement book at the time of check measurement and the items check measured should be indicated by the initials of the checking officer, which should be placed on the left side of the column “particulars” in line with the item check measured.

(4) The object of check measurement is to detect errors in measurement and to prevent fraudulent entries. Check measurement should therefore be conducted with direction and method, those items being selected which appear obviously incorrect or which would be most easily susceptible of fraud or which would most seriously affect the total amount of the bill if inaccurate.

(5) The entry “measured in my presence” by a Sub-divisional Officer cannot be accepted as check measurement. When measurements are taken jointly by officers or subordinates, the measurements should always be recorded and signed by the senior.

(6) In the case of works such as breach closing executed by the ryots of a place, estimates are usually prepared and sanctioned after taking measurements of the work done and after verifying the same with the claims of the ryots for each item of work. There is, therefore, no necessity to measure or check measure the work further.

(7) Superintending Engineers should make it a special point to see that these rules are duly observed.

Note : — In the Sanitary Engineering Branch where there are no Sub-divisional officers, check measurement required of Sub-divisional Officers under the above paragraph will be carried out by Executive Engineers (Public Health), subject to the proviso that the money limit of Rs. 25 prescribed in (1) (a)(iii) and (1)(b)(ii) above shall be Rs. 200 in the case of Executive Engineers (Public Health).

(8) “The Chief Engineers will be empowered to waive check measurement and authorize payment of bills upto Rs. 500 (Rupees Five hundred only)

in respect of cases where check measurement as required under the rules, could not be done and become impossible afterwards subject to the condition, that the Sub-Divisional Officer records the reasons for the non-check measurement and certifies that the work has been done after inspection and that there has been no loss to Government on account of the lack of initial check measurement”.

(Inserted by G.O.Ms.No. 508, PWD, dated (17-3-1966)

(b) Bills and Vouchers

(i) Forms of Bills and Vouchers

298. The authorized forms of bills and vouchers are the following —

- (a) First and final bills-Form 24 (PWD VI-69).
- (b) Running account bill A-Form 25 (PWD VI-70).
- (c) Running account bill C-Form 27 (PWD VI-74).
- (d) Lumpsum contract bill-Forms 27-A and 27-B [PWD VI-75 (a) and 75 (b) respectively].
- (e) Hand receipt-Form 28 (CF 476).

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

299. First and final bill-Forms 24 (PWD VI-69) —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.

300. Running account bill A-Form 25 (PWD W-70) :—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 an advance payment under paragraph 197, A.P. Public Works Department Code, or paragraph 313 of this Code; or
- (2) If on an account payment is to be made but an advance payment already made for the same work is outstanding.

301. (Deleted)

302. Running account bill C-Form 27 (PWD VI-74):- 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 an advance payment in respect of the work is outstanding against the contractor.

303. The forms of bills used for payment in connection with contracts based on the lumpsum tender system is defined in the A.P.Detailed Standard Specifications, vide Forms PWD VI-75 (a) and 75(b).

PWD Form Vi-75 (a) 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 of 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. PWD Form VI-75 (b) 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 acknowledgement in his own handwriting a statement that he has received 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 under paragraph 312(b).

303-A. The rules in Sections E and F of Chapter X regarding the maintenance of work abstracts and register of works apply mutatis mutandis to the accounts of lumpsum contracts. In the case of major estimates the expenditure need not however, be booked by sub-heads of work (see paragraph 346 et seq) if all the charges represent nothing but payments on a lumpsum contract.

303-B. All "intermediate payments" made to the contractor and so acknowledged by him are regarded as advances made to him on account of the work concerned, and are brought to account in accordance with paragraph 303-C and 303-D below.

303-C. Payments for the measured-up items as well as for the items for which no detailed measurements are necessary are treated like advance payments and should be brought to account in the works accounts under the Suspense head "Contractor's Advance Payments". This will not only simplify accounting but will facilitate a watch over the prompt adjustment of the payments made.

Note :— As a percentage of the value of work done is withheld as security for the due fulfilment of the terms of the contract, the net amount remaining after the deduction of the portion withheld should be entered as the advance payment.

303-D. Payments other than those specified in paragraph 303-C above may be other recoverable payments, including the value of material supplied, which may have been made to the contractor or to others on his behalf. These should be entered in the accounts under the suspense head Contractor's-Other transactions.

303-E. From the final bill paid to the contractor (Form 27-B), the total advances made to him in the running account bills (Form 27-A) or other recoverable payments will be deducted by short payment from the total value of work done, and the recoveries so made will be shown as minus figures under the suspense heads concerned, in which the plus figures will already be outstanding.

303-F. Accounts of the transactions relating to lumpsum contracts should be maintained in the contractors Form 43 (PWD VI-91) in the manner described in section “G” of Chapter X, subject to the following subsidiary instruction.

303-G. As all ‘intermediate payments’ made on Form 27-A are regarded as advances, no figure therefrom will be posted in column 8, which is intended to show the amount creditable to contractor’s account on account of the value of work done. The first and last entry which will appear in the column will be the figure “F” given in Part I of the final bill Form 27-B. Column 9 need not be posted at all.

303-H. Figures for posting the other columns 4, 5 and 7 are indicated in the bills (Forms 27-A and 27-B) by the same distinguishing letters D, G and H respectively, which have been used to denote the corresponding entries in the ordinary bill Forms 25, 26 and 27.

304. 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 paragraph 313.

305. Hand receipt —Form 28 (C.F. 478): This is a simple form of voucher intended to be used for all miscellaneous payments and advances, for which none of the special Forms 24, 25 and 27 (P.W.D. V1-69, 70 and 74 respectively) is suitable.

(ii) Preparation, Examination and Payment of Bills

306. 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, vide paragraph 294(c). The bill should then be prepared, from the measurement entries, in one of the forms prescribed in paragraphs 298 to 305 applicable to the case. Full rates as per agreement, catalogue, indent or other order should be allowed only if the quality of work done or supplies made is up to stipulated specification. When the work or supplies fall short of that standard, and under the agreement, it is permissible to make a final payment if the contract is determined, or on an account payment if the contract is to run on only such a fraction of the full rate should be allowed as is considered reasonable, with due regard to the work remaining to be done and the general terms of the agreement.

(1) By a general or special order in writing, the Sub-divisional Officer may permit an executive subordinate, who has already been authorized to record measurements [paragraph 294(a)], to enter, in the abstract of measurements or directly in the bill itself the rates at which he recommends the payment for work done to be made provided-

(a) that the use of this permission is confined to those works in charge of the subordinate himself, the contract rates for which have already been approved by a competent authority;

(b) that no increase in an authorized rate is suggested without the prior sanction in writing of the competent authority;

(c) that when the authorized rate has not been fully earned, a suitable reduction is made therein and the reasons thereof are recorded briefly for the consideration of the Sub-divisional Officer; and

(d) that it is made widely known to contractors that all entries of rates made by subordinates in the abstracts of measurements and bills are subject to the approval of the proper disbursing officer.

(2) The contract agreement or written order in the case of petty works should always specify the rates to be paid for the several classes of work or supply and should not refer to the estimated rates. The fact that a revised estimate has been sanctioned is no authority whatever for the payment of rates other than those provided in approved agreements.

(3) Unforeseen items of work provided for by a lumpsum provision in an estimate, should be paid for only after actual measurement. The agreement should have a clause to this effect.

(4) The revision of rates after work is carried out is entirely inadmissible.

(5) As a general rule, payment for supplies is not permissible until stores have been received and surveyed, and provision for the observance of this rule should be made in all contracts for the supply of goods. In cases in which the operation of this rule might result in hardship, as for example, when costly stores are ordered from a distant firm and delay in payment is anticipated, an advance not exceeding 75 per cent of the value of the consignment despatched may be paid to the firm on receipt of the railway receipt of despatch, provided the firm is one approved by the Government and it is distinctly made clear in the agreement or otherwise that the payment is only of the nature of an advance. The amount should be debited to 'Miscellaneous advances' and the Audit Officer will place it under objection pending receipt of a bill based on actual measurements, adjusting the amount advanced.

Note (1) :— Advance payment may be made against the Railway Receipt at 90% of the cost of iron and steel materials supplied for Irrigation projects from non-subsidized imports and at 100% for materials supplied from subsidized imports.

(G.O.Ms.No. 1704, PWD, Dt. 22-11-1968)

Note (2) : — Advance payment may be made against the Railway Receipt at such percentage of the cost of material that is stipulated in the rate contract in respect of materials purchased under D.G.S. & D. Rate contract by the direct demanding officer.

(G.O.Ms.No. 1704, PWD, Dt. 22-11-1968)

Note (3) : — In respect of stores indented from firms of repute, outside the D.G.S & D. rate contract, advance payment not exceeding 90% of the value of the despatch documents may be made to the firms on the strength of the despatch documents which include test certificates and inspection notes, if any, prescribed under the terms and conditions of the tender or purchase

order. In cases where the despatch documents are sent through a Bank, advance payment not exceeding 90% of the value of the stores covered by the despatch documents may be made to the Bank and the despatch document got released, the Bank charges being borne by the firm. In both the cases, the firm should furnish the following undertaking before the advance payment is made.

“We undertake, in the event of any payment being made in advance of delivery, to deliver the material in accordance with the terms of the contract and in the event of its not being so delivered for any cases whatsoever or the material delivered by us not conforming to the specifications mentioned in the tender/purchase order, we will at option of the Government, refund the amount so paid in advance of delivery.

The Government also direct that the advance payments should be made for complete assemblies or materials only which have a specific unit-rate in the purchase order”.

(G.O. Ms. No. P.W. (Y), Dt. 13-9-1972)

(6) In special cases, however, where the Executive Engineers consider that the exigencies of service require it, store-keepers may be required to prepare petty bills connected with stores, such as bills for bandy hire, bills for coolies for handling stores, stock, etc., bills for repairs to tents, office furniture and the like and in these cases the bills or the nominal muster rolls should invariably be checked by either the Sub-divisional Officer or the Executive Engineer before payment is made on them. In no case should disbursements of public money be entrusted to store-keepers and store—clerks except with the special sanction of Government.

The Store-keeper of the Krishna Central division is permitted to make payments, from an imprest given to him by the Executive Engineer, on nominal muster roll below Rs. 25 passed by the Sub-divisional Officer or the Executive Engineer and on petty bills for conveyance of materials, etc., below the same amount and to pay railway freight charges below Rs. 10.

The Store-keeper of the Godavari Head works division is permitted to purchase petty articles and make payments therefor without pre-audit to the extent of Rs. 15(fifteen) a month from an imprest given to him by the Executive Engineer.

In special cases of distance over 10 miles where replenishment of petrol or diesel oil enroute cannot be avoided, the Executive Engineer concerned may authorize the opening of a suitable temporary imprest with the drivers of the lorries or other vehicles as the case may be and permit them enroute to purchase petrol or diesel oil to the extent required in each case.

307. 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 through

the payee who should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill.

(1) The value of each item of work in bills should be calculated to the nearest 5 paise i.e., amount below 3 paise should be omitted and amount 3 paise and above should be reckoned as 5 paise, but amount below 3 paise should not be omitted from the rates.

(G.O.Ms.No. 1704, P.W.D., Dt. 22-11-68)

(2) When the totals of contractor's bills or the amounts chargeable to each estimate in the case of works or supplies to be charged to more than one estimate, are not less than Rs. 25 fractions less than half a rupee should be disregarded and fraction of half a rupee and over taken as one rupee.

(3) If the contract is for the completed items of work and under the provisions of paragraph 327, the contractor is required to obtain materials of any description from Government, it should be seen that this condition is being complied with and that necessary recoveries of the cost of the materials supplied to him, are being made in accordance with paragraph 331. In such a case it is not permissible for the contractor to obtain the materials otherwise, unless in a case of emergency the supply has been entrusted by the Divisional Officer, for recorded reasons, to the contractor himself, at suitable rates.

(4) Before signing a first and final bill or the first bill on a running account, the Sub-divisional Officer should see the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements- vide paragraph 294(d).

(5) Sub-divisional Officers should observe carefully the rules in paragraph 284 of the A.P. Public Works Department Code, regarding the check measurement of works in the case of first and final bills and running account bills in excess of Rs. 500. See also paragraph 297 above.

(6) Works done in March shall be measured and paid for in the same way as work done in any other month, i.e., it should be ordinarily not paid for till April. Works completed in the early part of March may, however, be measured and paid for before the end of the month, if that would be the normal course in other months.

308. (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. See also paragraph 286.

(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.D. VT-II (a) 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 stores 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. 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.

309. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When the bill is prepared for work or supplies measured a remark to the effect "Bill submitted to the Sub-divisional Officer/Executive Engineer 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 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 were made.

(Substituted by G.O.Ms. No. 879, PWD, dt. 29-6-1971)

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

311. To ensure the proper performance of the duties imposed on the Divisional Accounts Officer under paragraph 532, et. seq., 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.

311-A. Contractors who are able to prepare their own bills should be supplied with Forms 24, 25, 27, 27-A and 27-B [PWD W- 69, 70, 74, 75(a) and 75(b) respectively, 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-vide paragraphs 293 and 294. 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. See paragraph 294 of the AP.Public Works Department Code.

312. (a) Payments for work done or supplies made in a running account on bill form PWD VI-70 and 74 should ordinarily be made monthly. Both the “quantities” and “amount” of each distinct item of work or supply should be shown separately in the bill except (i) in the case of advance payments made under paragraph 313 (b) 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 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.

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 on qualified acknowledgment. (vide Section 58 of the Indian Contract Act, 1872)

Note 1 : — A form printed on yellow paper is never to be used except for final payments.

Note 2: — Payment of any amount after the contractor has accepted final payment in settlement of all demands requires the special sanction of Government with the exceptions that disbursing officers are not precluded from entertaining a bona fide claim, which was deducted from the bill by mistake or through inadvertence and paying it without the sanction of the Government.

(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 the same running accounts; they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimate, for which separate works abstracts are prepared under paragraph 348, should also appear in separate running accounts.

In exceptional cases where more than one working estimate is covered by a single contract, the contract agreement should not be split up but the estimates should be consolidated to facilitate the maintenance of accounts of that contract. If this procedure cannot be observed, some special procedure

should be devised on the merits of each case by the Accountant-General. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relate to different account heads or where separate estimates whether relating to different account heads or not, are covered by a single running rate contract as in the case of the painting of roads, etc., and where separate agreements are drawn up on the basis of such rate contracts with other details varied to suit the requirements of each job.

313. (a) The system of making advance payments to contractors for a work executed under the piecework system has been adopted, certificate 2 printed on Running Account Bill A, Form 25 (P.W.D VI-70) must be signed by the 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, the certificate prescribed 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 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 recorded 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 estimates, whichever 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.

Note : — The job works in the Public Works Workshop, A.P. are, however, exempt from the operation of this rule, and the General Superintendent is empowered to make advance payments, up to the full amount of the agreement.

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

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

314. (Deleted)

(c) Aid to Contractors

315. It is necessary sometimes in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned, with a view to complete the work which he had neglected or failed to complete. In such a case, it is permissible to spend Government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor, nor should financial aid be given to him in any form, except in accordance with paragraph 197 of the A.P. Public Works Department Code.

(1) For rules relating to the issue of materials to contractors, see paragraphs 327 and 328.

(2) With a view to avoid subsequent disputes with the contractor, suitable intimation should be sent to him (1) as soon as action is taken under this paragraph, and (2) subsequently, as charges are incurred on his account.

IV —Payments to Workcharged Establishments

(a) Conditions of Employment

316. Rules for the entertainment of work-charged establishment are laid down in paragraphs 58 and 59 of the A.P. Public Works Department Code.

(b) Pay Bills

317. Wages of members of the work-charged establishment should be drawn and paid in Form 29 (P.W.D. VI-77 and 78), 'Pay Bill of Work-charged Establishment,' which is a combined pay bill and acquittance roll from a consolidated bill in this form should be prepared monthly either for the whole subdivision or for one or more sections of it, as may be convenient; but the names and claims of the entire establishment concerned, including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the 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 were on duty during the period shown against their names, each man being employed on the work and on the duties for which his appointment was sanctioned.

(1) Deductions on account of fines, income-tax, etc., should be shown by special entries against the names concerned.

(2) If the acknowledgment of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt, Form 28 (P.W.D. VI-76), which should then be attached to the bill as a sub-voucher.

(c) Unpaid Wages

318. 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 payment should be made on Hand Receipts, Form 28 (C.F.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.

(d) Travelling Expenses

319. No bills need be prepared in support of claims for travelling expenses. Payments should be made on Hand Receipts, Form 28 (C.F.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 to payment.

(e) Classification of Charge

320. Every payment made to a member of the work-charged establishment whether on account of his wages or in recoupment of actual travelling expenses should be charged to the work on which he is employed. The travelling allowance incurred in connection with journeys performed by lascars of work-charged establishment when they are sent to treasuries for encashment of cheques or for remittance of moneys from one office to another will, however, be debited to the contingencies of the respective subdivision or division to which the subordinates are attached.

C-Materials

I — General

321. Issues of materials to work, whether from stock or by purchase, transfer or manufacture, are divided into 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 entered into.

(2) *Issues directed to works* — Issues of materials when work is done departmentally or by contractor whose agreements are for labour only.

II—Account of Materials—at—Site

(i) Major Works

322. In the case of major works in which transactions relating to the materials- at-site are not likely to be heavy, an account in Form P.W.D. VI-83 should be maintained of all departmental materials brought on to the site of a work from any of the sources maintained in the preceding paragraph, 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 transactions relating to materials-at-site are likely to be heavy, the following procedure should be observed. An annual register in Form P.W.D. VI-83 B should be maintained in the Division and

Sub-division offices and Section 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.D. VI- 83 A in duplicate should be prepared by the Section Officer showing only those items of materials in which there are receipts and issues in a month and sent to the Subdivision office. One copy of the return will be retained in the subdivision for posting the annual register maintained therein and the other copy sent to the Division office for similar action. In the case of big works to which more than one Section Office is attached, the section statements will be consolidated in the subdivision and the consolidated return sent to the Division office, so 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 Section Officer and the Sub-divisional Officer in charge of a work in the form of annual register in Form P.W.D. VI-83 C 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.D. VI-83 D showing only those items of materials in which there are receipts and issues on a work in a month, should be submitted by each Section Officer, to the Subdivision Office 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 Section Officers the accounts of materials—at—site of all minor works and repairs and scrutinized them—vide paragraph 534(f) of this Code.

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 to the materials, the supply of which is retained in the heads of Government. It is important that the estimated requirements should be duly corrected whenever a revision of the original estimate 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 department's materials. Form VI-83 is intended to account for departmental materials alone.

323. 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 receipts giving a reference to the measurement book or in the case of receipts from stock to the invoice, in Form No. 7 (P.W.D. VI-II) or to the register of stock issued

in Form No. 8 (P.W.D. VI - 4) in cases governed by the last sentence of paragraph 187. -

- (1) Suppliers,
- (2) Store Department, London,
- (3) Stock or manufacture,
- (4) Other works, and
- (5) Other divisions and departments.

Note :— Materials already brought on to the site of 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.,

(1) It is important as far as possible, materials should be obtained only when actually required and to the extent of actual requirements - vide also note under paragraph 307 of the A.P. Public Works Department Code.

(2) 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.

324. When the materials are obtained by purchase, it is important that full details of the articles received should at once be entered in a measurement book, Common Form No. 298, in the manner prescribed in paragraph 294 (c). See also paragraphs 185 and 186.

325. In all cases materials issued direct to a work should, as soon as received, be brought into account as indicated below :

STATEMENT

	Source of receipt of materials	Head of account.	Value to be credited	Mode of effecting adjustment of cost.
(1)	Stock including manufacture.	Stock	At issue rates plus storage charges.	Through stock accounts at the end of the month.
(2)	Transfer from another work	Work concerned	At a valuation under paragraph 336(d)	By a special transfer entry in Form No.53 (P.W.D.-VI-10) prepared as soon as the materials are received.
(3)	Transfer from another division or department	Purchases from	At rates charged by the division or department concerned.	Do.

170	A.P. PUBLIC WORKS ACCOUNTS CODE			[Para 327
(4)	Supplies	Do.	At rates payable to the suppliers under their contracts.	Do.
(5)	Obtained through the Stores Department, London.	London Stores	The English cost vide paragraph 429 et seq.	Do.
(6)	Indian charges on item (5)	Head concerned	Actual charges incurred vide paragraphs 431 & 432	Through cash account or transfer entry as the case may be.

The full value credited to the head concerned should be debited to the work (paragraph 335) and also entered in the “materials- at-site” in the works accounts in cases in which works the accounts are maintained by sub-heads.

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

III — Issue of Materials to Contractors

(a) General Conditions

327. (a) The issue of materials to contractors executing work is generally permissible only in the following circumstances :-

(i) When it is decided to retain in the hands of Government the supply to the contractor of imported materials;

(ii) When, in the interest of work, or with the object of utilizing existing stocks of materials, it is desirable to retain in the hands of Government the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(b) In both cases the contract should specify (1) the materials to be supplied by Government for use on the work, (2) the place or places of delivery, and (3) the rates (including the storage rates when the materials are to be issued from stock) to be charged to the contractor for each description of material; and the contractor should be held responsible for obtaining from Government all such materials required for the work and for making payment therefor, by deduction from his bills, at the rates specified, regardless of fluctuations in the market rates or in the stock rates of the division. In cases where the value of materials (purchased by Government or drawn from Government stock) issued to a contractor or piece-worker is not covered by the work done by him or by payment in cash it is important that Government should be secured from any possible loss resulting from any failure on the part of the contractor or piece-worker

(Clauses 25 and 26 of the Preliminary Specification of the A.P. Detailed Standard Specifications provide for such security) and in the case of agreements with piece-workers on the K2 Form similar provisions should be embodied - see also paragraph 150 of the Andhra Pradesh Public Works Department Code.

1. The rates (including the storage rates when the materials are to be issued from stock) to be charged to the contractor for materials to be supplied should be definitely specified, vague quotations, e.g., "at stock rates", being avoided; and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption then that rate should be adhered to in the contract.

2. Similarly the rates to be allowed to the contractor for items of work should be definitely stated.

(c) No carriage or incidental charges are borne by Government for moving the materials beyond the place where the contractor has agreed to take delivery thereof.

(d) No sales tax need be levied on the cost of materials supplied to contractors and actually used on the works under the provision contained in this paragraph.

328. (a) As a general rule no other materials should be supplied to such contractor for use on works, but this restriction may be waived by the Sub-divisional Officer in respect of petty issues (at full Issue Rates) of materials from existing stocks, not exceeding Rs. 50 in any month for any one contract.

(b) If at any time subsequent to the execution of a contract on a thorough rate basis the contractor desires the issue to him, for use on a work, of materials which exist in Government stocks but the supply whereof by a Government was not provided for in contract, the materials should not be issued except with the express authority of the Divisional Officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate charged should be market rate prevailing at the time of the supply or the Issue Rate, whichever may be greater, and should include the storage charges and no carriage or incidental charges should be borne by Government in connection with the supply.

1. The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by the rule in paragraph 197 of the A.P. Public Works Department Code - vide paragraph 315 of this Code.

(c) Issues of stock materials to contractors for bona fide use on works are exempt from usual charge of 10 per cent on account of supervision, is made which when stock materials are sold to the Public. [paragraph 331 (a) of the A.P. Public Works Department Code].

Clarification to para 328 (c)

(Memo No. 786-C/75-3, Transport (R&B), Department, Dt. 15-9-1975)

The Chief Engineer, N.S.P, has sought clarification whether the issue of tyres and tubes for the lorries belonging to the contractors, when used in connection with execution of Government works, may be treated as for bona fide use for the purpose of para 328 (c) of the A.P.P.W.A.Code.

The Chief Engineer, N.S.P. is informed that issue of tyres and tubes for the cars and lorries of contractors, whether the vehicles are used for the personal work of contractors or are used in actual execution of Government works, cannot be treated as bona fide issue for purpose of para 328 (c) of the A.P.P.W.A - Code since it is the responsibility of the contractors to procure spare parts like tyres and tubes for their vehicles even if the vehicles are used in actual execution of Government works.

(d) The issue of materials to contractors under the provision in this paragraph is not exempted from the usual levy of sales tax.

(b) Accounts procedure

329. All materials required for issue to a contractor under any of the provisions of paragraphs 327 and 328 should be made over to him, as soon after their receipt as possible, but not far in advance of their requirement for actual use on the work, and an unstamped but dated acknowledgment detailing full particulars of the materials, the rates and values chargeable to him should at once be taken from the contractor. The issue of materials should simultaneously be entered in the issue account of Form No. VI-83.

330. On the authority of the contractor's acknowledgment the cost chargeable to him under paragraph 321 or 327, as the case may be, should be debited at once to his personal account by charge 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. (See paragraph 366). If the amount charged to the contractor's 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 the head "Materials-at-site" in the works and site accounts, the difference being treated as additional final outlay under a 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". (see paragraph 351).

1. The object of this rule is to ensure that the full amount chargeable to the contractor is debited to his account as soon as the materials are delivered; so that (1) he may not receive payment, at full rates, for the completed items of works prior to the value of Government materials used by him therein, being charged to his account, or (2) his final bill for work

done may not be settled before the full value of materials recoverable from him have been debited to his account.

It is for this purpose that the debit to the contractor's account is required to be made in the above paragraph as soon as the materials are delivered to him, by credit to the suspense head "Materials-at-site" in the works account of the final head in the case of minor estimates, although the actual cost of the materials may not have been paid or adjusted by Government at that time - vide paragraph 325.

331. 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 or by an on account payment.

332. As the issue of materials to contractors under the foregoing rules is permissible solely for the bona fide 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 rate at which any materials are issued under paragraph 327 are lower than the prevailing market rates, or the latter are expected to rise appreciably. It can be watched that aggregate of the quantities of any or 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-vide paragraph 322.

EXECUTIVE INSTRUCTIONS

1. Escalation Clause for K2 & L.S. Contracts

(G.O. ms. No. 2152, PWD, dated 30-12-1970)

The Government have evolved a suitable escalation clause for incorporation in both K2 and L.S. Contracts.

A Schedule of quantities of important materials like steel, cement etc. required for execution in accordance with the requisite specification is appended hereto (for which recovery will be effected). If these materials drawn according to Schedule are short use, the excess quantity so drawn should be returned to the Department in good condition and no payment will be made to the contractor therefor. If they are not so returned to the Department their cost will be recovered at the market rate prevailing at the time of supply or the issue rate whichever is greater plus storage charges plus supervision charges at 10% plus sales tax if leviable.

If materials are drawn in excess of the theoretical requirements indicated in the appended schedule, the excess quantity should be returned

to the Department in good condition. if they are not so returned to the Department their cost will be recovered at issue rate plus 100% surcharge or market rate whichever is higher plus storage and sales tax if leviable.

Percentages for wastages need not be fixed afresh as standard data covers wastage also.

2. Issue of materials to contractors - Statements of consumption of materials - preparation and indication of 'M' Books and final Bills - Instructions - Issued.

(Memo No. 1959-CodnI72JIO, P.W.D., Dt. 28—1—1974)

Ref : —1. From the A.G.A.P. Lr. No. WM-I/B 16-1/72-73/108 dated 18-11-1972.

2. From the Chief Engineer(MI&GI) Lr. No. M84/321/73 dated 21-11-1973.

Para 32 of the A.P.W. 'A' Code lays down that the Sub Divl. officers should make such arrangements as may be deemed suitable for limiting the total issue of material to contractors for use on Govt. works to the reasonable needs of the works. The Accountant—General, A.P. had pointed out that in order to fulfil the above provision the Department has to prepare statements of consumption by working out theoretical requirements and indicate them in the measurement books and also in the final bills. The procedure is stated to be in the vogue in Government of India. The Accountant—General, Andhra Pradesh has suggested that similar procedure may be adopted in the State also.

The Government have examined the Accountant-General's suggestion in consultation with the Chief Engineer, Irrigation and General. It is noticed that the statements are generally prepared and sent to Audit along with the final bills and in many cases mentioned in the measurement books also. The Government agree to the Accountant-General's suggestion and the following instructions are accordingly issued

When materials are issued to contractors for use on Govt. works theoretical requirements should be worked out and statements of consumption prepared and indicated in measurement books. The statements of theoretical requirements and actual consumption in respect of works for which contracts have been sanctioned by the authority higher than the Divisional officer should be sent along with the final bills to the Audit.

(c) Return of Surplus Materials by Contractors.

333. Government does not undertake to take over from contractors whether before or after the completion or determination of contracts, surplus materials which were originally procured by the contractors for themselves or were issued to them and charged to their accounts under paragraph 329. Such materials are the property of the contractors and can be taken over by Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the materials were originally supplied by Government the price allowed to the contractor

on re-acquisition should not exceed the amount charged to the contractor excluding the storage charges, if any.

1. Contractors are, however, not at liberty to remove from site of works without the written permission of the Divisional Officer materials which have been issued to them for use on a work; and a stipulation should be provided for as in clause 26 of the Preliminary Specification of the A.P.Detailed Standard Specifications in piece work agreements, in cases where Government materials are to be supplied to piece-workers.

(d) Tools and Plant lent for use

334. The rules in paragraphs 322 to 333 do not apply to tools and plant. Articles borne on tools and plant account of the division may, in accordance with paragraph 340 of the A.P.Public Works Department Code, be let temporarily on hire to contractors for use on Government works. (See also paragraphs 223 and 226).

IV— Issue of Materials to Direct Works

(a) Detailed Accounts.

335. (a) In the case of Minor estimates, the cost of material 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 upon 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 VI-83-C and 83-D-vide paragraph 322.

(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 VI-83, grouped according to the sub-heads of Issue. At the end of each month, the total of the issues under each sub-head should be charged under the respective sub-head of the Works Abstract, by credit to the suspense head “Materials-at-site”.

Note : — Materials already brought on to the site of 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.,

(b) Disposal of Surplus Departmental Materials

336. (a) Materials-at-site of works in excess of requirements may be transferred to other works on which they are required or to stock provided that they are serviceable and certain to be required.

(b) All surplus materials-at-site of works transferred to works in progress or brought on to the stock account in accordance with paragraph 335 of the A.P.Public Works Department Code should have their value credited to the work concerned and debited to the work to which they are transferred or to the stock accounts, as the case may be.

(c) A list of surplus materials not disposed of under clauses (a) and (b) above 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.

(d) Materials returned to store or transferred to other works should be priced within current market rates, and resultant loss being borne by the work to which they were originally issued and the disposal of materials being shown in the materials-at-site accounts also.

(e) The loss by the disposal of surplus materials at less than the book value, vide paragraph 432 (c) (i) of the A.P.Public Works Department Code, should be debited to the work for which the stores were originally purchased.

1. These rules do not apply to surplus materials which were originally procured by contractors for themselves or were issued to them and charged off to their accounts under paragraph 329. (See paragraph 333)

V—Verification of unused Balances of Materials

337. Unused balances of materials-at-site should be verified at least once a year in the manner prescribed in paragraph 325 of A.P.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 VI-83 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 V in the forms and the differences, if any, between this balance and the actual balance as verified against line D.

(b) The quantities of principal items of materials probably used in work should be noted against line B. 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 VI-85.

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

(d) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the difference as per lines D and F, (ii) if the work has been completed, to dispose of the surplus balances as per line 0; and by signing the printed certificates applicable to the case and scoring out the others.

(e) The differences as per line F may be due to (1) adoption of method of determining the actual consumption, (2) unreasonable wastage, or (3) shortage in some other form. The discrepancies as per 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 paragraph 342.

338. 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 account of the work may promptly receive such credits as may be admissible under paragraph 336, and (2) the balance at debit of the suspense head “Materials-at-site” representing the unused surplus materials may be reduced to a minimum.

339. On the completion of a work, the surplus materials-at-site should be disposed of without delay in accordance with paragraphs 335-337 of the A.P.Public Works Department Code.

340. If the Gazetted officer or subordinate in direct charge of a work is transferred before the accounts of it are closed, the unused materials-at-site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in paragraph 337 should be prepared by the Sub-divisional officer and submitted to the divisional Office.

341. 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 VI-83 and submitted to the Divisional Office in the manner described in paragraph 338, as on completion of work, but it is not necessary that the balances should be verified at the close of the year if -

- (1) the work has been under construction for not more than three months,
- (2) the accounts of the work are expected to be closed within three months, or
- (3) the balances were verified at any time during the year.

342. Reports of verification of materials in Form W-83 prepared under paragraph 337, 338, 340 and 341 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 VI-84. A separate folio of the register should be reserved for each work for which materials-at-site account is kept, and for facility of reference, the register should have index.

(b) Each report of verification in Form VI-83 should be entered in part I of Form VI-84 as soon as received.

(c) The difference, if any, between the closing balance and the actual balance as verified - line D of Form VI-83- should be recorded in Part II of Form VI-84 and the paper balance of unused materials- line F of Form VI-83- in Part III of Form VI-84. Part IV of Form VI-84 is intended to show how the materials remaining unused, i.e., the actual balance of materials on completion, as per line C of Form VI-83 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 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 contractors 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 “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-needs 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 reduced valuation should be adjusted in the works accounts by a charge to the sub-heads concerned by credit to the sub-head “Materials-at-site”.

Note : — The adjustments in clauses (f), (g) and (h) in the works accounts are only between sub-heads therein and do not affect the total outlay on the work. No adjustments 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 clauses (f) and (g) in the numerical site accounts for future purpose.

D —Adjustments

343. In addition to cash payments and issues of materials there are other transactions relating to the accounts of works, which are of the nature of adjustments usually recorded in the Transfer Entry Book of the Divisional Office. The detailed rules governing such transactions are given in Ch. VIII.

E —Works Abstracts

I — Introductory

344. An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared

by the Sub-divisional Officer in one of the Works Abstract forms. Except in the cases mentioned in rule 2 below, 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 Provincial Civil Works and Rs. 2,000 for Central Civil Works, and in the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads should be lumped together. For such works and for those Minor Estimates for which the Superintending Engineer or other sanctioning authority may desire accounts to be kept by sub-heads, the detailed Form of Works Abstract A.No. 33 (P.W.D. VI-81) should be used. For other Minor Estimates the simpler form of Works Abstract B. No. 34 (P.W.D. VI-82), should be used in which the account of the final outlay is not kept by sub-heads.

The estimate, account and completion certificate of petty works are ordinarily prepared on a single form, Petty Works Requisition and Accounts Form 32 (C.F.No. 145), and separate Works Abstracts are not necessary. But when the accounts of the work involve transactions which cannot be suitably recorded in Part IV of Form 32 (C.F.No. 145) (e.g.) Advance Payments, or other transactions of Contractors) the accounts should be kept on the simple form of Works Abstract, Form 3 (P.W.D VI-82).

(1) Percentage charges on account of establishment, Tools and Plant, Account and Audit and Pensionary charges, levied on works expenditure, under Rules 5 and 11 of Appendix 7, should not be shown in works Abstracts and Registers of Works, though they are eventually included in the cost of works - vide Rule 2 to paragraph 558.

(2) The maintenance of works accounts by sub-heads will be unnecessary in the case of all repair works, whatever their cost may be and in the following cases of original works —

(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 sub-work, or part of sub-work, for which a separate Works Abstract has been kept under paragraphs 345 and 348 is less than 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 the orders specifying the reasons will be forwarded to the Accountant-General.

345. Ordinarily there should be one Works Abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a Works Abstract separately for each sub-work.

II—Classification and Record of Final Charges

(a) Major Estimates

346. The division of a major estimate into sub-heads for the purpose of accounts is guided usually by the classification sanctioned in the abstract of the estimate. (See paragraph 112 of the A.P.Public Works Department

Code). In all cases miscellaneous charges of a general nature which do not pertain to any sub-head in particular, may be treated as separate sub-heads, being grouped under one or more heads e.g., “Work charged establishment”. “Contingencies” etc. (See paragraphs 58, 59 and 117 of the A.P.Public Works Department Code).

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.

347. 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 paragraph 112 of the A.P.Public Works Department Code. The details of cost and quantity 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.

348. 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 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.

349. (a) The account of each sub-head in the Works Abstract should ordinarily exhibit -

- (1) “amount” i.e., total charges finally classified under the sub-head,
- (2) “progress”, i.e., total quantities executed from time to time; and
- (3) “rate of cost” i.e., cost per unit on the basis of the recorded “amount” and “progress”.

(b) In the case, however, of sub-heads which have been lumped together under paragraph 344 above, or sub-heads representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of “progress” and “rate of cost” in the accounts is not necessary, the entries in the “amount” column being sufficient.

(c) In other cases the “progress” and “rate of cost” should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed with in the following cases under written orders of the Divisional Officer which should specify reasons : —

- (1) If the duration of construction under the sub-head is not expected to be more than three months.
- (2) If the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

350. The charges classified under a final sub-head should include all ordinary expenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to the sub-head concerned unless they are recoverable from the contractor under the terms of his agreement. But if the amount involved be so large as to affect sensibly the cost or rate of the sub-head, it may be debited to the sub-head “Contingencies” instead, or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimates.

351. 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 therefor under paragraph 327 or 328, as the case may be, are either more or less than the actual cost to Government. This Sub-head should bear all losses on this account and receive credit for all profits as explained in paragraph 330. The carriage and incidental charges on account of materials issued to contractors, should also be debited to this head, if, under paragraph 389, they are chargeable to the work.

352. If any receipts or recoveries are credited under the rules to the account of a Major Estimate, a special sub-head should be opened in the Works Abstract for the reception of all such credits.

(b) Minor Estimates

353. If the Superintending Engineer has desired the account of a Minor Estimate to be kept by sub-heads (vide paragraph 344), the rules in paragraphs 346 to 351 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 paragraph 335 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 34 (PWD VI-82)

III—Suspense Accounts

(a) General

354. In addition to the head “Final charges, or the final sub-heads in the case of Major Estimates, a few suspense accounts are opened in Works Abstracts LO record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned

or the correct classification of which cannot be immediately determined. These accounts are -

- (1) "Materials-at-site" - for the record of the receipts and issues of materials,
- (2) "Contractors-Advance payments" - for the record of advance payments and of their recoveries,
- (3) "Contractors - Other transactions" - for the record of all other debits or credits to contractors awaiting settlement, and
- (4) "Labourers"-for the record of unpaid- wages of labourers and of their subsequent payment.

(b) Materials-at-site

355. The suspense account "Materials-at-site" has already been referred to in paragraphs 330 and 335. This sub-head should be opened in the Works Abstract of Major Estimates. It may also be opened in the case of Minor Estimates if the transactions are of sufficient importance
-vide paragraph 344.

(c) "Contractors" and "Labourers" Accounts

356. Advance payments made to a contractor under the provisions of paragraph 313 should not be charged off as final outlay on the work or under any sub-head of it. A suspense head, "Contractors - Advance payment", should be opened in the Works Abstract [Form (PWD VI -81) or 34(PWD VI - 82), as the case may be], for the record of advance payments and their subsequent adjustment.

357. Advances made to contractors under paragraph 197 of the A.P.Public Works Department Code as well as all recoverable payments made under proper authority to labourers and others on behalf of contractors, should be treated as advances made on account of the work concerned. They should not be charged to the general suspense head "Miscellaneous Public Works Advances", but incorporated in the Works Abstract as suspense transactions under the head "Contractors - Other Transactions (As Amended by G.O.Ms. No. 442, PWD, dated 12-3-1966)

358. The head 'Contractors-Other transactions' is intended for watching the ultimate payment of the unpaid balances of contractors' accounts. Similarly the head 'Labourers' is meant for the clearance of the unpaid wages of labourers. If a Running Account Bill or Muster Roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the Works Abstract as final charges or as expenditure in 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'.

359. The Forms (Nos. 33 and 34, PWD VI-81 and 82) of Works Abstracts provide a column for each of the suspense accounts enumerated in paragraph 354. The use of the head 'Materials-at- site' is explained in paragraph 335 and the foot-notes printed on the forms of the Works Abstracts

explain the mode of making both original and adjusting entries under the other suspense heads.

360. If any wages of labourers remain unpaid after the completion of a work, the accounts of the work may be kept open for a period of one month which may be extended to three months at the discretion of the Divisional Officer. Thereafter the accounts of the work should be closed, the balance under the suspense head 'labourers' being left unadjusted. This amount should be shown in any Completion Report or Statement that may be prepared under the rules in paragraph 216 of the A.P.Public Works Department Code, by a special remark, as a liability against the work, so as to arrive at the amount actually brought to account.

1. If unpaid wages of labourers are claimed and paid subsequently 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 office against the closing entry relating to the original work in the Register of Works. Where, however, it may prove more convenient, the accounts of the work may be reopened at the discretion of the Divisional Officer.

361. The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect should be recorded in the bill, the account of the work as passed on the bill should be incorporated in the Work Abstract on the authority of the bill and the balance due to him should be 'removed from the accounts of the work by credit to the head "Public Works Deposits", to be dealt with thereafter under the rules relating thereto.

1. 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, the account should be Settled by a recovery in cash or otherwise, but if an immediate recovery is not practicable, the balance should be removed by debit to the head 'Miscellaneous Public Works Advances'.

Note : — If a contractor delays receiving payment of amounts due to any dispute as a result of which the unpaid amount has to be transferred to Public fund to be held as deposit under P.W.Deposits, and if the contractor subsequently obtains a decree from the Court for a larger amount, the entire expenditure should be charged to the Consolidated Fund, irrespective of the fact that a part of the amount was already voted out of Consolidated Fund and kept as a deposit in the Public Account, before making payment in satisfaction of the Court decrees, the amount standing to the credit by the contractor under P.W.Deposits should however be cleared by reversing the initial adjustments. These provisions will not, however, be attracted where a refund of security deposit of revenue is made in satisfaction of a court decree. (G.O.Ms. No. 405, PWD, Dt. 31-3-1969).

362. 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 “Details of Contractors’ closing balances” and the suspense head “Labourers” in the Works Abstracts should be examined monthly. Subject to the provisions of paragraphs 360 and 361, these accounts should be cleared before the accounts of a work can be closed on completion.

IV— Liabilities Awaiting Incorporation

363. 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 - vide paragraph 358.

(b) The value of materials received from sources other than stock (including manufacturer), whether for Issue to contractors or for issue direct to works, is at once brought into the accounts of works even though payments to suppliers and adjustments crediting the transfer accounts concerned may not be made at once - vide paragraphs 325 and 330, and

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account - vide paragraphs 360 and 361.

Disbursing Officers are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date-vide subparagraph in Art. 38 of the A.P. Financial and Accounts Code, Volume I.

364. If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 315, arrangement should be made for withholding sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 287 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 works as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

V—Record of Progress

365. Entries of “progress” in the Works Abstracts - vide paragraph 349 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 Engineering subordinate in charge of the work or by any executive offices or subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books, vouchers or other records, by members of the office establishment, should not be permitted. The following points should be specially borne in mind—

(i) Only “quantities” actually measured and paid for should be reported as “progress”.

(ii) The progress reported should specify the quantities executed “up to date”; sets of earlier measurements covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be so reported as to be described as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

Note : — It is recognized that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary, but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be disposed with in cases covered by paragraph 349.

VI—Preparation, Completion and Disposal of Works Abstracts

366. 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 connected bills of contractors and supplies, cash refunds being posted as minus entries. At the end of the month stock and adjustment transaction also should be added, writes-back of final charges of being posted as minus entries.

When the form of the Works Abstract contains the column “Materials-at-site” (see paragraph 355), the charges debitable to the work on account materials should be posted in the receipt column of the suspense head “Materials-at-site” from the cash book and concerned 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 “Contractor - Other transactions” even though the debit to the work on account materials may be made later on - vide paragraph 330. 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 material to the respective sub-heads for which they have been issued by credit to the suspense head “Materials-at-site”.

In the detailed statement provided for the purpose, quantities of work executed should be posted from measurement books or other sources and the closing balances of contractor’s accounts should be detailed so as to prove the correctness of the up-to-date totals under the suspense heads (1) Contractors-Advance payments, and (2) Contractors - Other transactions. The balance at the debit of the suspense head “Materials-at-site” in the Works Abstract should be reconciled with that in the detailed account in Form No. VI-83. The closing balance arrived at under the suspense head “Labourers” in each case should be reconciled with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Sub-divisional Officer. The Works Abstract should then be forwarded in original to the Divisional Office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer and the abstract checked and closed under the

supervision of the Divisional Accountant, who should record a certificate in the following form-

“This Abstract has been checked by me/under my supervision I have personally compared all the items in the ‘Details of Contractors’ closing balances” with the contractors’ Ledger and found them correct.”

1. The posting of stock and adjustment transactions may, if preferred, be done entirely in the Division Office.

2. Postings made in the Sub-divisional Office should be in black ink and all postings and corrections made in the Divisional Office, in red ink.

3. Office copies of Works Abstracts need not be kept; but before the Works Abstracts sent to the Divisional Office, the up- to-date totals should be entered in the returns for the following month.

367. 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 performance of this duty.

F — Register of Works

I—Forms of Register of Works and their Preparation

368.(a) The permanent and collective record of the expenditure incurred in the division, during a year, on each work estimated to cost more than Rs. 10,000 is the Register of Works. This record is maintained in the Divisional Office. The object of this register is to get an analysis of the cost of sub-works and sub-heads, the rate or cost of work and to foresee as far as possible excesses over estimates.

(b) There are two forms of Registers of Works corresponding respectively to the two forms of Works Abstracts. Forms 33 and 34 (P.W.D. VI-81 and 82) for Major and Minor Estimates. The detailed Form 40 (P.W.D. VI-89) should be used for Major Estimates and the simple Form 41 (P.W.D. VI-90), for Minor Estimates. In respect of petty works no record is necessary beyond the Petty Works Requisition and Account Form 32 (C.F.No. 145) which is self-explanatory but, if desired, expenditure on these works may be recorded in the Register of Works for Minor Estimates, Form 41 (P.W.D. VI-90).

369. These Registers of Works are posted monthly from Works Abstracts. A separate folio of Form 40 (P.W.D. VI-89) should be assigned to each major estimate but entries relating to minor estimates can be made on a single page of Form 41 (P.W.D. VI-90). When separate Works Abstracts are prepared, under paragraphs 345 and 348 for the sub-works or parts of a major estimate, the transactions relating to each Works Abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the costs of the work and

its sub-works with the provision in the estimate. The following instructions should receive special attention -

(a) The register of works is not a classified account of works; for facility of reference it should be supplied with an index which should be sub-divided under the prescribed heads of account classifications.

(b) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amount sanctioned should be entered below the corresponding amounts of the original estimate and both totaled. But when a revised estimate is sanctioned, the register of the original estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked, "Revised Estimate" in red ink, and a reference to the folio on which the original estimate is to be found should be entered thereon.

(c) In the case of works for which specific appropriations are sanctioned individually, vide paragraph 104, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(d) The blank vertical columns in Form 40 (P.W.D. VI-89) should be utilized for the final sub-heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub- columns for "quantity" and the horizontal columns for "rate of costs" should be left blank in respect of sub-heads for which there are no quantities in Works Abstracts (vide paragraph 349).

(e) In Form 41 (P.W.D. VI-90) the final charges on works should be posted in the column "Total value of work done" and the single column "Suspense Accounts" should embrace the transactions under all the suspense accounts.

II—Examination by Divisional Officer

370. Before the date of submission of the monthly accounts to the Audit Office, 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 initialled (and dated) by the Divisional Officer in the column set apart for the purpose, in token of his having examined the entries and found them correct. Actual as well as probable excesses, whether in the total cost of a work or sub-head or in the rate of cost of a sub-head, should receive special attention, and works slips in form 39 (PWD VI-87 and 88) should be prepared and submitted to the Superintending Engineer when necessary (vide paragraph 36 of the A.P. Public Works Department Code).

(1) 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 audit and the completion of the works abstracts (paragraph 366) should not be delayed on this account.

(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 enquired into; see also paragraph 371. If the slow progress of expenditure is due to delays in measuring work done or in the setting up bills, the cause at work should receive attention.

Note : — This paragraph is not applicable to the Public Works Workshops; but the register of workshop job 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 at least 5 per-cent of the jobs under execution and record a certificate to that effect.

III —Closing the Accounts on Completion of Work

(a) Settlement of Liabilities and assets and Clearance of Suspense Accounts

371. It is an object of great importance to close the accounts of works as soon as possible after the actual work of construction is completed (vide paragraph 32 of the A.P.Public Works Department Code). 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.

372. Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, e.g., paragraphs 89 to 93 of the A.P.Public Works Department Code have been duly made in the accounts that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts “Contractors” and “Labourers” have been cleared (vide paragraphs 359 to 362). If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

373. The steps to be taken to clear the suspense head “Materials-at- site” have been detailed in paragraphs 336 to 338 and 342.

374. The sub-head “Additional charges for materials issued to contractors” (paragraph 351) should receive the special attention of the Divisional Officer who should if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractors and the actual cost to Government should not be accepted as correct without close examination.

375. The accounts of annual maintenance estimates must be closed in the month fixed by Government, under paragraph 136 of the A.P.Public Works Department Code as the last month of the working year for the purpose.

Ordinarily, it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts before the expiry of the working year. If, in any exceptional case, any work remains to be done and, in accordance with paragraph 137 of the A.P.Public Works Department Code it is proposed to carry it on to completion, action should be taken as under : —

(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 Public Works Advances' as the case may be, which should be, relieved in the following month by retransferring 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.

(b) Closing Entries and Review of Expenditure

376. (a) When the work is completed and the accounts of it have been settled and written up as indicated in paragraph 342 and 372 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 paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

(b) If it is a Deposit Work, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

(c) Excesses over Estimates

(i) Excesses passed by Divisional Officer

377. If the total expenditure on the work is in excess of the sanctioned estimate and the excess is passed by the Divisional Officer under his powers, the words "Excess passed by me" should be added to the completion note recorded under paragraph 376.

(ii) Completion Reports and Statements

378. If, however, the excess is not within the Divisional Officer's powers to deal with, a Detailed Completion Report in Form 44 (P.W.D. VI-93) should be prepared or the item should be included in a consolidated Completion Statement of works and Repairs in Form 45 (P.W.D. VI-94) as may be required under the rule in paragraph 216 of the A.P.Public Works Department Code. The completion note in the Register of Works should then be amplified thus — Work completed in 19 . Completion statement report submitted with this office letter No.

The orders passed subsequently by higher authority on the excess reported in the Completion Report or Statement should also be noted in the Register of Works to complete the record.

IV—Correction of Errors after Closing Accounts

379. Should an error or omission in the recorded expenditure of a Work come to light after its accounts have been closed (see paragraph 32 of the A.P. Public Works Department Code), the account may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant document concerned.

G — Contractor's Ledger

[The rules in this section apply to all transactions with contractors in connection with the contracts or jobs undertaken by them, whether relating to the execution of works or to the supply of materials for works or stock.]

I—Form and Use of the Ledger

380. The accounts relating to contracts should be kept in the Contractor's Ledger, Form 43 (P.W.D. VI-91), a separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained - vide paragraph 381.

381. Except in the following case a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him :-

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, Form 24 (P.W.D. VI-69), on completion. If any materials are issued to the contractor or any payments are made on his behalf, and a ledger account must be opened.

Note : — No personal ledger accounts need, however, 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.

II—Posting the Ledger

382. The Contractor's 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 if he maintains one, the divisional office may not require him to furnish extracts therefrom.

Note : — As the Sub-divisional Officers are responsible for the clearance from works accounts of all outstandings against contracts, vide paragraph 201 (b), a list of balances due to and from piece-workers and contractors should therefore be maintained by them, and this may preferably be done in the same form as the contractors' ledger.

383. Except when a contractor's account is to be closed and the procedure prescribed in paragraph 361 is observed in respect of unpaid

bills, the value of work done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 327 and 328 should be debited to his account on the authority of his acknowledgment, see paragraph 330.

(1) Security deposits of contractors should not be included in their personal accounts in the ledger - vide paragraph 453.

(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 for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash.

384. (a) The form of the ledger provides for the following columns:

Particulars of bill or voucher—

1. Date
2. Voucher number
3. Serial number, if a running account bill

Net transactions detailed by suspense heads—

4. Advance payments
5. Other transactions
6. Name of work or account and particulars of transactions.

Gross transactions —

7. Debits.
8. Credits
9. Total value of work or supplies
10. Remarks.

(b) Columns 7 and 8 constitute the ledger account proper and columns 4 and 5 set forth the net effect of each posting of the two suspense heads making up the account. Column 9 is also not a part of the personal account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(c) Columns 1 to I and 10 require no explanation. Instructions for filling in columns 4 to 9 in the case of personal accounts are given below

(i) **Column 5 - 'Name of work etc'** : — here should be entered the full name of the work to which the bill or vouchers relates except in the case of suppliers' bills when the name of the account concerned, Stock

or Purchases, should be stated. Brief particulars describing the nature of the transactions should then be added and against the line should then be posted, in the money columns 4, 5, 7, 8 and 9, the figures relating to that transaction only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connection with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 5 and 8 against the name of the work concerned.

Note : — IF there are several contracts in connection with a work or account, the transactions relating to each should be distinguished preferably, by quoting the number and date of agreement or work order.

(ii) Column 4— “Advance payments “ : — If the bill is a Running Account bill A, Form 25 (PWD VI-70), figure D of Account I should be posted in this column.

(iii) Column 5— ‘Other transactions’ : — In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a First and Final Bill, Form 24 (PWD VI-69), no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(iv) In columns 4 and 5 debits to contractors should be posted as plus entries and credits as minus entries.

(v) Column 7— “Gross transactions — Debits — If it is a running account bill, figure H of the memorandum of payments should be posted in this column; otherwise the total amount paid or chargeable.

(vi) Column 8— “Gross transactions — Credits” :—Here should be entered the value of work or supplies creditable to the contractor, which will be figure F of Account I in the case of running account bill.

(vii) Column 9— “Total value of work or supplies” — In the case of running account bills here should be entered the total value of work done or supplies made up to date, as per figure A of Account I of Bill, but before posting the bill it should be seen that the figure shown in Account I of it as “Deduct value of work shown on previous bill” agrees with the last entry in column 9 of the ledger against the work concerned. In token of this check this last entry in column 9 should be initialled (and dated) by the Divisional Account Officer.

III — Balancing and Reconciliation

385. The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding, if any, under each of the two suspense accounts, (1) Advance payments, and (2) Other transactions, with a quotation, in each

case, of the last running account bill and of all the vouchers supporting unadjusted outstanding under “Other transactions” not incorporated in the last running account bill. In the case of running account bills, these balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded:

Class of Balance		Serial number of entry in memorandum of payments on bill form.	
		Running account bill A.	Running account bill C.
(1)	Advance payments	2	---
(2)	Other transactions	4	2

Note :—See note to paragraph 384 (c) (i).

386. The Divisional Accounts Officer should be held responsible for the correctness of the Contractor’s Ledger and for securing agreement, month by month, between the balances detailed in the works abstract and the corresponding balances of the accounts in the ledger. He should further see 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.

387. (a) Periodically all the personal accounts in the ledger should be examined to see (1) that balances do not remain outstanding for a long time without justification, and (2) that, in the case of running accounts, bills are prepared at reasonable intervals.

(b) Entries in column 9, “Total value of work or supplies,” not bearing the initials of the Divisional Accounts Officer recorded under paragraph 384 (c) (viii), should be reviewed in particular to ascertain the cause of delay, if any, in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion so as to ensure that all outstanding accounts in it are carried forward to a new volume.

IV—Scrutiny of Accounts by Contractors

388. A contractor requiring a copy of his running account bill or an extract from his account in the Contractor’s Ledger should be furnished with the same. He should be encouraged to look at his account in the ledger and sign it in token of his acceptance of it. See also rule 2 under paragraph 315.

H — Sundry Rulings

I — Carriage and Incidental Charges

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

Name of issue of materials	Head chargeable in the account of the work.
I. Issues to contractors under paragraph 327 —	
(a) To the promised place of delivery.	“Final charges” in the case of minor estimates and “Additional charges for materials issued to Contractors in the case of major estimates.
(b) Beyond the place of delivery, if incurred.	The personal account of the contractor under the suspense head “Contractors-Other transactions”.
II. Issues to contractors under paragraph 138.	Do.
III. Issues direct to work	The sub-head to which the cost of the materials is charged.

(b) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or returned therefrom, should be adjusted. in the same way as the cost of carriage.

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

II—Charges for Examination of Soil

390. The expense attendant upon the necessary examination of the soil for the foundations of works ordered by competent authority should be treated as outlay on works and not as a contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved.

III—Municipal and Local Rates and Taxes on Buildings

391. Municipal and local rates and taxes on Public buildings, residential or non-residential, when chargeable to the Public Works

Department, as the department is in administrative control of the building, should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

IV—Employment of Military Labour

392. When military labour employed on the execution of a work, the Officer Commanding the unit can obtain from the Controller of Military Accounts concerned, a lumpsum advance to meet heavy initial expenditure up to Rs. 10,000 but not exceeding one quarter of the approximate total amount payable on the contract, ascertained by, the employing authority. The debit on account of the advance made will be received from the Controller through the exchange account, and the responsibility for the final adjustment of the advance by recovery from the value of the work done rests with the employing authority.

V—Execution of Government Works by Local Bodies

393. 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 payments made to it on this account should be treated as a payment for work done by a contractor. If lumpsum payments have been agreed upon, the procedure for setting 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 charge is set forth; and

(c) that as far as possible, the liability of the year is settled within that year (see also paragraphs 285 and 375).

1. These payments should not be charged to the minor head “Grants-in-Aid”, that head being intended for cash contribution made to local bodies in connection with (1) roads which are either not the property of Government, or being such property, have been transferred to the control of a local body, (2) miscellaneous civil works, the cost of which if constructed by the Public Works Department would be chargeable to the minor head “Original Works - Buildings - Civil Works”, and (3) for the financial assistance given to these bodies in the form of expenditure incurred in the Public Works Department on a work constructed by that department on their behalf.

VI — Government Works Partly Contributed or by Local Bodies and Private Parties.

393-A. (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 Government on certain works, e.g., maintenance of roads, bridges, hospitals, etc., taken over under Government

control, or Government irrigation works, etc. (see paragraph 209 of the A.P. Public Works Department Code), should be credited finally in the accounts to the appropriate heads of revenue - vide Statement E of Appendix

4. 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 Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of cost or the Collector's distribution in the case of Tank Restoration Scheme Works, should be carried out just before the accounts of the works are closed.

Note 1 : — Centage charges in respect of such contributions should, in addition, be recovered at the rates specified in rule 9 of the rules laid down in paragraph 213 of the A.P. Public Works Department Code. This will not apply to estimate for works (relating to the maintenance of existing irrigation or navigation works) started before 21st December 1932 for which centage charges were not collected.

Note 2 : — In cases, where under the rules in Appendix XXI of the A.P. Public Works Department Code, contributions are payable by local bodies towards the cost of repairs to scours or breaches in the bunds of rivers and canals carrying local found roads, if the Superintending Engineer considers it undesirable to postpone the execution of the works pending receipt of contribution from local bodies. Government money may be spent in advance of such realization. In such cases, demand for payment of contribution shall ordinarily be made at least one month before the money is required and the date on which it should be paid shall be stated in the demand. Interest will accrue from that date or from such later date on which Government money may actually be advanced. The amount spent in advance shall be debited to the head "Miscellaneous Public Work Advances" in the accounts.

VII — Scope of Sanction

394. The authority granted by sanction to an estimate is strictly limited by the precise objects for which the estimate was intended to provide. Accordingly it is not permissible to apply, without the sanction of the competent authority any anticipated or actual savings whether due to the abandonment of a part of work or to any other cause, on a sanctioned estimate of a definite project, to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

CHAPTER XI

MANUFACTURE ACCOUNTS

A— Introductory

395. When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called Manufacture Account, must be kept of the transactions connected with each manufacture. See also paragraph 442.

396. The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and, in addition, an account is kept of the quantities and values of the manufacture. The two sections of the accounts are known, respectively, as the ‘operation’ and the “outturn” accounts.

397. The ordinary forms of the Registers of Works are unsuitable for recording the progress of the transactions of a manufacture. Form 42 (P.W.D. VI-91) Register of Manufacture, should be used instead.

398. It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year.

B — Operation Charges

399. A Manufacture Account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed, and (3) other incidental charges connected with the operations.

400. The following rules apply to certain special incidental charges —

(a) Capital charges, such as the cost of land, kilns, special plant etc., incurred in connection with a manufacture which does not extend beyond a single season, are debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture extending over more than one season should be debited, in the first instance, to a special account under the sub-head “Land, Kilns, etc.,” of the Stock accounts. This account should also be charged with the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable instalments by debit to the “operation” accounts of the several seasons, the number of instalments and the amount chargeable for each season being determined on the merits of each case.

(1) The decision as to the suitable instalments whereby the “Land, Kiln, etc.,” account is to be cleared periodically as given by the authority sanctioning the initial charge, should be recorded in the Register of Stock, Form 12 (P.W.D VI-42), and not deviated from without the further orders of that authority.

(2) When the land, kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent charged should be credited to the special account and not to Revenue.

(c) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules (vide Appendix 7) for outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kilns, plant, etc., though all these charges should be included in any pro forma accounts of the manufacture operations of the division, which may be prepared under the orders of the Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

401. The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with paragraph 245.

C—Value of Outturn

402. A manufacture Account is credited with the values of the manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 336).

403. The outturn account referred to in paragraph 396 should show, month by month, the quantities and values of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month should be prepared in Form 36 [F.W.D. VI -19(Ia)] Outturn Statement of Manufacture, and should be attached to the Works Abstract for the operation.

404. 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.

D—General Account

405. A Manufacture Account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore, recorded under a distinct sub-head, called “Manufacture” of the Stock suspense account.

Note : — Rule 1 under paragraph 307 in regard to omission of pies in calculating the value of each item of work should be applied here also.

406. In the Stock accounts, the manufacture transactions should be recorded thus:-

(a) “Operation” charges should be shown as receipts of stock under the sub-head “Manufacture” charges representing value of Stock materials

issued to manufacture being simultaneously treated as issues of Stock under the sub-heads concerned.

(b) All outturn should first be brought formally on the Stock account by crediting its value to “Manufacture” and simultaneously showing the articles as receipts of Stock under the sub-heads concerned.

(1) If the rate, at which any article of outturn, manufactured for a particular work, 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.

(2) No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the Stock accounts under this paragraph. See also paragraph 400(c).

407. The difference between the “operation” and “outturn” should be adjusted under the orders of competent authority before the accounts of a manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the Outturn Statement, Form 36 [P.W.D.. VI-19(a)j]. In other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry which will affect the “operation” account only. In all cases, the total “operation” and “outturn” should equal each other on closing the Manufacture Account. See also paragraph 202, rule 2.

CHAPTER XII

SUSPENSE ACCOUNTS

A — Introductory

408. The amount of the minor head “Suspense” subdivided into as many of the five heads named below as may be required, is kept in each division under a single major head of expenditure, viz. ‘50. Civil Works’:

(1) Purchases, (2) Stocks, (3) Miscellaneous Public Works Advances, (4) London Stores, and (5) Workshops Suspense. These heads are of a temporary character and all transactions recorded under them are ultimately removed either by payment, or recovery, in cash, or by adjustment. The transaction, therefore, consist of both debits and credits, the latter being treated as reduction, of expenditure when making up the account of the major head.

B — Purchases

409. 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 account of the work and those accounts, as well as the connected subsidiary

accounts, may take cognizance of the receipt of materials at the earliest opportunity (see paragraphs 325 and 330); 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 account (see paragraph 193).

410. When the actual value of the materials is not known, it will suffice if an estimated figure is adopted, any difference being adjusted, as soon as known, by a plus or a minus credit to Purchases, as the case may be. See also rule 1 to paragraph 411.

411. When the price of the materials is paid or adjusted in transfer, the payment should be debited to Purchases, and the outstanding credit thus cleared.

1. If the amount debited in payment exceeds the amount credited to Purchases, the difference should be charged direct to Stock or to the work concerned.

412. Unclaimed balances, in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 463, Paragraph 464 regarding the repayment of lapsed deposits applies *mutatis mutandis* to repayment of lapsed balances of purchases.

C—Stock

413. The account of this head should be kept in Form 67 (P.W.D. VI-20). Suspense Register, the details being recorded in a separate set of folios for each of the headings (1) Purchases for Stock, and (2) Purchases for Specific Works.

414. The head “Stock” is opened in all divisions in which stocks of materials are maintained for general purposes- vide paragraph 324 of the A.P. Public Works Department Code. In divisions in which no stocks are maintained this account should be opened only when any manufacture operations are undertaken.

415. The money limit for the Stock reserve of a division, described as in paragraph 324 of the A.P. Public Works Department Code, is meant to be applied to the value of materials acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

416. The accounts head “stock” is charged with all expenditure connected with acquisition of stock materials and with all manufacture operations and with the expenditure incurred on storage. It is credited with the value of materials issued to works, or, sold, transferred or otherwise disposed of, and the balance of the account represents the book value of the materials in Stock plus the unadjusted charges etc., connected with manufacture plus unadjusted expenditure on storage.

417. The Sub-heads of the Stock account are : (1) Small Stores, (2) Building Materials, (3) Timber, (4) Metals (5) Fuel, (6) Painter's Stores, (7) House Fittings, (8) Miscellaneous Stores, (9) Land, Kilns, etc., (10) Manufacture, and (11) Storage.

418. (a) The general account of the receipts, issues and balances of the suspense head "Stock" should be maintained in the Suspense Register Form 67 (P.W.D. VI-20). A separate account should be kept in respect of each sub-head, the transactions of the several subdivisions being detailed therein as separate items and the totals of all subdivisions as another. Transfers within the division should be accounted for against a single item. "Deduct - Transfers within Divisions" before the total for the entire head "Stock" is struck.

1. The clearance of balances under "Transfers within Division" should receive special attention.

(b) The subsidiary accounts of Stock are described in Chapters VII and XI.

418-A. The balance under the sub-head "Storage" at the end of each year should be finally adjusted-vide paragraph 214-on closing the accounts of that year as a 'surplus' or "deficit" 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.

D — Miscellaneous Public Works Advances

419. Transactions recorded under the head "Miscellaneous Public Works Advances" are divided into four classes :-

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

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

420. When stores of any kind are sold on credit, their value plus, if recoverable, the supervision charges [referred to in paragraph 331 (a) of the A.P.Public Works Department Code] should be debited to Miscellaneous Public Works Advances under the sub-head "Sales on credit" so that (1) the accounts of stock or works for which the materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

1. In each case there must be authority for the sale on credit.

421. Outlay on Deposit Works is required to be limited to the amounts of deposits received. Any expenditure on Deposit Works incurred in excess

of the amount deposited (vide Rule 1 under paragraph 470 of this Code) is chargeable to Miscellaneous Public Works Advances pending recovery to effect which action should at once be taken. See paragraph 427.

422. Under the heading “Losses, retrenchments, errors, etc.” appear the following:-

- (a) Deficiencies in cash or stock.
- (b) Actual loss of cash or stock.
- (c) Errors in accounts awaiting adjustment.
- (d) Retrenchments and losses of other kinds recoverable from Government servants.

423. Deleted.

424. The head “Other items” is meant for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write-off ordered. The following are cited as examples : —(1) Debits, the classification of which cannot at once be determined, (2) recoverable debits not pertaining to the account of a work, and (3) recoverable outstandings pertaining to works, the accounts of which are closed (vide rule 1 to paragraph 361 and paragraph 375).

425. No charges may be debited to “Miscellaneous Public Works Advances” on the ground of absence or insufficiency or sanction or appropriation; except as provided in paragraph 421.

426. Items in the “Miscellaneous Public Works Advances” account are cleared either by actual recovery or by transfer under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off.

427. The detailed accounts of this head should be kept in Form 67 (P.W.D VI-20), Suspense Register. For items falling under the class “Expenditure incurred on Deposit Works in excess of deposits received” details are not necessary as these are recorded in the Schedule of Deposit Works, Form 65. (P.W.D. VI - 101 to 103). For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearance may be watched individually. An abstract should be prepared to show the totals of all the classes.

E — London Stores

428 to 436. (relating to London stores, are omitted).

F —Workshop Suspense

437. When a workshop has been established the accounts of which are kept in accordance with the rules in Chapter XIII, all direct outlay on the jobs executed and on other operations of the workshop is passed through the suspense head “Workshop Suspense”, and a separate account is kept under it of each job or operation, so that all charges relating to each may

be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

438. The recorded expenditure on a job is removed from the suspense account only when and to the extent, an adjustment is effected against the deposit received or against the service or other head concerned - vide paragraph

448. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by plus or minus debit entries.

439. On the completion of a job, all outstanding charges on it must be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of the deposit received, the unadjusted amount should be transferred to the head "Miscellaneous Public Works Advances" pending settlement.

440. The detailed account of this head should be kept in a suitable form prescribed in accordance with the rule in paragraph 443, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

CHAPTER XIII

WORKSHOP ACCOUNTS

A — Introductory

441. The general rules in Chapter XII of the P.W. Account Code, first edition, issued by the Auditor-General have been provisionally embodied in this Chapter, and should, in the case of A.P.P.W. Workshop Division, be applied in conjunction with the rules in Appendix 8 of the Works Audit Manual issued by the Accountant-General, A.P., and the rules and orders issued by the A.P. Government which are now in force in the Division, until they are revised and embodied as an Appendix to this Code.

442. In many divisions there is a small shop for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations, as the case may be.

443. Larger workshops, with special plant or machinery, also exist which are treated as separate subdivisions, or divisions, for account purposes. When such workshops are of the character of quasi-commercial undertakings, the system of accounts will be that prescribed locally for similar undertakings. When they are run mainly for departmental purposes the accounts should be kept in accordance with the general rules and principles laid down in this Chapter. In either case, the exact forms to be used and the procedure to be observed will be settled in respect of each workshop in consultation between the Local Government and the Accountant—General.

Note: —The A.P. Public Works Workshops are intended mainly for departmental purposes.

444. For every job there must be an estimate of cost (providing for all charges, including the prescribed percentages for indirect charges - vide paragraph 449) sanctioned by competent authority and accepted by the indenting officer, local body or individual ; see also paragraph 357 of the A.P.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 beforehand.

Note 2 : — Rule 1 under paragraph 307 in regard to omission of pies in calculating the value of each item of works should be applied here also.

B — Direct and Indirect Charges

445. Receipt and expenditure transactions in connection with workshops are brought to account as follows :-

(a) Where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch (i.e., if the workshop is to be regarded as being on a quasi-commercial basis), the capital expenditure should be recorded under the relevant division and subdivision of major head 68. Receipts representing recoveries of capital expenditure will be taken in reduction of such expenditure while revenue receipts and working expenses will be booked under a new minor head, opened under the corresponding division and subdivision of the major head Xvii, entitled 'receipts from workshops', divided so as to meet the requirements of the pro-forma accounts of the shop (vide paragraph 451)

(b) Where capital accounts are kept of a workshop intended mainly for the needs of the Civil Works Branch, all expenditure incurred upon it, whether i the nature of capital or of working expenses should be recorded under the major head 50. Recoveries of capital expenditure will be taken in reduction of such expenditure; revenue receipts will be booked under a new minor head, opened under the major head XXXIX, entitled 'Receipts from Workshops' divided so as to meet the requirements of the proforma accounts of the shop.

(c) Where no capital accounts are kept of workshop, for whichever branch intended, all expenditure should be booked under the major head, 18 or 50, as the case may be, and all receipts, whether "recoveries of expenditure" or "revenue receipt", under the minor head "Miscellaneous" of the corresponding revenue head XVIII or XXXIX.

Note:- The procedure indicated in clause (c) above is followed in A.P. the expenditure and receipts being booked under 50, Civil Works and XXXIX, respectively.

(Note : — In para 445, replace the heads XVIII, XXXIX and 50, Civil works by the corresponding heads from "The A.P.Budget Manual".

446. 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 accounted in accordance with the preceding article and under the general rules of other chapters of this Code. There are charges which neither pertain to any individual job executed in the shops, nor are capable of direct apportionment amongst all the jobs, and are, therefore, met out of the grants of the Department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 449.

447. All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore, be accounted for under the suspense head 'Workshop Suspense' (vide paragraphs 437 to 440). The charges pertaining exclusively to any job should be treated, in the first instance, as general charge (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

(1) This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraphs 446 and 203.

(2) All liabilities should be taken into account, even though undisbursed, so that the general charges may be correctly allocated month by month, and the recorded expenditure on each job may represent the actual cost up to date.

448. In these cases of all classes, the cost of operations should be charged off or adjusted in transfer (paragraph 438), as the case may be, month by month, but in the following cases the accounts of a job may be settled once a year in March, or in an earlier month if the job is completed earlier (vide paragraph 439) : —

(a) When the total cost during the year is not larger than Rs. 500 or any other limit that may be fixed in consultation with the Accountant-General.

(b) When the monthly settlement of account is convenient to the indenting divisional department.

(1) When the estimated cost of a job is recovered in advance it should be kept in deposit, in the first instance, and the adjustments of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

(2) When an employee of the division is exempted, under paragraph 357 of the A.P. Public Works Department Code, from 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.

449. In addition to the direct charges referred to in paragraph 447, the account of each job should be debited, not through the Workshop Suspense

account but directly under the head of account concerned, with suitable percentages to cover the indirect charges enumerated below :-

(a) Supervision charges under paragraph 331 (a) of the A.P.Public Works Department Code.

(b) Interest on the capital cost of building, plant and machinery.

(c) Maintenance charges of buildings, plant and machinery.

d) Depreciation of buildings, plant and machinery.

(e) Establishment charges (including 1 per cent on account of Audit and Account Establishment) see rule 5 (e) of Appendix 7.

See also paragraph 446.

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.

It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions of the Province.

1. The percentage realized on account of establishment charges is treated as reduction of expenditure, or, as revenue receipts, as the case may be, in accordance with the rules in Appendix 7. All other percentages are treated as revenue receipts.

450. The indirect charges referred to in paragraph 449 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 448.

C — Annual Account and Review

451. Annually, proforma accounts of each workshop should be prepared, consisting of -

(i) the Capital Accounts, 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 (a) above, (b) the actual maintenance charges of buildings and machinery and plant, (c) depreciation of buildings, machinery and plant calculated on the capital value thereof, and (d) general establishment plus (1) a suitable addition thereto on account of leave and pensionary charges, and (2) 1 per cent for audit and accounts establishment, only on such jobs in respect of which this percentage is not credited to the major head "26 Audit" or "XLVI. Miscellaneous - Fees for Government Audit" in the regular accounts (vide rule 2 to paragraph 11 of appendix 7); and on other side the percentage charges made under paragraph 449 excluding the 1 per cent for audit and

accounts establishment credited to “23. Audit” or “XXXV. Miscellaneous - Fees for Government Audit.” under rule 1 to paragraph 11 of Appendix 7.

1. The stock account should be treated as a part of the workshop account, only if and to the extent, the reserve stock is declared by the Local Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop, either the interest charges on it or the losses or gains (including supervision charges) arising out of it, should appear in the profit and loss account of the workshop.

452. 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 Local Government on its financial working, specially bringing out the necessity or otherwise of revising the percentages fixed by the Local Government for the several charges referred to in paragraph 449 above.

1. To facilitate the review of percentages it will be found convenient to show in the profit and loss account, not only the figures of the year but also the progressive figures to the close of the year, commencing from a suitable date.

CHAPTER XIV

DEPOSITS

A — Introductory

453. Deposit transactions of the Public Works Department are of two kinds

I. Public Works Deposits, which pass through the regular accounts of the division.

II. Interest bearing Securities.

Deposits of the first kind comprise transactions of the following classes, which are passed through the account head Public Works Deposits :-

- (a) Cash deposits of subordinates as security.
- (b) Cash deposits of contractors as security.
- (c) Deposits for work to be done.
- (d) Sums due to contractors on closed accounts.
- (e) Miscellaneous deposits.

The interest-bearing securities referred to in class II are deposited by subordinates and contractors. These do not pass through the regular accounts of the division.

Note: — Sums of less than eight annas due for refund of revenues or repayment of deposit should be credited to Revenue.

B — Security Deposits

454. Security deposits of subordinates and contractors, whether made in cash or in one of the forms of security referred to in paragraph 455 are

covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated: reference to such bond or agreement should be recorded in the deposit Register or the Register of securities, as the case may be.

455. The recognized forms of interest-bearing Securities, and the rules to which they are subject, are indicated below:

(a) Government Securities other than Post Office Cash Certificates and Defence Savings Certificates.	Under the rules in Chapter VIII of the Government Securities Manual issued by the Controller of the Currency, such securities furnished by contractors shall be endorsed in all cases in favour of the Executive Engineer concerned.
(b) Municipal Debentures and Port Trust bonds.	
(c) Post Office Cash Certificates and Defence Savings Certificates.	Under the rules for Cash Certificates, Defence Savings Certificates and Savings Bank account issued by the Post Office.
(d) Post Office Savings Bank Pass Books.	
(e) Deposit Receipts of recognized banks approved by Government.	The depositor should be required to get the receipt made out in the name of the pledge. If the deposit before more than twelve months the receipts should be forwarded to the Accountant General for custody; otherwise they should be retained by the Divisional Officer. The depositor should receive the interest, when due, direct from the Bank, on a letter from the pledge authorizing the bank to pay it.

Note 1 : — Where Government securities, municipal debentures or Port Trust bonds are tendered as securities, they should be accepted at their face value or at market price whichever is less and action should be taken as prescribed in Article 289 of the A.P.Financial Code, Volume I.

Note 2 : — Post Office Cash Certificates and Defence Savings Certificates should be accepted only for the amount at which they were purchased but not their face value.

Note 3 : — The Banks mentioned under Article 279 (5) of the A.P. Financial Code, Volume I, are recognized Banks approved by Government for purposes of rule (e)

456. Security deposits lodged in the Post Office Savings Bank should be hypothecated to the Divisional Officer or to the Sub-divisional Officer if this has been specially authorized by Government. The Bank Pass Books should remain in custody of the Officer to whom the deposits are pledged.

1. All the Pass Books should be sent to the Post Office as soon as possible after the 15th June each year in order that the necessary entries on account of interest may be made in them

457. Cash deposit of subordinates and contractors may be converted, at the cost of the depositor, into one or more of the forms of interest— bearing securities, provided -

(i) that the depositor has expressly desired this in writing; and

(ii) that the acceptance of the new form of security is permissible under the rules as well as under the terms of the agreement or bond.

1. Cash which has actually been received or recovered may be converted even though the full amount of the deposit, which is being paid in instalments, has not yet been realized.

Note : — Percentage deductions from a contractor's bill for the due fulfilment of a contract should not, except in the 'following cases, be invested in Government securities.

Exception : —(1) Contracts entered into under the new lumpsum contract form, whenever the withheld amounts reach Rs. 1,000 or multiples thereof, subject only to the condition that the date of progress contained in the Articles of Agreement is properly maintained - Vide clause 69 (b) of the preliminary specification to the A.P.Detailed Standard Specifications.

(2) Contract entered into under the old lumpsum contract form subject to the condition that the Chief Engineer specially authorizes the concession of converting the withheld amounts into interest-bearing securities in cases in which the withheld amounts reach Rs. 10,000 or multiples thereof.

458. Percentage deductions on account of security made from contractor's bills, should also be credited to the head "Public Works Deposits". As an exception to this general rule, the security may be exacted by withholding from payment the required percentage of the value of work actually measured and passed, if the total amount recoverable on this account during the official year in any case is so small that its exclusion from the works outlay of the year is not likely to affect the grants appreciably. The limit fixed for the purpose of this rule is Rs. 500 for each work. Accounts thus withheld appear in the suspense account "Contractors - Other Transactions" of the work concerned - vide paragraphs 354 and 358.

Note : — The rule in the first sentence of the above paragraph does not apply to the works executed under contracts based on lumpsum tender as defined in the A.P.Detailed Standard Specifications except in the following respects, viz, that the amount withheld from the final bill for such works at 2-112 per cent on the total value of the work done will be credited to the head "Public Works Deposits" until it becomes due for payment under the terms of the contract.

459. Without the special orders of competent authority, no security deposit should be repaid or transferred to the depositor, or otherwise disposed of except in accordance with the terms of his agreement or bond.

The depositor's acknowledgment should be obtained in all cases of security returned. When an interest-bearing security is returned or retransferred, the acknowledgment should set forth the full particulars of the security.

Note : — Under the piece-work contract system, the five per cent deduction from bills which is held as security should not be refunded till the final bill is prepared and passed.

C — Other Deposits

I—For Works

460. Deposits for works are passed through the head “Public Works Deposits”. Such works are known as Deposit Works and the detailed rules relating to them are given in Chapter XV.

II—Contractor's Closed Accounts

461. Under the rules in paragraph 361, sums due to contractors on closed accounts may be placed in the deposit account. When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgment should set forth such particulars as would establish the settlement of his account in connection with the work concerned.

III — Miscellaneous

462. All other deposits are classed as Miscellaneous Deposits. This head also holds, until clearance, all items of receipt, the classification of which cannot at once be determined, or which represent errors in accounting awaiting adjustment.

D — Lapsed and Confiscated Deposits

463. In the accounts for march each year the following classes of items in the Public Works Deposit account should be credited to Government as lapsed deposits :-

- (i) Original deposits not exceeding five rupees remaining outstanding for one whole account year.
- (ii) Balances not exceeding five rupees of items partly cleared during the year then closing.
- (iii) Balances unclaimed for more than three complete account years.

For the purpose of this rule the age of a repayable item, or of a balance of it is to be reckoned as dating from the time when the item or the balance, as the case may be, became first repayable. See also note 4 to Article 359, Andhra Pradesh Financial and Account Code, Volume I.

464. Deposits credited to Government under Para 463 or confiscated under provisions of an agreement or bond may be refunded without authorization from the Accountant—General. Before effecting the refund, the Divisional Officer shall ascertain (1) that the item was recovered and traceable in the divisional records; (2) that it was credited to Government as lapsed

or confiscated deposit and was not paid previously; and (3) that the claimant's identity and title to the money are certified by the divisional officer.

The amount repaid should be treated as a refund or receipt under Major Head to which it was credited and the repayment should be noted in the Deposit Register against the entry for its credit to Government vide Para 275.

(Substituted by G.O.Ms. No. 228, Tr. R. & Blds., Dt. 28—6--1982)

E—Account of Public Works Deposits

I — Deposits Register

465. A record of the transactions relating to Public Works Deposits should be maintained in the divisional office in a register in the same form as the Suspense Register. Form 67 (PWD VI-20). This Deposit Register should show, month by month, the total receipts and adjustments and the closing balance of each separate deposit item; but in respect of deposits for work to be done which are accounted for in detail in the Schedule of Deposit Works, Form 65 (PWD VI-101 to 103). Single entry for all such deposits will suffice.

II—Schedule of Deposits

466. From the Deposit Register a monthly extract, known as the Schedule of Deposits, Form 78 (PWD VI-31), and showing for each item the opening balance, the receipts of adjustments and the month, and the closing balance, should be prepared for submission to the Accountant-General. The entry for deposits for work to be done will be supported by the Schedule of Deposit Works.

Note : —The schedule should also include cost of all Court of Wards' Estate works entrusted to the Public Works Department for execution.

467. In the case of divisions where the total number of outstanding items under Public Works Deposits is usually very large but the number of items affected by the monthly transactions is small, the Accountant-General may authorize the preparation of the Schedule of Deposits in the alternative Form 79 [P.W.D. VI-31 (b)]. This form is of two parts- Part I, Abstract Account, giving the totals for each class of deposits, and Part II detailed extract from the Deposit Register. In part II only such items 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, including those not affected by the month's transactions.

F —Accounts of Interest-Bearing Securities

468. Transactions connected with interest-bearing securities do not pass through the cash book and consequently the regular accounts of the division, unless any cash actually passes through the hands of officers of the department, should be avoided as far as possible. A register of the receipt and disposal of these securities should, however, be kept in Form 85 (P.W.D. VI-104), Register of interest-bearing securities, this account should be supported by (1) the acknowledgments. (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 their acknowledgments by the authorized custodians (vide paragraph 45) are in his possession.

1. If a security recovered in instalments is being deposited in the Post Office Savings Bank, no entries should be made in respect of it in the register in Form 85 (P.W.D VI-104) until the security has been fully paid up.

2. If any Post Office Savings Bank deposits have been hypothecated to a Sub-divisional Officer under paragraph 456, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

3. When a subordinate who has furnished an interest—bearing security, is transferred to another division or department, the security should be kept in the original division until such period as is specified in the agreement, to cover any amounts that may be subsequently ordered for recovery in respect of the period during which he was under the original Divisional Officer. At the end of the period, the security should be released from the pledge and passed on to the new Divisional Officer or a responsible officer of the Department to which he is transferred, for returning to the security to the pledger and sending his acknowledgment to the Divisional Officer concerned. In case the new post of the subordinate is also one in which a security has to be furnished, the officer concerned should immediately take the necessary steps to get a formal agreement and to have the securities pledged in his own favour. The acknowledgment mentioned above should however, be obtained and sent to the first officer. No security need be insisted upon by the second officer until the original is transferred and is duly pledged, but he should satisfy himself, by a reference to divisional office from which the subordinate was transferred, as to the amount of security lodged there, the sufficiency thereof, and the likelihood of recoveries that may be made before its transfer. There should be a proviso in all security bonds that the security shall be available as security for any new post to which the officer may be transferred.

CHAPTER XV

NON — GOVERNMENT WORKS

A — Introductory

469. Non-Government Works are divided into two classes:-

(1) Deposit Works, and (2) Local Loan Works.

470. The general rule for the exhibition in accounts, of transactions relating to contributions from Central or provincial Revenues to Local Funds and public bodies, and vice versa, as contained in Chapter 6 of the Audit Code, is reproduced below :-

Contributions made by the Central or the Provincial Government or District Boards, Municipalities, etc., or vice versa, will be charged as expenditure

or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus a grant for the construction of a church will be debited to “32. Ecclesiastical”; a grant for the construction of a school to “37. Education”; a grant for construction of a drainage system to “39. Public Health”; and a grant for the construction of roads to “50. Civil Works”; while a grant given for general purposes, such as grant to make good a deficit or as compensation for revenue resumed will be classified under “57. Miscellaneous.”

1. If a work for which Government give financial assistance is executed as a deposit work by the public works Department on behalf of a local body, the Government's contribution should not be paid in cash to the local body, but should be adjusted by transfer of credit under the head “Public Works Deposits” and debited to Grants-in-aid” under the Public Work) - Major head concerned, irrespective of the object of the assistance. The deposit account of a local body which has not withdrawn its balance from the Treasury will simultaneously be credited and debited with the amount. Ordinarily, in the case of -

(a) contribution works which are executed partly from Government funds or grants-in-aid and partly from the funds of local bodies; and also in case of -

(b) irrigation contribution works (vide paragraph 207, A.P. Public Works Department Code) which are financed partly by the Government and partly by private bodies, the Government contribution or an instalment of it will be paid only after the local body has paid out of its own funds a corresponding amount, e.g., in the case of a work consisting one lakh to which the Government have undertaken to contribute Rs. 75,000 an instalment of Rs. 30,000 may be paid by Government as soon as the local body makes a payment of Rs. 10,000. The bills on which the Government contribution is adjusted in this manner should be countersigned by the Executive Engineer who should see that the rule is observed. If in the case of works of class (a) and (b), it is considered not desirable to suspend the works pending receipt of contribution. Government money may be spent in advance of its turn, but interest shall be charged on the amount so spent for the period it is advanced. In such cases, demand for payment of the contribution shall ordinarily be made at least a month before the money is required, and the date on which it should be paid shall be stated in the demand, and interest will accrue from that date or from such later date on which Government money may be actually advanced. If there are not sufficient Government funds in a year to be utilized on the works pending receipt of the contribution due from the local body or private body concerned, orders of Government shall be obtained for the provision of funds in proper time. In cases where the expenses are comparatively small, appropriation to cover such expenses as are not expected to be cleared before the end of the financial year shall be obtained from Government in December of each year under the suspense head “Miscellaneous - Public Works Advances.”

The rule regarding recovery of interest on Government money spent in advance of its turn may be relaxed in the case of the amount spent in

advance of the first instalment payable by a local body for a contribution work which is partly financed by that body by means of a loan. For Government money spent in advance of the second and subsequent instalments, interest shall be charged unless in any case Government decide not to charge interest.

(2) A contribution paid by a Zilla Parishad, or Panchayat Samithi or Panchayat or a Private Person or body with the express object of meeting the whole or part of the cost of construction by the Public Works Department of a specific work which is eventually to be the property of Government should be credited as Revenue Receipts of the Government corresponding to the expenditure major head (including a capital head of account) under which the provision for expenditure for such work is made.

(G.O.Ms.No. 854, P.W.D., Dt. 26-8-1974)

471. In the Public Works Accounts, contributions made to local bodies are charged to the minor head "Grants-in-aid" under the major head '50. Civil Works', or '18. Other Revenue Expenditure', as the case may be - see also rule 1 to paragraph 393.

472. When works already constructed, or land already purchased are transferred free of charge, to local bodies under the provisions of paragraph 165 or of note to paragraph 239 of the A.P.Public Works Department Code, no readjustment of the accounts of cost is necessary.

473. For every non-Government Work there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same way as for a Government Work.

B — Deposit Works

I — General

474. When a deposit work is to be carried out the local body or other party concerned should advance the gross estimated expenditure or- the share which is payable by it, to the Divisional Officer in one lumpsum, or instalments and by such dates as may be specially authorized by a competent authority subject to the control of the Local Government - vide note to paragraph 203 of the A.P.Public Works Department Code. No non- Government work shall be executed before receipt of contribution therefor without the special orders of Government except in the cases specified in rule I under paragraph 470 of the Code. Where payment in instalments is authorized owing to the difficulty of depositing the estimated amount in advance in the case of large works, the Divisional Officer should forecast his probable requirements on each such work for the succeeding month and apply to the local bodies concerned for funds and the latter should without delay pay the instalments to the Divisional Officer. The amount received should be credited in the accounts to the head "Public Works Deposits" against which will be charged all expenditure incurred up to the amount of the deposit. As regards the expenditure in excess of deposits - see paragraph 421.

(1) If prepared, the local body concerned may be authorized to pay the deposit direct into the treasury. In this case, the accompanying chalan should state clearly that the amount is creditable to the Public Works Department, naming the division and the work to which the deposit relates.

(2) In the case of a local body which has not withdrawn its balances from the Government treasury, it may be authorized to draw a cheque on the treasury in favour of the Executive Engineer and this will be paid at the treasury by transfer credit to the Executive Engineer's account (Public Works Deposits). Similarly for the unspent balances the Executive Engineer will draw a cheque in favour of the local body by transfer credit to the deposits of local funds.

(3) In cases where the maintenance of roads on the banks of rivers, canals and channels, devolves entirely on local bodies, and the works pertaining thereto are executed by the Public Works Department as full contribution works, if the Executive Engineer considers it undesirable to suspend the works pending receipt of contribution from the local bodies, Government money may be spent in advance, interest being charged on the amount so spent. When this course is adopted the procedure indicated in the last three sentences of the first sub-paragraph of note 1 under paragraph 470 of the A.P.Public Works Account Code should be followed.

475. A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in Form 65 (PWD VI-101 to 103), Schedule of Deposit Works. This schedule shows, in respect of each work, the amount of deposit received and the expenditure incurred both during the month and up to date.

Refunds of unexpected balances of completed works should be taken in reduction of the deposits, and therefore, shown in the schedule as minus realization and not as expenditure.

“Note: —All payments of decretal amounts pertaining to deposit works should be charged on the Consolidated Fund of the state under the head “50 Civil Works etc. Suspense Misc. P.W.Advances-Other items”. These are simultaneously to be transferred to the Deposit Works concerned by debiting to P.W.Deposits - Deposits for works other than Takkavi Works to be done if sufficient funds are available or to “Miscellaneous P.W.Advances - Expenditure incurred on deposit works in excess of deposits received” (voted) in case sufficient funds are not available in accordance with the instructions contained in Paras 474 and 421 respectively”.

(G.O.Ms.No. 405, PWD, Dt. 31-3-1969)

476. In the case of deposit works to which Government have contributed, no refund should be made to a local or other body from any unexpended balance at the credit of ‘deposits’ without the sanction of Government. The Executive Engineer should report through the Superintending Engineer and the Accountant-General the actual cost of the work, the shares to be borne by the local body and by Government, the amount actually contributed by each, and the amount refundable. After verification by the Accountant-General, sanction will be accorded to the refund. The Executive Engineer should then refund what is due to the local or other body and credit the unexpended balance of the Government contribution to the Civil Department through the remittance head by a minus to credit the head “Public Works Deposits”. The Accountant-General will adjust this amount by credit to the service head to which the contribution was originally debited.

Exception : — In the case of water-supply and drainage schemes financed partly by the local bodies and partly by the Government, the materials that remain surplus at the site of the works after their completion, shall be taken over by the local body concerned. For the purpose of this transaction, the surplus materials shall be valued at 50 per cent of the book value. Of the amount so arrived at, a share proportionate to the local body's share of the credit realized by the sale of the materials, and the balance shall be recovered from the local body: the former amount should by book adjustment exhibited as a minus credit to "deposits" in the divisional accounts, representing refund of unspent balance set off against a corresponding minus debit afforded to the same head as reduction of expenditure on the work. The amount actually recovered from the local body on account of the surplus materials should be credited in full to the Government share of the expenditure in the divisional accounts supported by a sale account in the proper form. The report or statement to be furnished to the audit office for verifying the correctness of the unspent balance should contain brief particulars of the adjustment of the value of the surplus materials to facilitate check in the audit office.

477. The amount of each deposit should be rateably divided into two parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant, audit and accounts and pensionary charges, if any, recoverable under the rules - vide Appendix 7. In the schedule, the deposit received for each work should be numbered as a single item, but the transactions relating to the two parts of it should be shown separately ; thus -

For Works expenditure	.....
For Percentage charges	.....

478. The percentages 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 for March, provided that if the accounts of a work are closed in an earlier month, the adjustment must be made in that month.

II—District Fund Works and Municipal Cantonment and Port Trust Fund Work

479. The procedure prescribed in paragraphs 474 to 478 above will apply.

C — Local Loan Works

480. The rules under which payments on account of Local Loan Works may be made in the Public Works Department are produced below :-

- I.** Every loan to a Municipality, Port Trust, Indian State, or other Corporation will be recorded in the books of the Civil Accountant-General concerned, and no part of it may be issued except under his orders.
- II.** No public department or public officer may incur any expenditure or liabilities against such loan funds, unless a statement in writing is first obtained from the Accountant—General that the amount is available out of

the loan funds and has been placed in a separate account by the Accountant-General so as to be available for the proposed expenditure.

III.

IV. Funds spent by any public department or officer under Rule II shall reckon for interest as if they were drawn on the last day of the accounts of which they are included by the spending department or officer.

Note : — Rules II to IV may be modified at the discretion of the Government concerned.

481. Expenditure on a Local Loan Work, incurred in accordance with the foregoing rules and under orders of competent authority, should be accounted for as outlay against the sanctioned loan, under the head “Q.Loans and Advances by the Central Government” or “R.Loans and Advances by the Provincial Government” as the case may be, and shown in the schedule of Debits to Miscellaneous heads of Account, Form 76 (P.W.D. VI-99), supported by a Schedule of Works Expenditure.

482. All charges debitable to a loan should be brought to account as they occur, so that the interest charges may be correctly calculated and adjusted in the Accountant-General’s office.

This rule applies also to the percentages (vide paragraph 477) leviable under the rules which should, therefore, be adjusted monthly by inclusion in the Schedule of Works Expenditure.

483. The limit of funds set aside for expenditure on a work during the year should be ascertained from the Accountant-General by the officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

D — Kudimaramat works and works connected with Railway - Affecting tanks

484. 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 failed to do kudimaramat works - vide also paragraph 210 of the A.P.Public Works Department Code, and (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 A.P.Railway Protection Act, IV of 1886.

In the case of kudimaramat works, the cost of the work done should be charged under the major head “18. Other Revenue Expenditure financed from Ordinary Revenues - A. Irrigation Works” and the recoveries effected through the Revenue Department should be treated as “revenue receipts” under the major head “XVIII. Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept - A-2. Irrigations Works- a.Direct receipts - Miscellaneous.” To ensure regular watch being kept over the recoveries due, Executive Engineers should maintain a special register with columns to show -

(1) the estimated cost,

- (2) the amount recoverable, i.e., the actual cost,
- (3) the date of completion of the work,
- (4) the amount actually recovered,
- (5) the date of recovery, and
- (6) remarks.

In cases where information as to the amount recoverable is available at the time of preparation of the estimate, it should be noted at once in column (2) of the register and if not, it should be noted as soon as it becomes available. The date of completion in column (3) and the particulars of recoveries in columns (4) and (5) of the register should be entered by the Divisional Accounts Officer who should also be required to submit the register periodically, say, once a month, to the Executive Engineer for inspection and the issue of necessary instructions regarding recoveries of amounts overdue after the completion of the work. The register will be scrutinized by audit during the Local inspection of the accounts of the divisional office.

In the case of works connected with railway-affecting tanks, the expenditure on the work (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 charge - vide note below - being adjusted as laid down in rule 11 of Appendix 7 to this Code. When recoveries from land holders 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.

Note : — In the case of works connected with railway—affecting tanks, centage charges will be calculated at the following percentages :-

For establishment	... ..	10 1/2 per cent on the works outlay.			
For tools and plant	... ..	1	“	“	“
For audit and accounts	... ..	1	“	“	“
For pensionary charges	... ..	1 1/2	“	“	“

Total	...	14			

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 of the works outlay, even though the actual expenditure may exceed 14 per cent, should be claimed in the plaint. 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 these works showing the items covered by centage charges, viz., time and travelling allowance of inspecting officers, hire charges of tools and plant and the like for the purpose. No charges for the preparation and checking of plans and estimates should be included in the account. This 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 interest 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.

CHAPTER XVI

TRANSACTIONS WITH OTHER DIVISIONS, DEPARTMENTS AND GOVERNMENTS

A — General Rules

485. The general rules under which one Department of the Public Service may charge another department under the same Government or any department under another Government, for services rendered or articles supplied to it, are given in Articles 82 and 180 of the Andhra Pradesh Financial Code, Volume I.

1. Save as provided in rule 3 of Appendix 5 to the Civil Account Code, Vol.1, all charges connected with the construction and maintenance of buildings, etc., will be brought to account as expenditure of the Public Works Department (Civil Works section) or of the civil department concerned according as the administration of the work rests with the Public Works Department or is transferred by competent authority from the Public Works Department to the department using or requiring it.

2. Rule 1 above applies only to works of the Central Government. As regards provincial expenditure, the A.P. Government with the concurrence of the Auditor—General have decided to record all expenditure on the construction and repair of works transferred to the administrative control of civil departments (vide paragraphs 95 to 97 of the A.P. Public Works Department Code) under the minor head “works” to be opened under each of the major heads concerned.

The value of public Works stores issued to other departments is chargeable to them under rule VI of Appendix 5 to the Andhra Pradesh Financial Code, Volume II.

486. The cost of land acquired by the Civil authorities on behalf of the Public Works Department is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more non-commercial departments conjointly, the charge is not divided, but is wholly debitable to the department for which the greater part of the land was taken up. As regards establishment and contingent charges in connection with such acquisition, see Article 235 of the Andhra Pradesh Financial Code, Volume I.

The law charges incurred on civil suits in connection with the execution of Government works fall under three categories, namely : —

(1) the amount of the claim for which a decree is given;

(2) the amount of the incidental law charges incurred by the executing department in connection with the work financed from its own departmental heads of expenditure, e.g., when the Public Works Department carries out a work chargeable to the Public Works heads of expenditure; and

(3) the amount of incidental law charges incurred by the executing department when acting as an agent in connection with a work financed from a different head of expenditure; for instance, when the Public Works Department executes a work, the cost of which is debitable to a head other than the. public Work heads of expenditure, e.g., General Administration, Medical, etc.

Charges falling under category (1) above, decretal amounts should in all cases be debited to the work concerned and booked as expenditure charged on the revenue of the province. The charges referred to in item (2) should be debited to the sub-head "Establishment - Contingencies" of the executing department. As regards charges mentioned in item (3), the amount should generally be borne by the department on whose behalf the work is undertaken. In exceptional cases, however, where it is established that the law suit has been caused by a deliberate act of an employee of the Agent department for his personal gain, the charges should be adjusted by recovery from the individual concerned or by debit against the standing charges of that department according to merits of each case.

487. The rent of buildings hired for use as residences of Government servants of any civil non-commercial department is chargeable in the accounts of that department to which the work of leasing the buildings has been assigned by His Excellency the Governor. Similarly, when any land or building not belonging to the Public Works Department is hired by another department to be occupied for any other public purpose, the rent is payable by the department concerned, and Divisional Officers do not disburse rent for such premises unless ordered by Government to do so.

When buildings which are requisitioned or leased by the Government for non-residential purposes, fall vacant for short periods, rent payable for such short periods, should be borne by the department which occupied the buildings before it was vacated except in cases where the buildings are specially vacated for occupation by a particular department then that particular department concerned should bear the rent.

In these cases, rent for periods during which the buildings might be vacant should be debited to "50. Civil works - d. Repairs".

488. When with reference to note(3) under paragraph 28 of the A.P.Public Works Department Code, jail works are executed by the Public Works Department departmentally, the cost of the jail labour employed thereon calculated at the rate of 2—112 annas per man per day should be debited to the work by a corresponding credit to the jail department. When jail works are executed by private contractors the cost of the jail labour supplied to them should be debited to the contractor's account and credited to the Jail department.

489. When any land or building is transferred from one department to another under the same Government, the transfer shall be free of all charges except when the property is transferred to or from a commercial department, in which case the full market value of it will be charged.

490. Services may be rendered, or articles may be supplied, free of cost, by one division to another under the same Government (vide Article 180, A.P. F. and A.C. Volume I) except in the following cases :-

(i) *Stores* : — If they are issued from a stock or Materials account (vide paragraphs 354 and 355). or if their transfer affects a work for which a separate capital or revenue account is kept.

(ii) *Other Services* : — If they affect the accounts of (a) any work for which a separate capital or revenue account is kept, (b) of a work in progress, or (c) Suspense or Deposits.

491. Cash recoveries made from employees, contractors, etc., as also revenue realized, by a division on behalf of other divisions, departments or Governments, should be passed on to them, the payment being made by book transfer unless payment in cash is prescribed by rule as sometimes happens, in the case of other departments. Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries, are accounted for as remittance transactions.

B —Accounts Procedure

492. When a transaction has to be cleared by a book transfer under the foregoing rules, the transfer should be effected by debiting or crediting it to the remittance head concerned in the Cash or Stock accounts if it appears therein, or by an entry in the transfer entry book. See also paragraph 557 in respect of cash obtained from treasuries on cheques.

(1) Such percentage charges on account of storage and establishment and tools and plant as may be leviable under the rules, should also be included, by a transfer entry in the amount transferred. See also paragraph 449.

(2) The cost of workshop jobs need not be adjusted monthly—vide paragraph 448.

493. In cases, however, in which the transaction originates in another division or department, the responding transfer should as a rule, not be made until receipt of intimation of the original debit or credit, either through the Accountant-General or direct from the division or department concerned on an Advice of Transfer Debit or Credit (Paragraph 498 et. seq). Exceptions to this rule may, however be authorized by the Accountant-General in respect of transactions of any class.

(1) Debits on account of rent realized, on behalf of the Public Works Department, by disbursing or Audit Officers of other circles of audit may be raised in anticipation of the corresponding credits, provided that they are supported by certificates in Form 48 (P.W.D. VI—49), Statement of Rents recoverable in cash or by deduction from Pay bills, signed by those officers. See paragraph 270.

(2) All entries in the schedule of credits of Civil Department will be advised by the Accountant-General, but there is no objection to the P.W.D. raising credits to the Civil Department for forest supplies in anticipation of debits appearing in the exchange accounts.

494. The responsible division should examine every transfer advised to it for adjustment, but it may not reject a transfer because the voucher is not in order, or is missing. Nor may a transfer advise be partly accepted and partly rejected : it may be rejected altogether, if it does not pertain to the division ; otherwise it should be provisionally accepted in full and the dispute whether as to the amount chargeable or as to the other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer. See also paragraph 499 and 500.

1. Railway debits for amounts due on warrants and credit notes should be accepted in full in the account of the month in which they are raised in the Railway Exchange Account without reference to the issuing officers whose signature on such warrants or notes should be taken as final, subject only to readjustment, later on, of or under overcharges. The responding 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 propriety of the charges as against the head of the service concerned ; the calculations made by the Railway accounts Department, which are best checked by the Railway Audit Department, should be accepted as correct.

495. When a charge is transferred to another division, department or Government for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects, or by a certificate signed by the Audit Officer of the department originating the transfer to the effect that the payment vouchers have been duly 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.

496. When a transaction originates in a Public Works Division, the necessary transfer should ordinarily appear 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 is adjustable in accordance with the rules in paragraphs 447 to 449.

497. In respect of work done in a division for other divisions, departments, or Governments, the intimation of the transfer will be given after audit, by the Accountant-General to the Audit Officer concerned, or to the division or department for which the work is done, if in the same province. The division undertaking the work is responsible that the transactions are brought to account under the remittance head concerned, and that works accounts are mentioned and vouchers submitted to the Accountant-General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work, as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it.

(1) For the purpose of this article work done includes jobs executed in workshops.

(2) In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the amount of the estimate and appropriation for the work should be rateably broken up into two parts to represent respectively, the works expenditure and the percentage charges.

498. For other transfer transactions between Public Works divisions of the same or different provinces, the originating division should send an advice of Transfer Debit (or Credit), Form 55 (PWD VI-36) accompanied by necessary vouchers in the case of debits, to the divisions concerned, as soon as the transaction occurs. The responding division should, if it accepts the transfer, acknowledge it on Form 56 (PWD VI-37) Acceptance of Transfer. The debiting division will be responsible that the entry in its accounts is supported by the Acceptance of Debit, or Advice of Credit, as the case may be.

(1) In case of transfer debit transactions, all relevant vouchers, including such as do not ordinarily pass 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 under Rule 1 to paragraph 154, the Advice should be attached to the monthly account for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

(2) In the case of stores issued from Stock from one division to another within the same circle, the division issuing Stores may debit the accounts of the other division on the basis of issues supplemented by the receipt of indenter or his authorized agent. In all such cases, the acceptance of debit must be obtained and transmitted to the Accountant-General within two months.

(G.O.Ms. No. 2523, PWD, dt. 5-12-1964)

499. In cases in which Advices and Acceptances of Transfer are exchanged direct by the Divisional Officers of two provinces, those officers will 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, to officer who is called upon to respond to it, should also inform his own Audit Officer, giving brief particulars of the debit or credit, and of the grounds of objection, with the number and date of the originating officer's Advice of Transfer and of his own intimation of objection.

500. In cases in which no Advices and Acceptances of transfer are exchanged, the Divisional Officer is required to examine, as expeditiously as possible, the transfers which his Accountant-General intimates to him to be responded to, and to report all his objection to the Accountant-General whether the transfer is brought to account provisionally or rejected.

501. The procedure prescribed in paragraphs 499 and 500 applies mutatis mutandis to transfer transactions, not relating to the execution of works,

with (1) Railways, (2) Military Works Services, (3) Posts and Telegraphs (Telegraph Section).

502. Except in respect of transactions of the following classes, the Divisional Officer may authorize the Divisional Accounts Officer 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 for as the Public Works Stores Division is concerned, the Assistant Superintendent of Stores is authorized to sign advices and acceptances of transfer in the excepted cases mentioned above.

503. The Divisional Accounts Officer will be responsible that there is clear authority of the responsible disbursing officers 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 stated 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 a speedy settlement.

“Note : — At the time of reorganization of Public Works Divisions, the outstanding balances of Suspense and Deposit heads in the books of the Division to be abolished and/or merged with another Division may be transferred by the closing division to the successor divisions(s) with which it is to be amalgamated by proforma adjustment without making any adjustment in its accounts.

The following procedure should be followed by the closing and successor division(s) in effecting the transfer of these balances to ensure that there has been no omission in taking over the balances under these heads in the books of the successor divisions(s).

(a) If the balances are proposed to be transferred to two or more divisions, the closing division should make out two copies of the various registers showing therein the items proposed to be transferred to each division and forward the same to the divisions concerned with a forwarding letter requesting them to incorporate those figures in the balances of the latter division and endorse a copy to the Accountant-General intimating the total amount under each head that is proposed to be transferred to each division. The registers of the closing division duly completed may be transferred to the division which is nominated as its successor and to which the entire records of the defunct division are transferred. If however the entire balances are proposed to be transferred to one division only, the closing division may simply transfer the registers duly completed but intimating at the same time the balances under each head to the successor division with a copy to the Accountant-General, the closing division may quote the number and date of the letter under which balances are transferred to the successor

division(s) in the relevant schedules to be submitted to the Accountant— General, and show the closing balances under various heads as ‘nil’ on this authority.

(b) The division(s) to which the balances have been transferred would incorporate the balances in its (their) books without making any adjustment in the accounts in the month immediately following (the month in which the balances were transferred by the closing division should be incorporated in their entirety by the successor division(s); any discrepancy may be settled subsequently with the successor division to which the records of the closing division have been transferred.”

(Note is added by GO. Ms. No. 123, P.W.D., Dt. 13-7-1970)

CHAPTER XVII

PAY AND ALLOWANCES

A — Introductory

504. The pay and allowances of Government servants of the department not charged directly to works, as well as all personal advances sanctioned by competent authority, are drawn from treasuries on bills in forms, and in accordance with the rules prescribed in Chapters I, III, IV, V and X of the A.P.F. and A.C., Volume I, and Appendix 8 to the A.P.F. and A.C. Volume II, which are applicable to the Public Works Department subject to the special rules laid down in this chapter and in the A.P. Public Works Department Code.

1. The sanction of competent authority to personal advances may, if preferred, be obtained in the form of counter signature on the bill itself before it is presented at the treasury.

2. Payments to members of the department on account of rewards for passing examinations in languages should not be made without obtaining the previous authority of the Accountant-General—see Article 120 of the A.P. Financial and Account Code. Such payments are classified under “Allowances and Honoraria, etc.”

B — Preparation of Bills

505. Bills paid at treasuries are incorporated in the general accounts of the province by the Audit Office. Drawing officers are, however responsible that (1) the name of the circle of superintendence, and (2) the major head and other particulars necessary for determining the accounts classification (vide paragraph 2 of Statement D of Appendix 4 and paragraphs 2 and 3 of Appendix 7) are recorded on each bill.

1. The cost of any special establishment for requisition of land, entertained under orders of Government by a Civil Officer acting as a Public Works Disburser, is chargeable as the cost of the works concerned and not as general establishment charges (vide paragraph 285 of this Code and Article 235, A.P.F. and A.C., Volume I).

506. If as permitted by Article 101, exception (b) of the A.P.F. and A.C., Volume I, emoluments up to the date of transfer are not drawn before Government servant proceeds on transfer, emoluments for the whole month may be drawn in the new appointment, the allocation of the charge to the old and new appointments being clearly specified on the bill.

In the case of non-gazetted Government servants, the last pay certificate should give all the necessary information, so that the allocation may be correctly noted by the drawing officer in the bill of the new office. In the case of gazetted Government servants whose last pay certificates are prepared by Treasury officers, the responsibility for showing the correct allocation in bills rests with the officers themselves.

C — Encashment of Bills

507. Non-gazetted Government Servants' Bills should be presented at the nearest district treasury for payment. They should be accompanied by a memorandum signed by the drawing officer and specifying separately the amounts of (a) cash required for disbursements and remittances to be made in cash, (b) cash orders required on each of the sub-treasuries subordinate to the district treasury, for payments to be made to establishments stationed near the sub-treasuries, and (c) remittance transfer receipts on other district treasuries for amounts which may to be disbursed outside the district but within the jurisdiction of the drawing officer. See also article 326 (1) of the A.P.F. and A.C., Volume I.

The Executive Engineer of a division may in place of the system of obtaining cash orders on sub-treasuries for payment to establishments stationed near the sub-treasuries [as in item (b) above] adopt the system of presenting separate bills for such establishment direct at sub-treasuries. But one or other of these two systems must be followed throughout each division and not both.

D — Distribution of Pay and Allowances

I—General

508. Special attention is invited to Articles 137 and 141, A.P.F. and A.C., Volume I, prescribing the procedure for distribution of pay and allowances to establishments. Acknowledgments should as far as possible, be taken on office copies of bills, but where this may not be convenient or advisable, as in the case of scattered establishments, consolidated receipts on acquittance roll, A.P. Financial and Account Code, Form II, may be obtained, separately for each set of payments made at one place or at one time.

1. Acquittance rolls and receipted office copies of bills are not required to be submitted to the audit office, but as they are important records, they should be stamped "Paid" and preserved carefully for the periods specified in Appendix XV to the A.P. Public Works Department Code as amended by G.O.No. 33, W., dated 5th January 1932.

509. Cash drawn on pay and travelling allowance bills of establishments should not be mixed with the regular cash balances of the department (vide paragraph 134). To enable the disbursing officer to keep a proper watch over undisbursed amounts, an account in Form No. 3-A prescribed in the

A.P. Financial Code, Volume I, should be maintained in all Public Works Department offices. The account should be in charge of the cashier or other person in charge of the office cash book and should be signed by him after each day's transaction. The Manager of the office should verify the balance and record the result as often as possible.

(1) This rule applies also to cash received by a subordinate officer for payment of pay and allowances of Government servants serving under him.

(2) The entries made in Amanath register maintained in Sub-division offices need not be included in the Amanath register to be maintained in division office.

II — Miscellaneous Recoveries from Establishment

510. Ordinarily recoveries on account of security deposits of employees should be made in cash when their pay is disbursed and should be credited in the cash book of the disbursing officer when the amounts recovered have to be paid into a Post office.

The rule in this paragraph applies mutatis mutandis to all recoveries from employees which are creditable, under the rules, to some head in the compiled accounts of division.

E — Special Arrangements to Prevent Delays in Payments

511. If the encashment of a bill for an advance on transfer is likely to delay a transfer which is urgently necessary in the public interest, the advance may be made from the permanent advance (if any), works imprest or other available cash in the hands of the disbursing officer concerned, pending recoupment when the bill is subsequently encashed. In the accounts of such office the amount advanced should not be charged off as a final transaction, but recorded as a temporary advance, so that the amount may continue to form part of the cash balance for which the disbursing officer is responsible.

F—Communication of Sanctions to Audit

512. All orders revising sanctioned scales or sanctioning the creation or abolition of permanent or temporary appointments should at once be communicated by letter to the Audit office.

513. In the case of all transfers of divisional, Sub-divisional or other executive charges, a report of transfer of charge should be prepared in the manner prescribed in Article 126, A.P. Financial Code, volume I, and sent to the Audit Office through the Superintending Engineer. Whenever the transfer of charge is prolonged so that two Government servants may be entitled to draw pay and allowances simultaneously for the same appointment. (See Audit Instructions under Fundamental Rule 107). The Superintending Engineer should intimate to the Audit Office if the time taken is reasonable and the relieving officer may be considered as on duty for the period. If, however, the Superintending Engineers consider the time taken in making over and receiving charge to be excessive, the relieving officer must be treated as if he were on leave or on joining time etc., as the case may be, for as much of the time as may be regarded as excessive.

CHAPTER XVIII

CONTINGENT CHARGES

A — Mode of Obtaining Cash

514. Cash required to disburse contingent charges is obtained from treasuries directly by bills, i.e., in the same way as cash required for payment of pay and allowances.

Under this method the charges do not enter the divisional accounts at all, though ultimately in the Audit Office they are charged against the appropriations to which they relate.

B — General Rules

515. The rules in Chapter IV, A.P.F.C. Volume I, and Appendix 12 of the A.P.F.C. Volume II, apply generally to the Public Works Department to the extent that they may not be inconsistent either with the authorized method of obtaining cash for contingent charges (vide paragraph 514) or with any of the special rules in this Code.

516. The expression “Contingent charges” as used in Public Works Accounts does not include charges which under the rules in Appendix 4 are classified under some other head of expenditure, e.g., Works, Repairs and Tools and Plant, Supplies and Services, though classed as a distinct head of account, are governed by the rules applicable to contingent charges.

The following rules have been laid down for differentiating between the heads “Contingencies” and “Supplies and Services”

Contingencies comprise those charges which are incidental to the management of an office. Such expenditure is much of the same kind in all departments.

Supplies and Services comprise charges which are incurred, for the technical working of a department, i.e., charges which are not merely incidental, but represent the main and proper activities of a department. Such charges are for the most part peculiar to the department in which they are incurred, e.g., the charges for the chemicals for ferro prints and medicines and hospital necessities in the Public Works Department are treated as Supplies and Services.

517. (1) The cost of medicines obtained for disinfecting boats plying on canals will be charged to the canals concerned under “Maintenance and Repairs”.

(2) Charges on account of medical stores supplied to Public Works Department hospitals not connected with any particular work or system of works should be debited to “Establishment - Contingencies” - “Supplies and Services”.

(3) In all other cases, the charges will be debited to some particular work or system of works.

518. [Deleted] (G.O.No. 74, P.W.D., Dt. 11th January 1939)

C — Special Rules

519. The following rules are applicable :—

(a) The procedure prescribed in the A.P.F. and A.C. for drawing bills direct on the treasury, for keeping the accounts, of cash obtained on the bills and for making disbursements applies in toto.

(b) Contingent bills may be drawn only by the Divisional Officer or such other officer as may have been specially authorized by the local Government, the procedure for the encashment of the bills being the same as prescribed for establishment bills in paragraph 507.

(c) Payments made out of the cash thus drawn are subject to the rules of this Code, both in regard to the manner of authorizing and making payments and to the forms or vouchers to be obtained in support thereof.

(d) Debits from other departments or provinces for supplies chargeable to contingencies, intimations of which may be received from the Accountant-General, should be dealt with in the manner indicated in Article 181 of the A.P.F. and A.C., Volume I, without being formally responded to in the accounts of the division. Other debits, of which intimations may be received direct through Advices of Transfer Debit, and stock and adjustment transactions arising, within the division, should be cleared, by an entry in the regular accounts, by debit to "the Accountant-General's office on account of the Contingencies of the Division", the transaction being incorporated in due course in the Contingent bill as laid down in the rule already quoted.

In accepting invoices of stores and work bills, etc., received from other divisions and departments, charges pertaining to contingencies should be clearly specified and, if necessary, distinguished from other charges, so that, in cases where the necessary adjustment can be effected in the Audit Office, this may be done without further reference to the Divisional Office.

520. The cash obtained for contingent charges should not be mixed up with balances of cash obtained for other purposes, and care should be taken that cash charges relating to other heads are not brought to account, even temporarily, as contingent charges or vice versa.

CHAPTER XIX

DIRECTIONS AND OTHER SPECIAL OFFICES

A — Introductory

521. The rules in this chapter apply only to the offices of Chief and Superintending Engineers, Superintendents of Works, and other special officers not being Divisional Officers or their subordinate officers. These offices described as special offices in this chapter.

522. The head of a special office is not concerned with the execution of works with the disbursement of money, or with the provision custody of any materials, otherwise than possibly as an officer of contr

however, he is required at any time to assume an executive charge, the monetary and store transactions of such charge should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to Divisional Officers.

B — Receipts

523. Nor do heads of special offices realize any departmental receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in Article 27 of the A.P.F. & A.C., Volume I and Article 23 of the A.P. Treasury Code. [See also Article 17 of the A.P.F. & A.C., Volume I].

C — Payments

I— Introductory

524. Thus, the monetary transactions of heads of special offices are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two distinct groups : —

I. Pay and allowances.

II. Contingent charges.

525. Cash required to meet these payments is obtained by bills drawn on treasuries under the rules in the following paragraph.

Para is deleted as per G.O. Ms. NO. 442 Tr. & B Dt.18-11-1978.

II—Pay and Allowances

526. The rules in the A.P.F. & A.C., and Chapter XVII of this Code for divisional offices apply mutatis mutandis to special offices.

III—Contingencies and Supplies and Services

527. The general rules relating to Contingencies and Supplies and Services are given in Chapter VI in Volume I & Appendix 12 in Volume II of the A.P.F. & A.C.

528. Charges, for new supplies of, and repairs to, articles of the classes which, in the case of executive officers are classified under the head “Tools and Plant”, are treated as contingent charges etc., in the case of special offices.

Examples : — Scientific instruments and drawing materials, office furniture, camp equipage, motor cars, etc.

529. The account procedure prescribed in Chapter VII for Tools and Plant of divisional offices need not be observed in special offices in respect of the articles referred to in paragraph 521, though these will otherwise be treated as Tools and Plant for the purposes of the Public Works Department Code. Suitable register showing the receipt, disposal and balances of the articles should, however be maintained.

If any articles of this class are transferred to a divisional office, the transfer should forthwith be reported to the Audit Office, even though no adjustment of cost is required to be made under the rule.

CHAPTER XX

ACCOUNTS RETURNS OF SUB-DIVISIONAL OFFICERS

530. A Sub-divisional Officer maintains the initial account records of cash stores as described in Chapter VI and VII as well as a Works Abstract, with certain accompaniments, for each work in progress. All these records are, as a rule, written up as the transactions take place. Sub-divisional Officer is not, however required to consolidate the transactions into a compiled account, this work being done in the divisional office for the entire division.

531. The initial accounts of cash and stores for a month should be closed on the dates fixed by the Accountant-General. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following month. In the month of March, however, the initial accounts of the Sub-division should be kept open until the 31st.

(1) The object of this rule is that the accounts returns of Sub-divisions should reach the divisional office in sufficient time for the compilation of the monthly account of the division and its submission to the Audit Office by the prescribed date.

(2) 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-divisional officer. The former may be permitted except in March, to close their monthly accounts three days before the date of closing fixed for the Sub-division. The limit of three days may be relaxed by the Accountant-General in exceptional cases.

532. Immediately after the Cash Book of a month has been closed under paragraph 531 the Cash Balance Report Form 5 (P.W.D. VI-I) prepared under paragraph 166 should be transmitted to the divisional office.

533. Copies of the Cash Book (supported by vouchers) should be sent to the divisional office twice a month or often as may be directed by the Divisional Officer. The copy for the last period of each month should accompany the Cash Balance Report.

(1) As the accounts of the division in respect of the cash transactions of Sub-divisions are based on the copies of Sub-divisional cash books prepared under this rule, Sub-divisional Officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution, the total of the "cash" columns on both sides should be expressed in words in their own hand.

(2) Sub-divisions at the headquarters of a divisional office are permitted 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.

534. Within three days of the date on which the accounts of a month are closed, the returns enumerated in items (a) to (e) below should be forwarded to the Division office with a covering letter in P.W.D. Form 93 (P.W.D. VI-121).

The return in item (f) should be submitted to the Division office between the 10th and 15th of the following month.

(a) Abstracts of Stock Receipts and Issues, Forms 9 and 10 (P.W.D. VI-5 and 6), supported by receipted invoices or other vouchers, and extracts from Register of Stock Receipts and Issues (Copies)

(b) Accounts of Receipts and Issues of Tools and Plant, Forms 13 and 14 [P.W.D. VI-7 and 7(a)], supported by necessary vouchers and acknowledgements (in original).

(c) A Works Abstract accompanied by the materials-at-site account Form (P.W.D. VI-83 or VI-83-A), where necessary, and by Form 53 P.W.D. VI-10), Transfer Entry Order, in the cases referred to in paragraph 253] for each work in progress (vide paragraph 69) in connection with which there was any transaction during the month with a detailed list in P.W.A. Form 94 (P.W.D. VI-22).

(d) A 'Petty Works Requisition and Account', Form 32 (C.F.No. 105) for each petty work in progress in connection with which there was any transaction during the month. (In original with a detailed list in P.W.D. VI-52).

(e) Transfer Entry Orders, Form 53 (P.W.D. VI-17), relating to the accounts of the month, excluding those proposed from time to time, vide paragraph 250.

(f) A certificate regarding the scrutiny Of the materials -at- site account of minor works and repairs - vide paragraphs 322 (ii) of his Code.

535. Other accounts returns which Sub-divisional Officers should submit to the divisional office are the following

(a) Monthly :-

(i) "Statement of Receipts, Issues and Balances of Road Metal," Form 16 (P.W.D. VI-12 and 13) - vide paragraphs 241 and 242.

(ii) Such statements or reports (vide paragraph 281) in connection with recoveries of rents of buildings and lands, the Divisional Officer may require the Sub-divisional Officer to prepare.

(iii) Estimate of probable requirements of cash if prescribed by the Divisional Officer under Rule 1 to paragraph 138.

(b) *Half-yearly* : — Balance Return of Stock, Form II (P.W.D. VI-8), on dates fixed by the Divisional Officer - vide paragraph 208. (G.O. Ms. No. 486, P.W.D. dated 17-5-1974).

(c) *Yearly* : — Register of Tools and Plant, Form 15 (P.W.D. VI-9), on or before the 15th October.

(d) *Occasional*: — Reports of verification of stores (including materials-at-site of works), immediately after each verification.

CHAPTER XXI

ACCOUNTS OF DIVISIONAL OFFICERS

A — Introductory

536. The cash and stock accounts of the divisional office for a month are closed on the last working day of the calendar month.

Note: — Whenever Treasuries/sub-Treasuries and Agents of the State Bank are required under the specific request of the Dist. Collector to function on the last day of month, even if it happens to be a public holiday, the divisional/sub-divisional officer also may carry on cash transactions on that day. (G.O.Ms.No. 300 Tr. R & B(c), Dated 12-6-1978)

537. The Transfer Entry Book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e.g., those relating to the levy of the prescribed percentages for establishment, tools and plant, storage charges, should be made.

The transfer entry relating to the levy of percentages for establishment, tools and plant, and accounts and audit charges, is effected on a single order of the Divisional Officer recorded in Form 62 (P.W.D._VI-98). The special form prescribed for the purpose-vide paragraph 555.

538. The cash and stock accounts of the entire division, as also all transfer transactions, should be scrutinized by the Divisional Accounts Officer before they are incorporated in the Monthly Account and connected registers and schedules.

(1) The Divisional Accounts Officers responsibility as a Primary Auditor extends also to the examination of all claims included in bills presented direct at treasuries by the Divisional Officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

(2) In all matters connected with the personal claim of Government Servants, the Divisional Accounts Officer is expected to give expert advice and help. He should see in particular that service book and leave accounts of subordinates are maintained in accordance with rule, that the annual establishment return (article 130, A.P.F and A.C., Volume I) is accurately prepared and that the admissibility of leave applied for by subordinates is verified before their leave applications are disposed of by the Divisional Officer are forwarded to higher authority. In all cases of doubt, however, he should advise the Divisional Officer to consult the Accountant-General.

B — Scrutiny of Accounts

539. The Divisional Accounts Officers should examine the accounts returns of Sub—divisional Officers on receipt to see

(i) that they have been received in a complete state,

(ii) that all sums receivable are duly realized, and no realization credited to the proper head of account as well as to the personal account if any, of the contractor, employee or other individual.

(iii) that the charges are covered by sanctions and appropriation and are supported by complete vouchers setting forth the claims and the acknowledgments of the payees legally entitled to receive the sums paid.

(iv) that vouchers and accounts are arithmetically correct.

(v) that they are in all respects properly prepared in accordance with rule, and

(vi) that all charges are correctly classified, those which are debitable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as to quantities of work done, supplies made, etc., or services rendered) certified by responsible officers, the claims admitted for payment are valid and in order.

It is not necessary that the Divisional Accounts Officer should check personally the arithmetical accuracy of all vouchers and accounts, but he is responsible that a cent per cent check is exercised efficiently under his supervision.

540. The Divisional Accounts Officer should exercise a similar check, from day to day, in regard to (1) the transactions recorded. direct in the cash and stock accounts of the -divisional office, and (ii) bills and vouchers of Sub-divisions, which are submitted to the Divisional Officer for approval before payment is made by the Sub-divisional Officer. In respect of charges, this examination should be conducted before the payment is made.

The Arithmetical accuracy of the entries in the measurement books relating to bills sent for pre-audit should be checked cent per cent in the division office under the supervision of the Divisional Accounts Officer, though not personally by himself.

541. Every payment should be so recorded, and a receipt for the same so obtained, e.g., see paragraph 309 and 312, that a second claim against Government on the same account is impossible and if it represents a refund of a sum previously received by Government, it should also be seen that the amount paid is correctly refundable to the payee.

542. If the Divisional Officer has set a limitation on the drawings of any Sub-divisional Officer on a treasury for any month, he should intimate the same to the Treasury Officer, and specify the date of commencement and termination of the account month of the Sub-divisional Officer. The Divisional Accounts Officer while examining the Cash Book of the Sub-divisional Officer, should see -that the total amount of cheques drawn by him during that month does not exceed the prescribed limit-see paragraph 143.

543. The Divisional Accounts Officer 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. Generally sanction to estimates and appropriations for works should be noted in the Register

of Works. Sanction to fixed charges of 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 58 [PWD VI-90(a)]. For sanctions to special payments chargeable to the accounts of works and other miscellaneous sanctions, Form 69 [PWD VI-90 (b)], Register of Miscellaneous, will be found suitable.

(1) Forms 58 and 59 [PWD VI-90 (a) and (b)], 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.

(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.

544. If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the Divisional Officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the orders of the Superintending Engineer or higher authority should be taken. In such cases, it may be advisable to have a separate working estimate or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

545. It is one of the functions of the Divisional Accounts Officers to see that expenditure, which is within the competence of the Divisional Officer to sanction or regularize, is not incurred, as a matter of course, under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the Divisional Officer and his orders obtained and placed on record. See also paragraph 91.

546. When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in a Register of Recoveries in Form 95 (PWD VI-123) 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.

547. It is permissible to take in reduction of the expenditure on works in progress, certain recoveries of expenditure (vide paragraph 256), e.g., sale-proceeds of surplus materials and plant acquired specially for any work, or of materials received from dismantled structures, irrespective of whether the estimates for the works make allowance for such recoveries or not. The amounts of such receipts are, however, not available for expenditure in excess of that authorized in the estimate for the work, and the Divisional Accounts Officer should see, that without the orders of competent authority the gross

expenditure authorized is not exceeded or surplus receipts realized are not utilized towards additional expenditure. He should at the same time, watch the receipts, with a view to bring to the Divisional Officer's notice and obtain officer's orders on all marked deviations from the provision for such credits in the estimates of works.

(1) In the case of works, the accounts for which are kept by sub-heads all such receipts should be credited to a special-head in these accounts, vide paragraph 352. In the case of other works, the progress of the realization of receipts should be watched through the Register of Special Recoveries (vide paragraph 546), 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.

(2) The Divisional Accounts Officer should see also that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilized towards unauthorized expenditure.

548. After check every voucher should be en faced with the word 'checked' over the dated initials of the Divisional Accounts Officer as well as of any clerk who may have applied a preliminary check. Vouchers not submitted to audit (vide paragraph 569) should be 'cancelled' by means of a perforating or endorsing stamp and kept carefully, to be made available for test-audit whenever demanded by the Accountant-General.

(1) Vouchers relating to contingencies, which do not amount to more than rupees twenty-five each should be dealt with in the manner indicated in the certificate of the disbursing officer printed on Andhra Pradesh Financial Code, Form 18.

(2) Stamps affixed to vouchers should be so cancelled that they cannot be used again and if with this object they are punched through, care should be taken that the acknowledgement of the payee is not destroyed thereby.

(3) Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to Form (PWD VI-7), account of Receipts of Tools and Plant.

549. The results of the examination of accounts and vouchers received from Sub-divisional Officer should be intimated to them in all cases in which it is necessary to obtain further information of accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity. The procedure to be observed may be prescribed by the Divisional Officer. The records connected with the results of the examination should be retained so as to be available for the Accountant-General's inspection.

C — Settlement of Accounts with Treasuries

550. As soon after the expiry of the month as possible, a monthly settlement should be effected with all treasuries in respect of the transactions of the entire division with them.

551. For payments into treasuries, the Public Works Divisions should write up a treasury Remittance book listing out the remittances made by the Division during the month and on the basis of these entries, the Treasury Officer will effect reconciliation and record a certificate for the amount as appearing in the Treasury Receipt for the same amount explaining the difference between the Treasury and the Department figures in the Remittance Book itself. (Sub. by G.O.Ms.No. 1124, PWD, Dt. 23-4-1965)

Explanation : — According to Para 551 of the .APW Account Code, a consolidated Treasury Receipt for payments into treasuries should be prepared by the Public Works Divisions and sent to the Treasury Officer for signature. The Accountant General has pointed out that in actual practice this rule is not being followed, that the Public Works Divisions write up a treasury Remittance Book listing out the remittances made by the Division during the month and on the basis of these entries, the Treasury Officer effect reconciliation and records a certificate of receipt for the amount as appearing in the Treasury account duly supported by a CTR for the same amount. As the CTR prepared by the Treasury Officer for the amount at credit in Treasury account is always at variance with the corresponding Division figure, the Accountant General, Andhra Pradesh after consulting the Accountant General, Madras, and with the acceptance of the Comptroller and Auditor General of India has suggested a slightly different system of monthly settlement of remittances into the Treasury based on the existing procedure. The advantages of the existing system are;

(i) The Treasury Officer will be giving a certificate for the exact amount acknowledged and credited by him in the Treasury accounts of the month instead of for the full amount reported as remitted by each division subject to reconciliation of differences listed out at the end of the certificate. The latter certificate can, for all purposes, be deemed only as a qualified certificate.

(ii) The differences will be brought out in line 5 of Part 1 of the Schedule of settlement with treasuries and can be watched at the time of audit of the Schedule.

552. For cheques drawn, the pass-books, duly completed for the month, should be obtained from the Treasury Officers with the certificates of issues from treasuries (which are prepared in the form reproduced below), and their agreement with the cash books of the division should be effected in Part II, Form 51 [PWD VI-16 (a)] Schedule of Monthly Settlement with Treasuries, which also gives details of the differences.

I hereby certify that the total issues made from this treasury on cheques drawn against the account of Mr. Officer-in-charge, Division, during 19, amounted to Rs. (in words)

The certificates of agreement should be recorded in the pass-book over the signature of the Divisional Officer without recording any details of the uncashed cheques or other differences.

(1) The pass-book or list of cheques cashed is written up in A.P. Treasury Code, Form 73 by a Principal Subordinate other than the Cashier (G.O.Ms.No. 170, P.W.(Y) Dept., 10th Feb. 1969 and G.O.Ms.No. 956 P.W.(Y), dated 19th May 1970). It should remain in the Division Office as an account record of the office and should be sent to the Treasury periodically on fixed dates to be written Pass-books of divisions which have all their sub-divisions in the Headquarters of the Division should be sent to the Treasury once at the end of each month, but divisions which have their Sub-division offices located at places different from the Division Headquarters should send the pass-book to the Treasury twice a month, viz., on the 10th and at the end of each month. The identity and the amount of the cheques entered as cashed should be examined at the earliest opportunity, the pass-book being initialled (and dated) by the Divisional Accounts Officer in token of the check.

(2) Form 51 P.W.D. VI-16 (a) is required for submission to audit in original, vide paragraph 567. 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.

(3) If the Divisional Officer is placed in account within any treasuries which are in account with an accountant-General other than his own Audit Officer, or with a Military treasure chest, a separate schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16(a)] should be prepared in respect of the treasuries of each Audit circle.

“**Note** : — Pass book should be written by a Principal subordinate other than the cashier.”

(G.O.Ms.No. 170, P.W.D., dt. 10-2-1969)

553. Sub-divisional cash books are closed on various dates before the last date of the calendar month, and the accounts of sub- treasuries are also not closed on that date transactions recorded in the cash books of the Public Works Department for a month may sometimes be responded to by the treasury in an earlier or subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause nor represent amounts of uncashed cheques should be settled expeditiously in consultation with the Treasury Officer concerned.

D — Compilation of Accounts

I — Monthly Accounts

(a) Schedule Dockets

554. As cash vouchers and transfer entry orders, relating to (i) charges for establishment, tools and plant, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required come to hand and are scrutinized, they should be posted into Schedule Dockets in Form 61 (P.W.D. VI-7), a separate form being used for-

(a) each work to be accounted for in Schedule of Works expenditure, Form 63 (P.W.D. VI-26) or in the Schedule of Deposit Works, Form 65 (P.W.D. VI-101 to 103).

(b) each manufacture or other item of expenditure debitable to Stock and to be accounted for in the Schedule of Debit to Stock, Form 72 (P.W.D. VI-28) (vide paragraph 560).

(c) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (vide paragraph 256) should be posted as refunds, with brief particulars of the transactions. At the end of the month, the schedule dockets should be completed in respect of Stock transactions by posting therein all the stock debits and credits of the month as recorded in the lower part of Forms 10 and 9 (P.W.D. VI-6 and 5), Abstracts of Stock Issues and Stock Receipts, respectively, omitting those brought to account through the Cash Book and the Transfer Entry Book Vide rule 2 to paragraph 191. The total of the month's stock transactions relating to each schedule docket should be entered therein as in 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. Thus in the case of schedule dockets for works, this figure represents the total issue of materials from stock to the work and the materials transferred from work to stock will appear as refunds under the heading 'Transfer Entries'. The schedule dockets should then be totalled and reconciled with works abstracts in the case of works and with the schedules concerned in the case of dockets of class (c) above. All the vouchers (including acknowledgements for stock supplied to contractors), transfer entry orders, survey reports, and sale accounts which are required to be submitted to audit (vide paragraph 569) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

(1) Accountant-General may, however at their discretion permit Divisional Officer to post the schedule docket at the end of the month from the works abstract as soon as the latter are completed checked. Accountant— General may also 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 audit. In that case, the Divisional Accounts Officer must record a certificate in the last column of schedule of works expenditure against the relevant item that the vouchers comprising the items are such as are not required to be submitted to the audit office under the rules.

(2) 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 amounts of unvouched and stock charges have been duly audited by the Divisional Accounts Officer in detail, and are available for test-audit. The Divisional Accounts Officer is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

(3) Some of the schedules referred to in clause (c) above include charges for works supported by a Schedule of Works Expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

555. For percentage recoveries made on account of establishment, tools and plant, accounts and audit and pensionary charges (vide Appendix 7) a single schedule docket should be prepared in Form 62 (P.W.D.98), embracing all Government, as well as non-Government, works on which these percentages may be leviable under the rule.

1. This form may be signed by the Divisional Accounts Officer when the Divisional Officer is away on tour.

(b) Register and Schedules

556. (a) All cash and transfer entry transactions of the month, other than those noted in the margin, should be posted, from time to time, into one of the schedules or registers named below, to which the transaction relates:

- (a) Expenditure on works,
 - (b) Expenditure on stock,
 - (c) Transactions referred to in paragraph 564-
- | | |
|--|--|
| (i) Registers of Revenues realized; | All in Form 46 (P.W.D. VI—25) (paragraph 276 to 278), a separate register being maintained for each major head and in the case of works for which a separate revenue account is kept; one for each separate system or project. |
| (ii) Registers of Refunds of Revenue. | |
| (iii) Registers of Receipt and Recoveries on Capital Account; | |
| (iv) Registers of Rents of Buildings and Lands. | Form 49 [P.W.D. VI-49(a)] (paragraph 280), a separate register being maintained for each major head etc., as in respect of Nos. (1) to (iii). |
| (v) Schedule of Debits to Remittances, | & both in Form 77 |
| (vi) Schedule of Credits to Remittances | (P.W.D. VI-100) both in Form 76 |
| (vii) Schedule of Debits to Miscellaneous Heads of Accounts, and | (P.W.D. VI-99). |
| (viii) Schedule of Credits to Miscellaneous Heads of account; | |
| (ix) Suspense Register; | Form 67 (P.W.D. VI-20), in respect of transactions falling under the heads "Purchases" & "Miscellaneous P.W. Advances" (vide paragraph 413 and 427); |
| (x) Deposit Register; | Form 67 (P.W.D. VI-20) (vide paragraph 465); |
| (xi) Schedule of London Stores; | Form 71 (P.W.D. VI-30) (vide paragraph 435); |

- (xii) Schedule of deposit works; Form 65 (P.W.D. VI-101 to 103)
(vide paragraph 475).

(b) Of these Schedules; Nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraph quoted against each.

(1) Rent and other revenue receipts pertaining to (a) Military Works, (b) Railway Works, (c) Posts and Telegraphs Works, and (d) Archaeological Works of the Central Government referred to in paragraph 558, should be posted in separate registers, Forms 49 and 46 [P.W.D. VI-49(a) and 25], for each (as required) and additional registers should be maintained for receipts from other works of the Central Government.

(2) When under a major head of revenue, there are more than one system of works for which separate revenue accounts are kept a summary of the receipts of all systems working up to the totals of the major head, should also be prepared.

(c) Schedules Nos. (v) and (vi) are the schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in the sample entries of Form 67 (P.W.D. VI-100).

(d) Schedules Nos. (vii) and (viii) are intended to collect all disbursement and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works are stocks expenditure schedules referred to in paragraph 558 to 560. These transactions are adjusted finally in the books of the Accountant-General, and ordinarily effect one of the non-Public Works major heads of revenue or expenditure (e.g. "II Taxes on Income", "XXII. Jails and Convict Settlements", "26 Audit" and "57. Miscellaneous" or a debit head of Account (e.g., "O. Unfunded debt-Savings Bank Deposits-Bank Accounts-Cemetery Endowment Fund").

1. Income-tax deductions from work-charged establishments, percentage chargeable on European stores, and receipt on account of Cemetery endowment, invariably appear in the schedule of credits to miscellaneous heads of accounts. Percentage recoveries for audit and accounts in the case of works executed on behalf of (1) private parties, and (2) local bodies-vide item (d) of rule 5 of Appendix (7) and (3) Railways, Military Engineering Service and Post and Telegraphs-vide item (d), rule 5 ibid. appear as credits or minus debits in the Schedules of credits or debits to Miscellaneous Heads of Account respectively according as the amounts are creditable to XLVI. Miscellaneous- Fees for Government Audit, or '26. Audit'. The recoveries from private parties and local bodies will be adjusted as Revenue receipts under the head 'Fees for Government Audit subordinate to the Major head 'XLVI. Miscellaneous-Central'. Recoveries in the case of works relating to Railways, Military Engineer Services and works executed on behalf of the Posts and Telegraphs Department should however be adjusted as reduction of expenditure under '26. Audit-Central'. As regards other transactions they should not be classified under the final or debt head concerned and shown in the Schedules of Credits or Debits of Miscellaneous Heads of Account, unless the Accountant-General has authorized this; ordinarily they should be classified by Divisional Officers under the remittance head "Public Works

Remittances-II. Other Remittances” and included in the Debit or Credit Form 77 (PWD VI-100) as the case may be. See also paragraph 12 and 13 of Appendix 5.

557. At the end of the month, the stock transactions of the month, as recorded in the Abstracts of Stock Receipts and Stock Issues Forms 9 and 10 (P.W.D. VI-5 and 6), excluding transactions brought to account (vide rule 2 to paragraph 191) through the Cash Book and the Transfer Entry Books, should be incorporated in all other respects, e.g., (1) in the debit schedules 77 and 76 (P.W.D. VI-100 and .99) and in the Deposit Register should be posted, from the detailed schedules concerned (vide paragraph 558 and 559). The total amount of works expenditure; chargeable to each head of account, division or office (see also paragraph 465, and (2) the total amount of the cheques drawn during the month should be entered in the Credit Schedule, Form 77 (P.W.D. VI-100) as a single entry for treasuries of each Audit circle, under the head Public Works Remittances-II. Public Works Cheques,” or the exchange account head concerned, as the case may be (see rule 3 to paragraph 552).

(1) Expenditure on famine relief works should be entered in Debit Schedule Form 76 (PWD VI-99).

(2) In the schedule of Debits to Remittances the expenditure on the works referred to in clauses (a)(ii) to (a)(v) of paragraph 558 should be shown separately from that of other works.

558. (a) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a Schedule of Works Expenditure should be prepared in Form 63 (P.W.D. VI-26) separately for expenditure relating to each of the following classes:

(i) Each major head or a division thereof shown separately in column 1 of the classification table of Appendix (4) under which expenditure is recorded, a separate schedule being prepared for “Central”, “Provincial-Reserved” and Provincial-Transferred in the case of “50. Civil Works”.

1. This form is not used for Manufacture transactions-vide paragraph 560.

- | | |
|---|--|
| (ii) Military Works | Entered to the
division as a stan-
ding arrangement. |
| (iii) Railway Works | |
| (iv) Post and Telegraphs Works | |
| (v) Archaeological Works of the Central
Government connected with the conservation of
Ancient Monuments as defined in Section 2 (1)
of the Ancient Monuments Preservation Act,
1904, and declared to be protected under
Section 3 (1) of that Act. | |
| (vi) All other Government works including occasional works of classes (ii) to (v) | |

(vii) All non—Government works other than Deposit Works, for which separate schedules are prepared in Form 65 (P.W.D. VI-101 to 103)-vide paragraph 475.

(b) Only these works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of the prescribed heads of the accounts classification in the case of works of classes (i) to (v), and grouped separately for each Government department, division, local body or other party concerned, in the case of works of classes (vi) and (vii). All works forming part of a single project or system should, in all cases, be grouped together.

(1) In the schedules for works of classes (i) to (v), money column 5 for “Total charges of the month” should be totalled so as to bring out separately the totals for (1) each minor head, (2) each primary unit of appropriation (if any) subordinate to a minor head, and (3) each group of works for which a separate lump-sum appropriation has been placed at the disposal of the Divisional Officer or a controlling authority. Against each total of the last category should be given (a) in column 6, the total charges of the year which will be arrived at by adding the total of the month to the total of the year as given in column 6 of the previous month’s schedule, and (b) in column 7, the lump-sum appropriation if placed at the Divisional Officer’s disposal.

(2) In the schedules pertaining to works of classes (vi) and (vii) the entries relating to each work should be made separately for “work expenditure” and “percentage charges” (for establishment, tools and plant, accounts and audit and pensionary charges, etc.) one line being used for each of these two charges and a third for the total charges on the work. In the case of Archaeological and Central Civil Works and works executed for the Military Engineering Services, and Posts and Telegraphs Department, percentage charges for establishment including pensionary charges and Tools and Plant are levied at a fixed rate of 19 per cent on the works outlay as a permanent arrangement. In addition, one per cent for accounts and audit is levied in the case of works executed for the Military Engineering Services, and Posts and Telegraphs Department. The centage charges on these works need not, however, be deducted monthly but should be levied on the total outlay incurred during the year in respect of each class and adjusted by the Divisional Officer in the accounts for March each year.

(3) Save as provided for in rule 1, it is optional with the Divisional Officer to make entries in columns 6, 7 and 9 in respect of individual works. These columns need not be filled in the fair copy of the schedule required for submission to the Accountant-General (paragraph 567) except figures entered in column 6 of the office copy under the provisions of rule 1.

559. Similarly, the Schedule of Deposit Works should be completed in respect of expenditure transactions, which should be taken from the relevant schedule dockets.

560. All debits to Stock should be collected in Form 72 (P.W.D. VI-28), Schedule of Debits to Stock the entries in the 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, construction and repairs of land, kilns, etc., under (3) should be shown the expenditure which is incurred after the acquisition of the stores on work-charged establishments employed on handling and keeping initial accounts, the custody of stock and maintenance of store godowns or yards, etc., under (4) should be shown (a) individually, all items of expenditure on the carriage, handling, etc., of stock materials of store godowns 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 chargeable to the sub head of stock under which the materials are classified (vide paragraphs 203 and 389), (b) individually, all items of acquisition of stock materials, for which an estimate is required under rule, and (c) collectively, all other items of acquisition of stock materials.

(1) If the Divisional Officer is specially authorized by Government to sanction the carriage, handling etc., charges up to a specified money limit, it will devolve upon the Divisional Accounts Officer to conduct the audit of individual terms of expenditure against the Divisional Officer’s sanctions but all items of this quota should be detailed in the schedule.

(2) In respect of each manufacture operation, the outturn of the month (vide paragraph 396) should also be shown in the schedule, the operation and outturn being entered in two separate lines.

561. An account of the suspense head “Stock” should next be prepared in Form 73 (P.W.D. VI-108), Stock Account. Part I of this form is the main account showing the receipts, issues, and balances, classified by sub-heads, separate figures being given in respect of the sub-heads “Manufacture”. “Land, Kilns, etc., and Storage” and all the other sub-heads (vide paragraph 417) being lumped up. Part II, the Detailed Account of Issues, is written up first, and from this part and the Schedule of Debits to Stock, Form 72 (P.W.D. VI-28), is prepared, Part I.

(c) Classified Abstract of Expenditure

562. A consolidated account of all expenditure (vide Paragraph 82) charged against the grants of the division should be prepared in Form 74 (P.W.D. VI-109), Classified Abstract of Expenditure. The figures relating to the several major heads or Divisions thereof shown separately in column I of the Classification table of Appendix 4, should be entered in separate sections arranged in the order indicated in Appendix 4, and in the case of the major head “50. Civil Works”, the “Central”, “Provincial-Reserved”, and “Provincial-Transferred” transactions should be shown in three different sections in the order shown here.

(1) When Military Works or works for Railways, Post and Telegraphs or Archaeological Departments are undertaken as a standing arrangement [vide paragraph 558 (a)] and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in Form 74 (P.W.D. VI-109), the classification of expenditure being that prescribed in respect of the works concerned—vide rule 2 to paragraph 77.

(2) Refunds of Revenue, though covered by the term Expenditure (vide paragraph 82) are excluded from Abstract, as they are treated as minus Revenue (vide paragraph 274 and Appendix 4). On the other hand, 'Receipts and Recoveries on capital account, are included in this abstract minus expenditure, as they are taken in reduction of the charges under the major head '68' (vide Statement E of Appendix 4).

(d) Preparation of Monthly Account

563. Finally, should be prepared, for presentation, (with all supporting registers, schedules, vouchers etc.), to the Divisional Officer and submission to audit, the Monthly Account in Form 80 (P.W.D. VI-112). This account is an abstract of the entire receipts and disbursements of the month as detailed in the various schedules and registers, and shows also the opening and closing cash balances, and on the back of the form are printed (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the Account are divided into three groups:— (1) Revenue entries, which are the total receipts under the several major heads, as taken from the Registers of Revenue realized, Form 46 (P.W.D. VI-25), (2) expenditure entries, which are the totals for the several divisions of major heads and are posted from the Classified Abstract of Expenditure, Form 74 (PWD VI-109), and (3) other Heads, entries in which representing both receipts and disbursements, are posted from the Schedules of Deposits, Remittances and Miscellaneous Heads of Account, Forms 78 or 79, 77 and 76 (PWD VI-31 (b), 100 and 99).

The totals of the column for receipts and disbursements must agree and if there is any difference due to cash being in transit between two disbursing officers its amounts, etc., should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

564. (a) There are certain transactions recorded in the initial cash and stocks accounts, which involve no operation on a revenue, expenditure, or any other prescribed head of the accounts classification, as every such entry is counter-balanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transactions, for audit purposes, in any of the schedules and register leading to the Monthly Account, but the Divisional Accounts Officer should see that all transactions are cancelled by each other in due course.

(b) These transactions fall under two classes:

- (i) *Cash from Treasury* : — A cheque drawn to replenish the cash chest is charged to this head in the cash book and per contra the amount of the cheque is entered at once, as cash received, under the same head, a cheque drawn in favour of self being cashed (vide paragraph 128) even though not cashed at once.
- (ii) *Transfers division* : — Remittances of cash and stock by one accounting officer of the division to another, are charged or credited to this head when the remittance is actually made or received.

565. When the Monthly Account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up Form 81 (PWD VI-113), Abstract Book, from the original Cash Books, Abstract of Receipts and Issues of Stock, and the Transfer Entry Book, and thus to locate the error or omission.

Instructions for posting this book and utilizing it in locating errors in the compilation of the Monthly Account and connected schedules and registers are printed on the Standard form, which is to be taken as a model only. If the Divisional Accounts Officer considers it desirable, he may maintain this book regularly to facilitate the check of compiled accounts.

566. It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book excluding items referred to in paragraph 564, enter in one or other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no items being omitted; but those recorded in the initial accounts of stock, Forms 8,9 and 10 (PWD VI-4, 5 and 6) are dealt with as under:

(a) Those brought to account through the cash book or the Transfer Entry Book (vide paragraph 191) e.g., stock purchased in cash, stock sold for cash, and stock received from works, are let out, and

(b) The rest are posted direct from the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (PWD VI-5 and 6).

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in (a) above are not brought to account twice, and the Divisional Accounts Officer should see that all items of this class are correctly separated off in the lower part of the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (PWD VI-5 and 6) as prescribed in rule 2 to paragraph 191.

(e) Submission to Audit

567. The Monthly Account is due to reach the Accountant—General's office by such date as may be fixed by the Accountant- General in consultation with the Divisional Officer. It should be supported by the following documents:—

- | | |
|--|-------------------------------------|
| (1) Extracts from Registers of Revenue Realized, Form 46 (P.W.D. VI—25); and | in the same forms as the registers. |
| (2) Extracts from Registers of Refunds of Revenue, Form 46 (P.W.D. VI—25). | |
| (3) Classified Abstracts of Expenditure, Form 74 (PWD VI-109). | |
| (4) Schedules of Works Expenditure, Form 64 (PWD VI—26). | |
| (5) Schedule of Docket of Percentage Recoveries, Form 62 (PWD VT—98). | |

(6) Stock Account, Form 72 (PWD VI), [with Sale Accounts, Form 19 (PWD VI—34) in support of the Cash Credits to Stock].

(8) Schedule of Purchases, Form 68 or 69 (PWD VI—27) and	extracted from the relevant sections of the Suspense
20) (9) Schedule of Miscellaneous Public Works Advances Form 70 (PWD VI—29)	Register, Form 67 (PWD VI-

(10) Schedule of London Stores, Form 71 (PWD VI—30).

(11) Schedule of Workshop Suspense.

(12) Extracts from Registers of Receipts and Recoveries on Capital Account, Form 46 (PWD VI-25)—in the same form as the registers.

(13) Scheduled Dockets, Form 61 (PWD VI—97) with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each). See also rule 1 under paragraph 554).

(14) Schedules of Credits and Debits to Miscellaneous Heads of Account, Form 76 (PWD VI—99).

(15) Schedules of Credits and Debits to Remittance, Form 77 PWD VI—100).

(16) (Schedule of Monthly Settlement with Treasuries, Form 51 [PWD VI—16 (a)] (with supporting consolidated Treasury Receipts and Certificates of Issues, signed by Treasury Officers).

(17) Schedule of Deposits, Form 78 or 79 (PWD VI—31), extracted from the Deposit Register, Form 67 (PWD VI-20).

(18) Schedule of Deposit Works, Form 65 (PWD VI-101 to 103) (with Reports of Progress of Expenditure)

(19) Extract from Account of Receipts of Tools and Plant, Form 13 PWD VI-7) and

(20) Extract from Account of issues of Tools and Plant, Form 14 [PWD VI-7 (a)] [with supporting Survey Report of Stores, Form 18 (PWD VI-45, Sale Accounts, Form 19 (PWD VI-34), and acknowledgements of officers concerned in the case of stores transferred to other officers not being Divisional officers of the province].

In the same form as the Accounts.

(21) Schedule of Boat Rents LPWD 11-68 and 68(a)]

(22) List of Accounts submitted to Audit, Form 83 (PWD VI-21).

(1) The Divisional Officer is required to make a formal report, periodically of the progress of expenditure on a deposit work, to the administrator or depositor concerned. For this purpose a report in Form

PWD VI-115, 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 auditing the schedule verify the report and forward it to the local body or persons concerned. Several works relating to the same depositor may be included in one report.

(2) If the Divisional Officer is authorized to refund, without reference to higher authority fines which have been remitted by a court of law, the original orders of the Court should accompany the Schedule of Refunds of Revenue, as the audit of the refunds made in such cases is conducted by the Accountant-General on the authority of the orders of the court.

(3) In the case of projects under construction, the schedule of works expenditure should show total expenditure up to date on each of the heads subordinate to the minor heads (e.g. head works, main canals and branches etc.) as also the total amount of the 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 statement C of Appendix 4.

(4) The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to enable a check of the annual statement showing the working of the staff boats.

With September and March accounts a list of all items outstanding under C.S.S. Account for more than six months should be sent to the Accountant—General.

(A.G.s Cir. letter No. WMI/AJ15- 112161-72/50 Dt.26-7-1971)

568. The schedules relating to the suspense and deposit accounts, Forms 68, 70, 71, 73 and 78 (PWD VI-27, 29, 30, 108, and 31) and the Workshop Suspense Schedule, must be submitted to audit, month after month, so long as there are balances outstanding under the account concerned whether there have been transactions during the month or not; but, in respect of Purchases and Deposits, the Accountant-General may authorize the use of the alternative forms of Schedule Nos. 69 and 79 LPWD VI-27 and 31 (b)], in the case of divisions where the number of outstanding items is very large, but the number usually affected by the monthly transactions is small. In respect of the Schedule of Deposit Works Form 65 (PWD VI-101 to 133), the Accountant-General may dispense with the submission every month, of Part II of the Schedule, provided (1) that this part is invariably submitted with the accounts for March, and (2) that, if Part II for any month contain works, any expenditure where on has been charged to Miscellaneous P.W. Advances, an extract from Part— II relating to such works only is submitted to audit. Subject to these exceptions the remaining schedules are necessary only if there have been transactions during the month.

569. (a)(i) With the exceptions noted below as to which, however, see clause (b) below, all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the monthly Account

(ii) Vouchers in support of payments of wages to members of the work-charged establishment the posts held by whom the Divisional Officer is authorized to sanction.

(iii) Other cash vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 1000/- each, except in running bills of works includes final bills of works.

(Raised to Rs. 1000/- by G.O.Ms.No.110, Tr & B, Dt. 17-6-1967)

(iv) Invoices or other vouchers in acknowledgment of issue 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 vouchers other than the security itself or a safe custody certificate of the security exists.

When a voucher of this class is not submitted to audit, the reasons should be noted against the entry of its amount in the schedule docket, or in the schedule of works expenditure. See rule 1 under paragraph 554.

(vi) Transfer entry orders of the classes enumerated below:

Those involving debits to Remittance heads otherwise than in respect of expenditure on works.

Those relating to charges which are supported by vouchers received in transfer.

Those involving a debit or credit to London Stores or a credit to a Revenue head (Gross Receipts), or to any Miscellaneous Head of Account otherwise than in respect of expenditure on work.

(b) All vouchers (other than Master Rolls) in support of debits to contractors should be submitted to audit, even though falling under any of the exceptions to clause (a).

(1) The provisions clauses (a) and (b) of this paragraph apply also to vouchers received from other division or departments in support of transfer debits raised by them.

(2) The term "voucher" used in clause (a) includes advices of Transfer Credit and Acceptances of Transfer Debit received from other divisions, departments, etc., in the case of the pocket for Schedule of Debits to Remittances.

(c) All vouchers in support of payments for land acquired should be submitted to audit.

(d) All Survey Reports of Stores, Form 18 (P.W.D. VI-45) and Sale accounts, Form 19 (P.W.D. VI-34) must also accompany the Monthly Account Sale accounts in support of cash credits to Stock should be attached to the Stock Account, Form 73 (P.W.D. VI-108); survey report and sale accounts in support of other credits to stock should be tacked to the schedule dockets pertaining to the works or accounts debited; those in support of the Extract from Account of Issues of Tools and Plant, Form 14 [PWD

VI-7(a)] should accompany that document; and the remaining survey reports and sale account should be attached to the schedule dockets relating to the works or accounts credited.

570. The documents enumerated below should also be prepared and submitted to audit with the Monthly Account —

Extracts from Contractor's Ledger, Form 43 (PWD VI-91) prepared in Form 82 (PWD VI-92).

Schedule of Rents of Buildings and Lands, Common Form 439 [with supporting Statements of Rents recoverable in cash or by deduction from Pay Bills, Form 48 (PWD VI-49)].

571. The Divisional Accounts Officer is required to sign not only the Monthly Account but also all the schedules, etc., accompanying it. It is not necessary that the Divisional Officer should sign all these documents; he must, however, sign the Monthly Account, the Schedule of Monthly Schedule Settlement with Treasuries, Form 51 [PWD VI-16 (a)] and the List of Accounts, Form 83 (PWD VI-21] 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 84 (PWD VI-220)with a duplicate copy of the Monthly Account, and the Schedule of monthly Settlement with Treasuries, Form 51 [PWD VI--16 (a)] signed by himself, without which the Accountant-General will not finally pass the Monthly Account. The Contingent Bill must invariably be signed by the Divisional Officer.

In cases in which Form 62(PWD VI-98) is signed by the Divisional Accounts Officer under paragraph 555, Rule 1, the Divisional Officer should on return to headquarters send to the Accountant-General in Form 84 (PWD VI—22) a duplicate copy of it signed by him.

It is desirable that the Divisional Officer should make arrangements for the review by himself of all vouchers before they are submitted to audit, and that unless the circumstances are exceptional, he should sign the accounts himself.

572. In connection with the accounts for March, the following points should receive special attention —

(a) The entry of closing cash balance should be supported by (1) of the original cash balance Reports, Form 5 (PWD VI-I) 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 acknowledgement from the officer or the subordinate concerned, in respect of each item of imprest or temporary advance shown in the Cash Balance Reports of the Division for 31st March.

The original Cash Balance Reports of subordinate disbursing officers should be initiated by the Divisional Officer before transmission to audit.

(b) To Part II of the Schedule of Monthly Settlement with Treasuries, Form 51 [PWD VI-16(a)] should be subjoined a statement in the form given below, in respect of the cheques drawn to meet payments of works.

Particulars	Number of cheques issued	Amount Rs.
1. For the whole month		
2. During the last five working days of the month		

(c) The Schedule of Deposits, Form 78 or 79 (PWD VI-31). “If the Schedule of Deposits is not required to be sent to the A.G the complete sub-para (c) may be deleted.”
(Subs. by G.O. Ms.No.94, TR&B Dt. 9-4-85)

II—Review of Unsettled Accounts

573. Contractor’s Ledger, Works Abstracts and Register of Works, Rent Registers and the other record of assessment and realization of revenue referred to in paragraph 257 — The several registers and schedules relating to the suspense and deposits heads of account, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustment in the accounts may be taken regularly throughout the year. In February, or early in March, special steps should be taken with a view to bring about all possible reduction in the number and amounts of outstanding items at the close of the year; and within the 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 91 (P.W.D. VI-96). Annual Certificates of Balances.

If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

574. Similarly, the prompt settlement of all remittance transactions, original or responding, should receive the personal attention of the Divisional Accounts Officer (vide paragraph 116), who should take special steps early in March to bring to account all 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, running or adjusted at the end of March should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the divisional office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Accountant-General being sought where necessary.

In settling transaction with railways, it should be borne in mind that Railway Audit offices closed their books for the year on the 10th May.

III—Closing the Accounts of the year

575. The Financial Year terminates on 31st March, and actual transactions taking place after that date can on no account be treated as pertaining to the year. It is necessary, however, that as many of the unadjusted remittance transactions of the year as possible, should be cleared within the accounts of the year, and very often errors in account come to notice after 31st March which should, also be set right, if possible, without affecting the accounts and estimates of the following year. Whilst, therefore, it is necessary that the stocks accounts in respect of actual transactions, the transfer entry book and stock accounts should be kept open for transfer entries relating to rectification of errors and settlement of remittance accounts.

If any adjustment in accounts have been purposely differed till the close of the accounts of the year, it is permissible to effect them after 31st March in the same way as adjustments in rectification of errors noticed after date.

576. The transfer entry transactions referred to in paragraph 575 should be consolidated into a special Monthly Account, which, with all the necessary accompaniments, should be submitted to audit on the 1st July following, or any other date that may be prescribed by the Accountant-General. This account is known as the Supplementary Account of the year.

This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the Suspense or Deposit Schedules, the items not affected, so long as, in addition to the necessary details of the items affected, the totals for the account concerned are also given. Similarly, in the schedule of rents of buildings and lands, Form 75 (PWD 11-64) only the items effected and the totals need be given, and in the extract from the contractor's ledger, Form 82 (PWD VI-92) only the account of those contractors whose accounts are affected in any way.

IV — Miscellaneous Returns

577. The Divisional Officer should submit also a prepared list or additions and alterations of the register of Buildings to the Accountant-General by the 15th December of each year.

(Substituted as per G.O.Ms.No. 663, PWD, Dated 14-4-1967).

V—Corrections in Accounts

578. (a) If an item in the accounts which properly belongs to a revenue or expenditure head is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but, after the accounts are closed, no correction is admissible except as permitted in clause (a) of Article 215 of the Account Code and in cases affecting the accounts of works, including those failing under 'paragraph 379 of this Code.

(1) Errors in suspense accounts are governed by the rule in clause (b).

(2) If an error be detected after submission to audit of the Divisional Officer's supplementary account of the year, it should nevertheless be reported

to the Accountant-General for instructions unless the amount be 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, it is sufficient to make a suitable note of it in the account concerned.

579. All corrections in accounts which may be advised by the Accountant-General on auditing the documents, should after verification be carried out in all relevant records, the entries being made in red ink (quoting the audit note or other advice) and attested by the dated initials of the Divisional Accounts Officer.

The Divisional Accounts Officer is responsible that all corrections advised by the Accountant-General are specially brought to the notice of the Divisional Officer.

VI— Proforma Accounts

580. When the details of any class of transactions, as recorded in the prescribed accounts, are not sufficiently indicative of the financial results of the operations of a given period, and it is necessary to ascertain the results, it is usual to prepare periodically suitable proforma accounts in addition.

(1) If the maintenance of such supplementary accounts is necessary for audit purpose and no form has been prescribed by the Auditor-General, the Accountant-General will determine the required forms in consultation with the Local Government. But if the accounts are required for administrative purposes, the Accountant-General will merely give such an advice or assistance in prescribing the forms as may be required of him.

(2) If a proforma account relates to transactions of two or more divisions the compilation of it will ordinarily devolve upon the Accountant-General, but Divisional Officers may be required to furnish the necessary data. A proforma account relating to a single division is prepared by the Divisional Officer and if it is an account prescribed by an Administrative authority, it will be checked, if desired by the Accountant-General.

581. If for the purpose of any proforma accounts 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 thereon should be booked separately in the general accounts, even though, under rules, it may not be customary to estimate or account for such expenditure separately—see also paragraph 85 (d).

582. The proforma accounts showing the results of the working of irrigation, navigation embankment and drainage projects; productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Accountant-General in accordance with the rules prescribed in the Account Code. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage works.

583. For workshops, manufacturies and similar quasi-commercial undertakings it is usual to prepare proforma accounts periodically-vide paragraph 400 (d) and 451.

584. In respect of buildings in charge of Public Works Department which are available for occupation as residences by Government employees' capital and revenue accounts need not be maintained.

(Memo.No. 1968-Y!67-6, dated 24-3-1968)

(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 Accounts Officer should see

(i) that if it is new building it is entered in the Register of Rents of Buildings and Lands

(ii) that steps are taken to obtain the orders of competent authority of buildings referred to in paragraph 261 of the Andhra Pradesh Public Works Department Code.

(Memo No. 1968-Y!67-6, dated 24-4-1968)

(2) Rule 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.

(3) If a building is actually occupied prior to closing the accounts of expenditure on construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy, and should, therefore, be fixed provisionally with the sanction of competent authority.

(4) If under the Supplementary Rules issued under Fundamental Rules 45-A and B or under other financial rules, the standard rents as well as the allowances fixed for the maintenance or repairs are subject to a periodical review [e.g. see Government of India Supplementary Rules 324(2) and 324 (3)]. The Divisional Accounts Officer should see that they are punctually reviewed and necessary revisions carried out in accordance with the prescribed rules and procedure. This rule does not apply either to the residences belonging to the Local Government or to residences belonging to the Central Government occupied by Central Government servants under the administrative control of the Local Government but applies only to residences of the Central Government occupied by Central Government servants under the direct administrative control of the Central Government.

585. The divisional Annual Account of Cemetery Endowments, Form 90 [P.W.D. VI-41(c)] prescribed in paragraph 15 of Appendix 5, should be submitted to the Accountant-General within a week of the despatch of the Supplementary Account to enable that officer to prepare the consolidated account for the whole State.

E — Cheque Books and Receipt Books

586. (a) A Register of Cheque (and Receipt) Books should be maintained in Form 52 [(P.W.D. VI-17 (a)], separate pages being reserved for cheque books, permanent and temporary receipt books.

(b) Whenever on examining a Cash -Book it is noticed that a cheque book or receipt book has been brought into use for the first time, the Divisional Accounts Officer should enter it at once in the register as a new item. At the same time the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to that book.

(c) The submission of the counterfoils for used cheque and receipt books for check in the divisional office (vide paragraph 175) should be watched through this register and as soon as the counterfoils are received they should be examined, and it should be seen in particular (i) that all items for which receipts were issued were duly brought to account in the cash book, and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the 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 filling 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.

587. The Register of Cheque (and Receipt) Books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

F — Miscellaneous Matters

588. When a Divisional Accounts Officer 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 or 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 Accounts Officer, 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.

The memorandum should be in a tabular form with columns for (1) remarks by the relieving accounts officer, (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.

588-A. Divisional Officers are advised to review from time to time the several registers, books and accounts as are 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 Accounts Officer 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 96 (P.W.D. VI- 124) Memo. of Review posted in a suitable position on the account, etc., concerned.

589. 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 item to the Accountant-General for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions the necessary transfer between offices, of unsettled accounts (for examples see below) of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant accounts and establishment records (including unused forms of cheque books and receipt books), should receive the special attention of all concerned.

Examples : — (i) Works in progress and suspense accounts of works, (ii) Appropriations and sanctions not yet completely operated upon, (iii) Stock and other suspense accounts, (iv) Remittance accounts, (v) Deposit and cash balances, (vi) Unrealized rent and other revenue, and (vii) Interest-bearing securities.

590. The destruction of account records in Public Works offices is governed by the rules in paragraph 84 of the A.P. Public Works Department Code. In each divisional office full details of all records destroyed from time to time should be maintained permanently in the prescribed Form (P.W.D. VI-119).