



cent, the Sub-divisional Officer may pay the muster rolls in full if he considers that there are adequate reasons for doing so. He should record the reasons whenever he does so.

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

Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the sub-divisional record prescribed above.

NOTE.—This procedure is not applicable to the Electricity Department, where unpaid wages are not taken as a liability in the accounts of works but are directly debited to them by credit to "Deposits". Their payment is watched through an "Arrear Wages Register".

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

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

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

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

#### *Local Ruling under Article 122.*

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

#### *(c) Measurement Book.*

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

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

#### *Local Rulings under Articles 123-124*

1. A measurement book should be prepared in Common Form No. 298 in accordance with the instructions contained in the Madras Financial Code (Chapter VIII), the Tamil Nadu Public

Works Department Code and the following further rules, which have been prescribed by the Government in consultation with the Accountant-General.

2. All the books belonging to a division should be numbered serially and the pages of each book should be machine numbered and a register of them should be maintained in Form P.W.A. XVII, in the Divisional Office showing the serial number of each book, the name of the sub-division to which issued, the date of issue and the date of return, so that its eventual return to the Divisional Office may be watched.

NOTE 1.—A similar register should also be maintained in the Sub-divisional Office showing the name of the Sub-divisional Officer or Sectional Officer to whom each measurement book is issued. Books no longer in use should be withdrawn promptly even though not completely written up.

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

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

NOTE 2.—Boat notes, which take the place of measurement books in regard to materials loaded into and unloaded from boats, should be treated as measurement books.

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

3. Subject to the exceptions authorized in the Tamil Nadu Public Works Department Code, detailed measurements should be recorded only by Executive, Assistant Executive or Assistant Engineers, or by executive subordinates in charge of works to whom measurement books have been supplied for the purpose.

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

(i) "Stock" (for all supplies for stock purpose).

(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 (i estimate). . . . for issue to contractor. . . . on. . . ."

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

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

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

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

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

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

NOTE.—This need not be done when the Subdivisional Office and Sectional Office are at the same station.

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

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

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

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

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

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NOTE.—Standard measurement books may also be maintained for boats and ballcuts that require periodical repairs and the above rules are applicable to such measurement books.

6. Sub-divisional Officers should be required to submit the measurement books in use to the Divisional Office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. The following are the detailed rules on this subject:—

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

(G.O. Ms. No. 393, Finance, dated 25th March 1964.)

(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 fifty per cent of the entries selected for review should also be checked by the Divisional Accountant. He need not, however, personally check the arithmetical calculations, when bills come up for pre-check, but a cent per cent check should be done by the Divisional Office under his supervision.

(G.O. Ms. No. 393, Finance, dated 25th March 1964.)

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

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

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

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

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

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

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

(d) *Bills and Vouchers.*

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

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



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

NOTE.—In exceptional cases, where more than one working estimate is covered by a single contract, the contract agreement need not be split up but the estimates may be consolidated to facilitate the maintenance of proper accounts in respect of the contract. If this procedure cannot be observed some special accounts procedure may be devised on the merits of each case by the Accountant-General concerned. No consolidation of estimates or special accounts procedure is necessary, where separate estimates covered by the single contract relate to different accounts heads or where separate estimate whether relating to different accounts head or not, are covered by a single running rate contract as in the case of the painting of roads, etc., and where separate agreement, are drawn on the basis of such rate contracts with other detail varied to suit the requirements of each job.

#### *Local Rulings under Article 125.*

#### (i) FORMS OF BILLS AND VOUCHERS.

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

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

The use of the forms explained in the following paragraphs and a few explanatory foot-notes are printed on the forms.

2. *First and final bill Form P.W.A. XVIII.*—This form should be used for making payments both to contractors work and to suppliers, when a simple payment is made for a job or contract, i.e., on its completion. A single form may be used for making payments to

several payees, if they relate to the same work (or to the same head of account in the case of supplies) and are billed for at the same time.

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

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

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

4. *Running account bill C—Form P.W.A. XX.*—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.

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

Form P.W.A. XXI is intended for intermediate payments which may be made to the contractor in accordance with his contract. No details of work done need be given in the case of item 3 of Part I—"Account of work" in this bill form. Details of measurements should, however, be given in the case of items 1 and 2 of this part of the bill form and reference should also be given to the numbers and pages of the measurement books in which the measurements are recorded. Form P.W.A. XXII is intended for final payment made to a contractor. The details of items (ii) to (v) alone, in Part I—"Accounts of work executed"—of this bill form should be given. For the rest, the certificate prescribed in the bill form itself is suffi-

cient. As a further precaution, the contractor should be required to add to his acknowledgement in his own handwriting a statement that he has received the payment *in full settlement of all demands.*

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

6. The form of bill to be used on each occasion should be the one most suitable for the correct exhibition of the state of the contractor's running account both before and after the transaction regardless of the form or forms which may have been used for any previous payment of advance—See also Local Ruling 16 below.

7. *Hand receipt*—Common Form No. 476.—This is a simple form of voucher intended to be used for all miscellaneous payments and advances, for which none of the special Form P.W.A. XVIII, XIX and XX is suitable.

(ii) *Preparation, Examination and Payment of Bills.*

8. Before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work or supplies should be scrutinised by the Sub-divisional Officer and the calculations of "contents or area" should be checked arithmetically under his supervision. He need not work out personally all "contents" or "area", but he is responsible for the correctness of those entries. The rates allowed should be entered by the Sub-divisional Officer in the abstract of measurements. The bill should then be prepared, from the measurement entries, in one of the forms prescribed in Local Rulings 1 to 7 applicable to the case. (See also the relevant rules in the TamilNadu Public Works Department Code.)

9. Before signing the bill, the Subdivisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts being shown therein. If the Sub-divisional Officer is empowered to

pay the bill, he should then record a formal pay order specifying both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable, inclusive of the recoveries made from the bill.

NOTE 1.—The items and totals in contractors' bills should be rounded in accordance with the instructions in Chapter XIV of the Tamil Nadu Financial Code, but paise should not be omitted from the rates for the various items of work.

(Memo. No. 79271-A SVI/63-29, dated 16th August 1966.)

NOTE 2.—Before signing a first and final bill or the first bill on a running account, the Subdivisional Officer should see that the relevant measurement entries were marked as pertaining to such bills, by the person taking the measurements.

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

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

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

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

The firms should be required to send in their bills along with the consignments *direct* to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the 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*.

The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book, and return the bill with the measurement book to the Sub-divisional Officer. The Sub-divisional Officer should then pay the bill and note the fact in the measurement book.

In the case of firm bills not exceeding Rs. 500 the Assistant Engineers are empowered to pass such firm bills on their own authority for supplies ordered by themselves.

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

Sub-divisional Officer on "

to the effect " Bill submitted to the \_\_\_\_\_  
Executive Engineer.

should be endorsed on the abstract of measurements. The officer who edges 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 date on which the measurement was made.

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

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

14. Contractors who are able to prepare their own bills should be supplied with Forms P.W.A. XVIII, XIX, XX, XXI and XXII and loose measurement sheets for recording measurements, for their information. In support of the quantities entered in the bills. The Public Works Department Officers and subordinates should, however, record measurements independently wherever necessary in their measurement books. The contractors 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 checked by the Sub-divisional Officer before payments are made.

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

In respect of items (ii) and (iii) above, it is sufficient, if the amounts paid on earlier bills are shown in the subsequent bills reference being given therein to the item numbers of the previous intermediate bills and the pages of the reimbursement 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 payments is "in full settlement of all demands". If the payee is illiterate, or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

NOTE 1.—If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on obtaining a qualified acknowledgment. [See section 18 of the Indian Contract Act, 1872 (Indian Act IX of 1872).]

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

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

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

(b) (1) An advance payment for work actually executed may be made on the certificate of a responsible officer (not below the rank of Subdivisional 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 Subdivisional Officer or the Executive Engineer and a bill based on such detailed measurements should be prepared and all amounts paid for works not measured in detail should be adjusted from such bills.

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

NOTE.—The job works in the Public Works Workshops, Madras, 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 Executive Engineer.

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

### (iii) PAYMENTS TO WORK-CHARGED ESTABLISHMENT.

#### (a) Pay Bills.

17. Wages of members of the work-charged establishment should be drawn and paid on Form P.W.A. XXIV, "Pay bill of Work-charged Establishment", which is a combined pay bill and acquittance roll form. A consolidated bill in this form should be prepared monthly either for the whole sub-division or for one or more sections of 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 Subdivisional 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.



*(b) Unpaid Wages.*

18. Wages remaining unpaid on a passed bill, on the date fixed for the closing of the accounts of the month, may be paid subsequently when claimed, the procedure described below being observed :—

(a) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge including reference to the bill, being noted in their register.

(b) Subsequent payments should be made on Hand Receipts (Common Form No. 476), reference to the bill in which the charge was originally included and to the particular item thereof being quoted in each case.

(c) When making payments of arrears, suitable notes of payment should be recorded against the original entries in the register.

[See Article 125 (b) above.]

Note.—The above procedure is not applicable to the Electricity Department where unpaid wages are not taken as a liability in the accounts of works but are directly debited to them by credit to "Deposits". Their payment is watched through an "Arrear Wages Register".

*(c) Travelling Expenses.*

19. No bills need be prepared in support of claims for travelling expenses. Payments should be made on Hand Receipts (Common Form No. 476), which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the Divisional Officer prior to payment.

*II.—Charges on Account of Materials.**(a) Introductory.*

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

(1) **Issues to Contractors**—Issues of materials to contractors with whom agreements in respect of completed items of works, i.e., for both labour and materials, have been executed.

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

*Local Rulings under Article 126.**Account of Materials-at-site.**(i) MAJOR WORKS.*

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

In the case of big schemes, such as water-supply and drainage works and other major works in which the transactions relating to materials-at-site are likely to be heavy, the following procedure should be observed. An annual register in Form P.W.A. XXVII should be maintained in the Divisional and Sub-divisional Offices and Sectional Offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in Form P.W.A. XXVI in duplicate should be prepared by the Sectional Officer showing only those items of materials in which there are receipts and issues in a month and

sent to the Sub-divisional Office. One copy of the return will be retained in the sub-division for posting the annual register maintained therein and the other copy sent to the Divisional Office for similar action. In the case of big works to which more than one Sectional Officer is attached, the Section statements will be consolidated in the sub-division and the consolidated return sent to the Divisional Office, 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 Sectional Officer and the Subdivisional Officer in charge of a work in the form of the annual register in Form P.W.A. XXVIII giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in Form P.W.A. XXIX *showing only those items of materials in which there are receipts and issues on a work in a month*, should be submitted by each Sectional Officer, to the Sub-divisional 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 balance of all materials-at-site of the work*. Each Subdivisional Officer should forward to the Executive Engineer monthly a certificate to the effect that he has obtained from his Sectional Officers the accounts of materials-at-site of all minor works and repairs and scrutinized them.

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

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 departmental materials. Form P.W.A. XXV is intended to account for departmental materials alone.

2: All departmental materials brought on to the site of a work for use on that work, from any of the following sources, should be entered as receipts in the "materials-at-site accounts" immediately on their receipt, giving a brief reference to the measurement book or, in the case of receipts from stock to the invoice in Form P.W.A. X or to the Register of Stock, Issues in Form P.W.A. IV in cases governed by the last sentence of Local Ruling 3 under Article 96 :—

- (1) Suppliers,
- (2) Store Department, London,
- (3) Stock or manufacture, ;
- (4) Other works, and
- (5) Other divisions, departments and Governments,

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

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

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

NOTE.—The procedure in the Electricity Department is different in certain respects as indicated in the Departmental Manual.

*(b) Issues to Contractors.*

127. On the authority of the contractor's detailed acknowledgment of materials made over to him for use on works under the rules of Government, the cost recoverable from him should be debited at once to his personal account by charge to the suspense head "Contractors—Other transactions" (*vide* Article 136) in the accounts of the work concerned, the adjustment being made at such rates as may be determined by Government. This adjustment should be effected by affording credit to the head concerned, as indicated below :—

<i>Source of receipts of materials.</i>	<i>Head of account to be credited.</i>
(1) Stock (including manufacture) .. ..	Stock.
(2) Transfer from another work .. ..	Work concerned.
(3) Transfer from another division, department or Government.	Purchases.
(4) Suppliers .. .. .	Purchases.
(5) Obtained through the India Store Department, London.	London Stores.
(6) Indian charges on (5) .. .. .	Head concerned.

If the amount thus credited differs from the charge made to the contractor's account, the excess of the former over the latter should be treated as additional final outlay (*plus* or *minus* as the case may be) on the work, and a separate sub-head entitled "Additional Charges for Materials issued to Contractors," opened for the purpose in the accounts of works of which accounts are kept by sub-heads, *vide* Article 135.

NOTE 1.—The object of these rules is to ensure that the full amount recoverable from the contractor is debited to his account as soon as the materials are delivered, so that (1) he may not receive payment, at full rates, for the completed items of work before the value of the Government materials used by him therein has been charged to his account, or (2) his final bill for the work done may not be settled before the full value of materials recoverable from him has been debited to his account.

NOTE 2.—Issues from Stock (including Manufacture) should be accounted for through the Stock returns. For other issues a transfer entry should be prepared by the Subdivisional Officer in Form P.W.A. VII as soon as each transaction takes place.

**NOTE 3.**—The provisions of this Article shall not supply to tools and plant which are borne on the Tools and Plant lists of the division and are, under the rules of Government, lent temporarily to contractors for use on Government works.

In respect of departmental lorries and other heavy tools and plant lent to contractors on works in a division, fortnightly log reports should be obtained, collected together every month and the calculations and assessment of hire charges checked in the Divisional Office. A statement of dues recoverable from each contractor should then be prepared and the amounts so arrived at adjusted in the accounts of the works by a transfer entry debiting the work "Contractors' Suspense" and crediting XXXIX or other relevant receipt head, the amounts recovered subsequently from the bills of the Contractors being credited to the head "Contractors' Suspense".

#### *Local Rulings under Article 127.*

1. With reference to the materials-at-site account maintained in Madras (*see* Local Ruling 1 under Article 126), the procedure prescribed in the above Article will be modified to the extent indicated below :—

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

2. The recovery from a contractor on account of the cost of materials issued to him for use on a works should, ordinarily, be made by deduction from the first bill authorizing an advance payment for an on account payment to him for the work. Should,

however, a lump sum recovery be undesirable in any case, the Divisional Officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work in which they are used are paid for whether by an advance payment or an on account payment.

3. As the issue of materials to contractors under the foregoing rules is permissible solely for the *bona fide requirements* of Government works, Subdivisional Officers should make such arrangements, as may be deemed suitable, for limiting the total issue to a contractor in connection with a particular work to the reasonable needs of that work. This precaution is particularly necessary when the rates at which any materials are issued are lower than the prevailing market rates, or the latter are expected to rise 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.—See Local Ruling I under Article 126.

(c) *Issues Direct to Works.*

128. (a) In all cases materials issued direct to a work should, as soon as received, be brought to account as indicated below :—

Source of receipt of materials	Head of account to be credited.	Made of effecting adjustment of cost.
(1) Stock (including manufacture).	Stock .. ..	through stock accounts at the end of the month.
(2) Transfer from another work.	Work concerned ..	By special transfer entry in Form P.W.A. VII prepared as soon as materials are received.
(3) Transfer from another division department or Government.	Purchases .. ..	By special transfer entry in form P.W.A. VII prepared as soon as the materials are received.

The full value credited to the head concerned should be debited to the work (Article 129).

(b) In the case of materials received direct from supplies full details of the articles received should, at the same time, be entered in a measurement book, with the full name of the work as entered in the estimate, *vide* Article 119.

*Local Ruling under Article 128.*

The value to be credited will be as follows :—

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

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

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

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



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

*Local Ruling under Article 128.*

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

I. Account of Material-at-site

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

II. Issue direct to Works.

DETAILED ACCOUNTS.

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

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

Note :— See note I under Local ruling 2 under Article 126

III. Verification of unused balances.

(iii) Unused balances of materials-at-site should be verified at least once a year in the manner prescribed in the Tamil Nadu

Public Works Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Sub-divisional Officer in Form P.W.A. XXV itself and submitted to the Divisional Office. The following instructions should be observed in preparing the report :—

- (a) The closing balance (total of receipts and balance *minus* the total issues up to end of the month) should be entered against line B in the form 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 E. These should be calculated on the basis of the "progress" of work done on each sub-head as worked out in a separate statement in Form P.W.A. XXXI.
- (c) Deducting these quantities from the total quantities of the materials issued to the work shown in line A of the form, the paper balance of the unused materials should next be arrived at and 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 differences shown in lines D and F, (ii) if the work has been completed, to dispute of the surplus balances shown in line C and by signing the printed certificates applicable to the case and scoring out the others.
- (e) The differences in line F may be due to (1) adoption of the method of determining the actual consumption, (2) unreasonable wastage or (3) shortage in some other form. The discrepancies shown in line D may be due to differences between the actual receipts or issues with those entered in the accounts, or to arrears in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences should be carefully investigated and adjusted in accordance with rule (viii) below.

(iv) A similar verification of the unused balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under Article 130 and (2) the balances at debit of the suspense head "Materials-at-site" representing the unused surplus materials may be reduced to a minimum.

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

(vi) If the gazetted officer or subordinate in direct charge of a work is transferred before the accounts of the work are closed, the unused materials-at-site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in rule (iii) above should be prepared by the Subdivisional Officer and submitted to the Divisional Office.

(vii) A report is required annually of the value of materials-at-site of all works the accounts of which were open on the last day of the official year. This report should be prepared in Form P.W.A. XXV and submitted to the Divisional Office in the manner described in rule (iv) above, as on completion 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.

(viii) Reports of verification of materials in Form P.W.A. XXV prepared under rules (iii), (iv), (vi) and (vii) above should

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be dealt within the Divisional Office in the manner described below :—

- (a) A register showing the clearance of the suspense head "Materials at-site" in the accounts of the work should be maintained in Form P.W.A. XXX. A separate folio of the register should be reserved for each work for which a materials at-site account is kept, and for facility of reference, the register should have an index.
- (b) Each report of verification in Form P.W.A. (XXV should be entered in Part I of Form P.W.A. XXX) as soon as received.
- (c) The difference, if any, between the closing balance and the actual balance as verified—line D of Form P.W.A. XXV—should be recorded in Part II of Form P.W.A. XXX and the paper balance of unused materials—line F of Form P.W.A. XXV—in Part III of Form P.W.A. XXX. Part IV of Form P.W.A. XXX is intended to show how the materials remaining unused, i.e., the actual balance of materials on completion, shown in line C of Form P.W.A. XXV are proposed to be disposed of. Parts I, II and III should be operated as well as of the final report, but Part IV on the completion of the work only.
- (d) Petty deficiencies and surpluses held to be due to the adoption of the method for determining the quantities used in construction, may be adjusted under the orders of the Divisional Officer by debit or credit to the sub-heads concerned action being taken separately, if necessary, to make suitable revision of the method in use.
- (e) Shortages and losses for which any contractor's are held responsible should be adjusted by prompt recovery either in cash or by debit to their personal ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the Works

Abstract also, to show the credit to the work. If they are recoverable from other persons, the debit should be transferred to "Miscellaneous Public Works Advances" by credit to the work by a transfer entry.

- (f) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub-head "Contingencies" or to the other sub-heads concerned, or even to a sub-head opened for the purpose, as the case may be, according to the statistical value of the recorded cost of final sub-heads of work.
- (g) Materials found in excess should be credited to the work under the appropriate sub-heads and shown as "Receipts" in the column "Materials-at site" in the works accounts and also in the materials-at-site accounts.
- (h) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a 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 the 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 balance are carried forward in the case of (f) and (g) in the numerical site accounts for future purposes.

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

*Local Ruling under Article 130.*

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

[See also Article 200 in Chapter VIII of the Tamil Nadu Financial Code.]

*(d) Carriage and Incidental Charges.*

133. (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 of other materials issued to or provided specially for a work should be debited direct to the account of the work, the exact classification of charge being as indicated below :—

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

(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 from a work should be adjusted in the same way as the cost of carriage.

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

### III.—Book Adjustments.

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

## C.—CONSOLIDATED RECORDS.

### 1.—Works Abstracts.

#### (a) General.

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

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

\* The procedure indicated in this and subsequent Articles should be followed also for purposes of classifying and collecting by objects of expenditure, the charges debited to the head "Stock" from time to time—*vide* Article 92.

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

*Local Ruling under Article 134.*

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

- (i) When a work or sub-work is executed entirely by one contractor, irrespective of the total value of work done;
- or
- (ii) when the cost of a sub-work or part of a sub-work for which a separate Works Abstract has been kept under Articles 133 and 134 does not exceed Rs. 10,000; or
- (iii) when the Superintending Engineer considers that the circumstances of the work render such accounts useless or impossible to maintain, in which case a copy of his order specifying the reasons should be forwarded to the Accountant-General.

2. Except in the cases mentioned in Local Ruling 1 above, a separate account should be maintained, in the case of Major Estimates, for each sub-head estimated to cost not less than Rs. 1,000 for State works; in the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads should be lumped together. For such works and for those Minor Estimates for which the Superintending Engineer or other sanctioning authority directs that accounts be kept by sub-heads, the detailed Works Abstracts Form P.W.A. 10 should be used. For other Minor Estimates the simpler Works Abstract Form P.W.A. 11 in which the account of the final outlay is not kept by sub-heads should be used. Form P.W.A. 11



should also be used for petty works when the accounts of the work involve transactions which cannot be suitably recorded in the Petty Works Requisition and Account (Common Form No. 145).

(b) Sub-heads.

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

- (a) Miscellaneous charges of a general nature, which do not pertain to any sub-head in particular, should be treated as separate sub-heads, e.g., work-charged establishment, contingencies, etc.
- (b) If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should be debited ordinarily to the sub-head concerned unless they are recoverable from the contractor under the terms of his agreement. But if the amount involved be so large as to affect seriously the cost or rate of the sub-head, it should be debited to the sub-head "Contingencies" or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimate.
- (c) If any receipts or recoveries are credited under the rules to the account of a work of which accounts are kept by sub-heads, a special sub-head should be opened in the Works Abstract for the reception of all such credits.
- (d) In the case of works carried out on lump-sum contracts, the expenditure need not be booked by sub-heads if all the charges represent nothing but payments on a lump-sum contract.

*Local Ruling under Article 135.*

## (a) Major Estimates.

1. When the number of sub-heads of an estimate is large, it will be found convenient to assign a number to each sub-head and to prefix this number to the name of the sub-head, wherever it is used on vouchers, Works Abstracts, Registers of Works or other accounts.

2. After a Major Estimate has been sanctioned, it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case, the original Abstract should be recast in accordance with the instructions laid down in the Tamil Nadu Public Works Department Code. The details of cost and quantities already approved by competent authority should be rearranged and the revised abstract should be approved by the Divisional Officer and thereafter treated as the sanctioned abstract of the estimate for all account purposes.

3. If the number of sub-heads in the working estimate for a work or sub-work is large, it is permissible to break up the estimate into two or more parts, and to treat each part as a sub-work for the purposes of accounts; but no part of an estimate can be separated from the rest, if any contract for the execution of work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of a work or sub-work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

4. (a) The account of each sub-head in the Works Abstract should 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 Local Ruling 2 under Article 134 or sub-heads, representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of "progress" and "rate of cost" in the accounts is not necessary, the entries in the "amount" column being sufficient.

(c) In other cases, the "progress" and rate of cost' should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed with in the following cases under the written orders of the Divisional Officer which should specify reasons:—

(1) If the duration of construction under the sub-head is not expected to be more than three months.

(2) If the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

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

6. In the accounts of Major Estimates a final sub-head, entitled "Additional charges for materials issued to contractors" should be opened, if the system of issue of materials to contractors has been adopted and the rates charged to the contractors therefor are either more or less than the actual cost to the Government. This sub-head should bear all losses on this account and receive credit for all profits as explained in Article 127. The carriage and incidental charges on account of materials issued to contractors should also be debited to this head, if under Article 131, they are chargeable to the work.

#### (b) Minor Estimates.

7. If the Superintending Engineer has directed the accounts of a Minor Estimate to be kept by sub-heads (see Local Ruling 2 under Article 134), Local Rulings 1 to 6 above will apply. In the

case of Minor Estimates for buildings, bridges and other structures, if the transactions relating to the direct issues of materials are of sufficient importance and it is desirable, with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in clause (ii) of the Local Ruling under Article 129 in respect of Major Estimates may be adopted and a column opened for the suspense head "Materials-at-site" in the Works Abstract. In all other cases, the account of all final outlay on a Minor Estimate should be kept in a single column headed "Final charges" in Works Abstract Form P.W.A. 11.

### (c) Recoveries of Expenditure :

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

136. In addition to the head "Final charges", or the final sub-heads in the case of works of which accounts are kept by sub-heads, the following suspense accounts should be opened in Works Abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or of which the correct classification can not be determined immediately :—

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

NOTE.—When provision is made in the abstract of estimate separately for "labour" and "materials" under any sub-head, the account of the cost of all materials issued to the work from stock, or by purchase, manufacture or transfer, should be kept under a single head, entitled "Materials", the sanctioned amount of which should be taken to be equivalent to the aggregate provision for "materials" in the estimate. The "labour" divisions only will thus appear in the works Abstract as separate sub-heads of final outlay. The charges booked under the suspense head "materials" should be transferred to the final sub-heads of works by the Divisional Office at the time of closing the accounts of the works, *vide* Article 145.

(2) "Contractors—Advance Payments"—for the record of advance payments and of their recoveries.

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

(3) \* \* \* \*

(1) "Contractors—Other Transactions" —for the record of all other debits or credits to contractors awaiting settlement.

Note.—If a Running Account Bill or Muster Roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the Works Abstract as final charges or as expenditure on the sub-heads concerned, and the amount remaining unpaid should be shown as a *minus* entry in the appropriate suspense column—"Contractors—Other Transactions" or "Labourers".

(5) "Labourers"—for the record of unpaid wages of labourers and of their subsequent payment.

NOTE.—See note under item (4) above.

#### *Local Ruling under Article 136.*

1. In Madras, the suspense account "Materials at-site" will be used in the place of the account "Materials" referred to in the above Article—See Local Ruling under Article 126, 127 and 129.

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

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

(c) Record of Progress.

137. Entries of "progress" in the Works Abstract will be made according to such instructions as the Government may by down in this connection.

*Local Ruling under Article 137.*

Entries of "progress" in the Works Abstract should be supported by details in the statement provided for the purpose on the reverse of the Works Abstract Form. These details should be furnished by the Engineer or subordinate in charge of the work or by any executive officer or 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 report should specify the quantities executed "up-to-date", sets of earlier measurements covered or superseded by later ones being ignored.

(iii) The progress of an item of work should be so reported as to describe as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE.—It is recognized that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary but if the nature of the work makes it impossible or difficult to achieve this in practice reports of progress may be dispensed with in cases covered by Local Ruling 4 under Article 135.

*(d) Liabilities against the work.*

138. If a contractor delays receiving final payment for more than one month after his final bill has been passed, the account of the work as passed on the bill should be incorporated in the Works Abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head "Public Works Deposits", to be dealt with thereafter under the rules of Government. If the final account of a contractor show that he has already been overpaid or that the account closes with a balance due by him and if an immediate recovery is not practicable, the balance should be removed from the Works Abstract by debit to the head "Miscellaneous—P.W. Advance".

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

*Local Ruling under Article 139.*

1. If any wages of labourers remain unpaid after the completion of a work and the closing of its accounts, the amount should be shown in any Completion Report or Statement that may be prepared under the rules in the Tamil Nadu Public Works Department code by a special remark, as a liability against the work and it should be executed from the total final expenditure on the work, so to arrive at the amount actually brought to account.

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

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

2. Disbursing officers are responsible for keeping a strict watch over the balances under the suspense accounts, "Contractors" and "Labourers" with a view to prompt adjustment by recovery, settlement of account or detailed measurement, as the case may be. For this purpose, the statement headed "Detail of Contractors' closing balances" and the suspense head "Labourers" in the Works Abstract should be examined monthly.

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

(a) Unpaid balances of partly paid running account bills or muster rolls are invariably incorporated (*see* Article 136).

(b) The value of materials received from sources other than stock (including manufacture), whether for issue to contractors or for issue direct to works, is at once brought into the accounts of works eventhough payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once (*see* Articles 127 and 128)

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

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

4. If any liabilities relating to works are incurred on behalf of contractors, arrangements should be made for withholding sufficient balances from their bills or for making the necessary recoveries from them in due course. On the analogy of the rule in Article 119, all records on the authority of which liabilities may be liquidated or incorporated in the accounts, should invariably specify (1) the full name of the work as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.



## (e) Preparation, Completion and Disposal.

140. The Works Abstract should be prepared in the Sub-divisional Office in the first instance. It should be posted day by day from the Cash Book and the connected bills of contractor and suppliers, cash refunds and readjustment of final charges being posted as *minus* entries. At the end of the month, stock and adjustment transactions should be added and in the detailed statements provided for the purpose, quantities of work executed should be posted in accordance with the instructions mentioned in Article 137 and the closing balances of contractors' accounts should be detailed so that the correctness of the up to date totals under the suspense heads, (1) Contractors—Advance Payments (2) and (3) Contractors—Other Transactions, should be proved. The closing balances arrived at under the suspense head "Labourers" in each case, should be agreed with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Sub-divisional Officer. The Works Abstract should then be forwarded in original to the Divisional Office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer.

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

NOTE 2.—Posting, made in the Sub-divisional Office should be in black ink and all postings and corrections made in the Divisional Office in red ink.

NOTE 3.—Office copies of Works Abstracts need not be kept as the originals are returned by the Divisional Office after completion. Before the works Abstracts are sent to the Divisional office, the upto-date totals should be entered in advance in the returns for the following month and these should be corrected, if necessary, on return of the Works Abstracts from the Divisional Office.

*Local Ruling under Article 140.*

1. When the form of the Works Abstract contains the column. "Materials-at site" (see Local Ruling 1 under Article 136), the charges debitable to the work on account of materials should be posted in the receipt column of the suspense head "Materials-at-site" from the cash book and connected bills day by day or from

the transfer entry book and stock registers at the end of the month as the case may be. When materials are issued to contractors, the cost should be credited *then and there* under the sub-head "Materials-at-site—Issues" or under the final head in the case of Minor Estimates, be debit to the head "Contractor—Other transactions", even though the debit to the work on account of materials may be made later on—see Local Ruling 1 under Article 127. In the case of departmental works, the suspense head "Materials-at-site" may be cleared *at the end of the month* through the "Materials-at-site accounts" by debiting the cost of materials to the respective sub-heads for which they have been issued, by credit to the suspense head "Materials-at-site".

The balance at the debit of the suspense head "Materials-at-site" in the Works Abstract should be reconciled with that in the detailed account in Form P.W.A. XXV. The Works Abstract should then be forwarded in original to the Divisional Office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer and the Abstract checked and closed under the supervision of the Divisional Accountant, who should record a certificate in the following form:—

by me \_\_\_\_\_

"This Abstract has been checked \_\_\_\_\_ I have  
under my supervision

personally compared all the items in the "Details of Contractors' closing balances" with the Contractors' Ledger and found them correct.

2. When finally completed in all respects, all the Works Abstract of a month should be examined by the Divisional Officer and any explanations necessary called for from the Subdivisional Officer. The monthly examination of the Works Abstract is an important part of the duty of the Divisional Officer and must not be omitted. He must initial (and date) them in token of the performance of this duty.

## II.—Register of Works.

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

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

### *Local Ruling under Article 141.*

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

142. Before the date of submission of the monthly accounts to the Accountant-General, the posting of the Registers of Works should be completed and 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 this having examined the entries and found them correct.

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

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

*Local Ruling under Article 142.*

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

2. It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion the delay in closing their accounts should be enquired into, *see* also Article 143. If the slow progress of expenditure is due to delays in measuring work done or in setting up bills, the cause at work should receive attention.

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

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

143. It is an object of great importance to close the accounts of work as soon as possible after the actual work of construction is completed. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the Divisional Officer.

144. Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, have been made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts "Contractors" and "Labourers" have been cleared—*vide* Articles 138 and 139. If the whole or any part of the expenditure on the work is recoverable from another Government, Department local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

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

(b) The sub head "Additional charges for Materials issued to Contractors" should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balance under this head before he permits the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractor and the actual cost to Government should not be accepted as correct without closer examination.

#### *Local Ruling under Article 145.*

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

146. The accounts of annual maintenance estimates should be closed in the month fixed by Government concerned, as the last month of the working year for the purpose. Ordinarily, it will 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 it is proposed to carry it on to completion, action should be taken as described below :—

(1) The expenditure incurred in the next working year should be treated as expenditure against the annual maintenance estimate for the 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 in the general suspense accounts "Public Works Deposits" or "Miscellaneous P.W. Advances." as the case may

which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts on the maintenance estimate for the next working year. All unsettled liabilities and assets to should then be treated as those pertaining to the next working year's estimate.

147. When the work is completed and the accounts of it have been settled and written up as indicated in Articles 144 and 145 a double red ink line should be ruled below the final entries and a note made in red ink "Work completed in . . . 19 . . ." This note should be signed by the Divisional Officer in token of his satisfying himself that all action has been taken under those Articles. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

*Local Ruling under Article 147.*

When a Deposit work is completed and the accounts have been closed, steps should be taken promptly to surrender the un-expended balance, if any of the deposit with the approval of the Divisional Officer.

148. If the total expenditure on the work is in excess of this 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 Article 147. If, however, the excess is such that the Divisional Officer cannot pass it within his powers, the completion note in the Register of Works should be amplified thus:—

"Work completed in . . . 19 . . . Completion Report/  
Statement submitted with this office letter No. . . . .  
dated . . . . ."

NOTE.—The Completion Report/Statement will be submitted to competent authority in the form prescribed by Government.

*Local Ruling under Article 148.*

When the Divisional Officer has power to pass an excess over a sanctioned estimate a Detailed Completion Report in Form P.W.A. XXXIII should be prepared or the item should be included in a consolidated Completion Statement of Works and Repairs in Form P.W.A. XXXIV, as may be required under the rules in the Madras Public Works Department Code. The orders passed subsequently by the competent higher authority on the excess reported in the Completion Report or Statement should also be noted in the Register of Works to complete the record.

(c) Correction of Errors after the closing of Accounts.

149. Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed, the accounts may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees (or any other limit prescribed by Government) in which case a note of the error or omission should be made in the relevant documents concerned.

*III. Contractors' Ledger.*

(a) FORM AND USE.

150. The accounts relating to contracts should be kept in the Contractors Ledger, Form P.W.A. 14, separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained, vide Article 151.

151. Except in the following cases, a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been executed:—

(a) if the work or supply entrusted to him is not important and no payment is made to him except on a First and Final Bill on Completing the work; if any materials are issued to the contractor or any payments are made on his behalf, a ledger account should be opened;

(b) if, under the rules of Government, a consolidated monthly account for "on account payments to petty contractors employed on the same work or section of a work is prepared in preference to a separate bill for each payee, a single ledger headed "Petty Contractors" should be opened for the running accounts of all such contractors.

*Local Rulings under Article 151.*

1. No personal ledger accounts need be maintained in the case of payments made to petty labour contractors engaged, in the Public Works Workshops, as the work order form itself contains in it the agreement with the contractor and provides also for recording therein payments made to him from time to time.

2. The procedure referred to in clause (b) of the above Article as not in force in Tamil Nadu.

*(b) POSTING.*

152. Except when a contractor's account is to be closed and the procedure prescribed in Article 138 is observed in respect of unpaid bills, the value 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 and the postings should be made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials issued to a contractor should be debited to his account on the authority of his acknowledgment, see Article 127.

NOTE 1.—Security deposits of contractors should not be included in their personal accounts in the ledger, *vide* Article 74.

NOTE 2.—When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work, and the other for the recovery creditable to the latter, as if that recovery had been made in cash.

NOTE 3.—If there are several contracts in connexion with a work or account, the transactions relating to each should be distinguished, preferably by quotation of the number and date of the agreement or work order.

NOTE 4.—If a petty contractor's account has to be removed from the combined ledger head "Petty contractors' account" [*Vide* Article 151 (b)] to a separate personal account for him, the total value of work done up to date and the total payments up to date should be debited or credited respectively to the "Petty contractors' account" and taken on to the personal account as credits and debits.



*Local Ruling under Article 152.*

The 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 but if he maintains one, the Divisional Office may not require him to furnish extracts therefrom.

NOTE.—As the Sub-divisional Officers are responsible for the clearance from works accounts of all outstandings against contractors, a list of balances due to and from piece workers and contractors should be maintained by them, and this may, preferably, be done in the same form as the contractors' ledger.

*(c) BALANCING AND RECONCILIATION.*

153. The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be in such detail as to show in respect of each separate work or account (Stock or Purchases), the amount outstanding under each of the suspense accounts. Advance Payments. \* \* \* and Other Transactions with a quotation, in each case, of the last Running Account Bill and of all the vouchers supporting unadjusted outstanding under "Other Transaction" not incorporated in the last running Account Bill.

NOTE.—The Petty Contractors' Ledger account should also be closed and balance in the same way, the balance being recorded as pertaining wholly to the suspense head "Other Transactions".

*Local Ruling under Article 153.*

1. In the case of running account bills, the balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded:—

Class of Balance	Serial number of entry in memorandum of payments on bill from	
	Running account bill	Running account bill
1. Advance payments	A 2	C ..
2. Other transactions		
NOTE: See Note 3 under Article 152.	4	2

2. The Divisional Accountant should be held responsible for the correctness of the Contractors' Ledger and for securing agreement, month by month, between the balances detailed in the works Abstracts and the Corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

154. Periodically, all the Personal accounts in the ledger should be examined and it should be seen (1) that balances do not remain outstanding for a long time without justification and (2) that, in the case of running accounts, bills are prepared at reasonable intervals.

*Local Billing under Article 154.*

1. Entries in column (9), "Total value of work or supplies", in Form P.W.A. 14 not bearing the initials of the Divisional Accountant, *vide* note 2 (vii) in the form, should be reviewed in particular to ascertain the cause of delay, if any, in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion, so as to ensure that all outstanding accounts in it are carried forward to a new volume.

*Scrutiny of Accounts by Contractors.*

2. A contractor requiring a copy of his running accounts bill or an extract from his account in the Contractors' Ledger should be furnished with the same. He should be encouraged to look at his account in the ledger and sign it in token of acceptance of it.

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*Section 6—MANUFACTURE ACCOUNTS.*

## A—GENERAL.

155. When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a Manufacture Account, should be kept of the transactions connected with each manufacture under a distinct sub-head "Manufacture" of the suspense head "Stock"; *vide* Article 95.

NOTE.—The 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 Article 53.

*Local Ruling under Article 155.*

A Manufacture Account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed.

NOTE.—Note 1 to Local Ruling 9 under Article 125, in so far as it relates to the omission of paise in calculating the value of each item of work, should be applied here also.

156. Save as provided in this section, the detailed accounts of the expenditure on a particular manufacture process should be maintained in the same way as the accounts of a work (*vide* Section 5) and, in addition, an account should be kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known, respectively, as the "Operation" and the "Outturn" accounts.

## B.—OPERATION ACCOUNTS.

157. To a manufacture account should be debited directly (1) the value of the raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed and (3) other incidental charges connected with the operations.

158. The following directions should apply to certain incidental charges—

(a) Capital charges, such as the cost of land, kilns, special plant, etc., incurred in connection with a manufacture operation which does not extend beyond a single season, should be debited wholly to the account of the manufacture.

(b) Capital charges in connection with a manufacture operation extending over more than one season should be debited, in the first instance, to a special account under the sub-head, "Land, Kilns, etc.", of the stock account, *vide* Article 95. To this account should also be debited the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable instalments by debit to the "Operation" accounts of the several seasons, the number of instalments and the amount for each season being determined in each case under the order of competent authority.

NOTE.—When the land, kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent recovered should be credited to this special account and not to Revenue.

(c) If the manufacture is undertaken on behalf of other divisions departments or Governments, or local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules of Government for outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge should be made on account of general establishment and ordinary tools and plant charges or on account of interest on the capital cost of land, kilns, plant, etc., unless Government directs otherwise.

#### *Local Rulings under Article 158.*

1. The decision as to the suitable instalments whereby the "Land, Kilns, etc." account is to be cleared periodically, as given by the authority sanctioning the initial charge, should be recorded in the Register of Stock, Form P.W.A. XII and not deviated from without the further orders of that authority.

2. All the charges referred in to clause (d) of the above Article should be included in any *pro forma* accounts of the manufacture operations of the division which may be prepared, under the orders of the Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

### C.—OUTTURN ACCOUNTS.

159. To a manufacture account should be credited the values of the manufactured articles and of the surplus materials sold or otherwise disposed of.

NOTE 1.—The rates for valuing manufactured articles will be such as may be fixed by competent authority.

NOTE 2.—If the rate, at which any article of outturn manufactured for a particular work is valued, turns out to be different from the issue rate of similar article already in stock the value of the two articles may be averaged for the purpose of stock accounts unless Government decides otherwise, allowance being made necessarily for the different quantities at the different value.

#### *Local Rulings under Article 159.*

1. The rates for valuing manufactured articles should be so fixed as to represent, as accurately as possible, the actual cost of manufacture per unit, but should not exceed the market rates.

2. If the rate at which any article of 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.

3. No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the Stock account under Article 52. See also Article 158 (c).

160. A detailed outturn account for each month should be prepared in Form P. W. A. 15, Outturn Statement of Manufacture, and should be attached to the Works Abstract for the operation. The account should show month, by month the quantities and values of each class of articles manufactured and also the corresponding figures shown in the estimate (if any).

## D.—CONSOLIDATED ACCOUNTS.

161. The record of the monthly transactions connected with manufacture operation should be kept in the Divisional Office in a separate Register of Manufacture, Form P.W.A. 16, instead of the ordinary forms of the Registers of Works (*vide* Article 141).

## E.—CLOSING OF ACCOUNTS.

162. The accounts of manufacture operations should not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts should be closed periodically or at least once a year.

163. Before the accounts are closed, the difference between the "operation" and "outturn" should be adjusted under the orders of competent authority. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment should be made by a suitable entry (without and fresh quantities) in the Outturn Statement, Form P.W.A. 15; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will affect "Operation" account only. In all cases, the total "operation" and, "outturn" should equal each other when the Manufacture Account is closed.

*Local Ruling under Article 168.*

Except when the Manufacture account shows a "loss", the adjustment of differences between "operation" and "outturn" can be made under the orders of the Executive Engineer. When the accounts show a loss, the same should be written off under the orders of the Superintending Engineer or higher authority.

*Section 7—ACCOUNTS OF DEPOSITS AND SUSPENSE**A.—ACCOUNTS OF HEADS OTHER THAN “LONDON STORES” AND..  
“WORKSHOP SUSPENSE.”*

164. Subject to the provisions of Articles 165 and 166 below, a detailed account of the transactions relating to the suspense heads “Purchases”, “Stock” and “Miscellaneous P. W. Advances” should be maintained in the Divisional Office in a Register called the Suspense Register Form P. W. A. 17, separate sets of folios being reserved for each of the several classes of items under the heads concerned (*vide* Articles 48 and 54). The account of the debt head “Public Works Deposits” should also be kept in the same form.

165. In respect of items relating to deposit works (including items falling under the class “Expenditure incurred on Deposit works in excess of deposits received”) which are accounted for in detail in the schedule of Deposit Works (*vide* Article 219), a single entry for the monthly transactions relating to all such works should be made both in the Deposit and the Suspense (Miscellaneous P. W. Advances) Registers, as the case may be.

166. As the detailed accounts for individual transactions relating to Stock are kept in Forms P. W. A. 4 to P. W. A. 6 prescribed in section 2 of Chapter the monthly totals only in respect of each sub-head of stock should be posted in the Suspense Register, the transactions of the several sub-divisions being detailed as separate items and the totals of all sub-divisions as another. Transfer within the division should be accounted for against a single item “Deduct—Transfers within Division” before the total for the entire head “Stock” is struck.

*Local Ruling under Article 166.*

1. The head “Stock” is opened in all divisions in which stocks of materials are maintained for general purposes. In divisions in which no stocks are maintained, this account should be opened only when any manufacture operations are undertaken.

2. The clearance of balances under "Transfers within Division" should receive special attention.

B.—ACCOUNTS OF SUSPENSE HEAD "LONDON STORES".

167. The transactions under this head should be recorded in detail in a monthly schedule, Form P.W.A. 18.

*Local Ruling under Article 167.*

All balances under this head should be watched with a view to early clearance, special reference being made at once to the Accountant-General in respect of each item of stores, received for, which no advices of payment have come to hand—see Article 58.

C.—ACCOUNTS OF "WORKSHOP SUSPENSE."

168. The detailed account of the transactions under this head will be kept in a suitable form to be settled by Government in consultation with the Accountant-General so as to show the cost of each job or operation and its adjustment from time to time.

*Local Ruling under Article 168.*

The transactions under head "Workshop Suspense" will, in the case of the Public Works Workshops, Madras, be accounted for in Form P. W. A. XXXV in accordance with the instructions contained therein. The form to be used in the case of others workshops will be that prescribed in the special orders applicable to each workshop.

169. The recorded expenditure on a job should be removed from the suspense head only when, and to the extent that, an adjustments is effected against the deposit received or against the service or other head concerned: *vide* Article 176. This removal should be effected by a credit to the account of the job cut when any charges are transferred from one job or operation to another the transfer should be made by *plus* and *minus* entries.



## D.—UNADJUSTED BALANCES.

170. In the accounts for March each year, the outstanding items in the Deposit Register and the Suspense head "Purchase" which under the rules of Government are to be treated as lapsed, should be credited to the Revenue head concerned. Any subsequent repayment of such an item should be treated as refund of receipts under the head to which the item was credited and the repayment should be noted in the Deposit or Suspense Register against the entry for its credit to Government.

*Local Ruling under Article 170.*

The rules relating to the lapsing of deposits and their subsequent repayment are contained in Chapter XI of the Tamil Nadu Financial Code.

171. The balance under the sub-head "Storage" of the Suspense head "Stock" outstanding at the end of the year should also be adjusted finally as a surplus or deficit, *vide* Article 102, i.e., as profit or loss on stock, according as it is a *minus* or *plus* balance, and should not be carried forward to the following year.

172. Items on balances under the suspense head "Miscellaneous P.W. Advances" which become irrecoverable, or any balances under the head "London Stores" due to short deliveries which cannot be cleared by recovery of cost, should not be removed from the accounts until a competent authority has sanctioned their being written off. For balances under the head "Workshop Suspense", *see* Article 62.

*Local Ruling Under Article 172.*

The powers delegated to subordinate authorities to write off irrecoverable balances, etc., are shown in Appendix 23 of the Tamil Nadu Financial Code.

## SECTION—WORKSHIP ACCOUNTS.

## A.—GENERAL.

173. The directions in this section shall not apply to the accounts of small shops kept in divisions for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations, as the case may be, *vide* Sections 5 and 6.

174. Larger workshops, with special plant or machinery, should be treated as separate sub-divisions, or divisions, for account purposes. When such workshops are of the character of quasi-commercial undertakings, the system of accounts shall be that prescribed locally for similar undertakings. When they are run mainly for departmental purposes, the accounts should be kept in accordance with the general directions laid down in this section. In either case, the exact forms to be used and the procedure to be observed will be settled by Government in respect of each workshop in consultation with Accountant-General concerned.

*Local Rules under Article 174.*

1. The Public Works Workshop at Madras is intended mainly for departmental purposes. In respect of this workshop the rules in this section should be applied in conjunction with the relevant special rules and orders issued by the Government and the Accountant-General from time to time.

2. For every job, there must be an estimate of cost (providing for all charges, including the prescribed percentages for indirect charges—*see* Article 177), sanctioned by competent authority and accepted by the indenting officer, local body or individual, *see* also the Tamil Nadu Public Works Department Code. The amount to be realised from the indenting party will, however, be based on the actual cost, though the authorized limit of cost, which the officer in charge of the workshop may incur without further authority, is that shown in the accepted estimate.

NOTE 1.—If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled before hand.

NOTE 2.—Note 1 to Local Ruling 9 under Article 125, in so far as it relate to the omission of paise in calculating the value on each item of work, should be applied here also.

Memo. No. 79271-A/8 VI/63-29, dated 16th August 1963.

### B.—DETAILED ACCOUNTS OF JOBS.

175. Subject to the provisions of Articles 63 and 64, all direct charges pertaining exclusively to any job should be debited at once to the accounts of that job under the suspense head "Workshop Suspense" and those of a general nature should be treated, in the first instance, as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

NOTE.—All liabilities should be taken into account, even though undisbursed, so that the general charges may be allocated correctly, month by month, and the recorded expenditure on each job may represent, as far as possible, the actual cost up to date.

#### *Local Rulings under Article 175.*

1. In the case of the Public Works Workshops, the direct charges on a job are made up of—

- (i) cost of labour actually employed.
- (ii) cost of materials used.
- (iii) cost of castings\*.
- (iv) a share of the running charges of machines.\*
- (v) a share of the running charges of forges.\*
- (vi) a share of the general charges actually incurred, and
- (vii) incidental charges such as packing and carriage.

\* These items will occur in the case of the Public Works Workshop, Madras only

2. The debits under the suspense head on account of "General charges" will be relieved by a distribution of the same to the join in hand at a fixed percentage on cost of labour on the basis of the average of the actuals of the previous years, any gain or loss resulting therefrom being credited or debited to State revenues—see also Local Ruling 2 under Article 177.

176. In the case of jobs of all classes, the cost of operations should be cleared or adjusted in transfer (*vide* Article 169), 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* Article 62):—

(a) when the total cost during the year is not larger than Rs. 500 or any other limit that may be fixed by Government in consultation with the Accountant General.

(b) When the monthly settlement of account is inconvenient to the indenting division or department.

Note.—When the estimated cost of a job is recovered in advance, it should be kept in deposit in the first instance, and the adjustments of actual cost made under this Article should be effected against the deposit, the unexpended balance being refunded under the rules of Government only when the job is completed and the account of it settled.

#### *Local Rulings under Article 176.*

1. When an employce of the division is exempted under the rules in the Tamil Nadu 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.

2. The following procedure should be adopted in regard to the adjustment of the cost of jobs in the Public Works Workshop at Madras:—

Class of Jobs. (1)	Public Works Workshop at Madras. (2)
Job estimated cost Rs. 500 or less	Once a year in the Accounts for March or in an earlier month if the Job is completed earlier.
Jobs estimated to cost more than Rs. 500.	As soon as the expenditure reaches a limit of Rs. 500 or multiples thereof, the balance, if any, being adjusted at the end of the official year.

3. Part debits on account of the cost of operations in connection with large jobs undertaken by the Public Works Workshops, which are raised in advance of the actual supply of the manufactured articles in accordance with Local Ruling 2 above should be held in Suspense in the Works Accounts under a temporary sub-head "Workshop liabilities" pending the receipt of the articles. That sub-head should be relieved and the sub-head "Materials-at-site" or the sub-head concerned debited on receipt of the articles.

This procedure is applicable to minor works and repairs also. In respect of these, the part debits raised by the Workshops may be accounted for under the suspense head "Contractors—Other transactions" in the works accounts with a suitable note and the same cleared on receipt of the articles.

177. In addition to the direct charges mentioned in Article 175, to the account of each job may be debited, not through the Workshop Suspense Account but directly under the head of account concerned, suitable percentages to cover the indirect charges determined by Government. The following are the examples of the charges usually levied:—

- (a) Supervision charges.
- (b) Interest on the capital cost of buildings, plant and machinery.

(c) Maintenance charges of buildings, plant and machinery.

(d) Depreciation of buildings, plant and machinery.

(e) Establishment charges (including the percentage fixed by the Central Government for Audit and Accounts Establishment).

(f) Profit.

*See also Article 64*

**NOTE.**—The percentage realized on account of establishment charges should be treated as a reduction of expenditure or as revenue receipts as the case may be, in accordance with the directions in Article 69. All other percentages should be treated as revenue receipts.

*Local Rulings under Article 177.*

1. The percentages fixed to cover the indirect charges are indicated in Appendix 3 to this Code and in the Tamil Nadu Public Works Department Code.

The percentage for supervision charges should be calculated on the value of materials issued to each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. The percentage on account of profit usually charged in other cases is not charged on jobs executed for other divisions of the State.

2. The rates for "general" and "indirect" charges for the Public Works Workshop at Madras, will be fixed, from time to time, by the Government. In order to arrive at an accurate apportionment of the overhead charges and to minimise the losses in the Workshop, the percentages will be revised once a year when the profit and loss accounts of the previous year are received, the revision of the rates being based on the average of the actuals of the three preceding years—see the Local Ruling under Article 179. The distribution of the rate for indirect charges between Establishment, Tools and Plant, Interest on Capital, Depreciation of buildings, etc., and Pensionary charges,

will also be fixed by the Government in consultation with the departmental authorities and the Accountant-General.

NOTE 1.—Percentages and general charges should not be calculated on fractions or to fractions of a rupee; fractions less than half a rupee should be disregarded and fractions of half a rupee and over taken as one rupee.

NOTE 2.—The totals of bills for jobs should be rounded off nearest to the multiples of five paise subject to the condition that the minimum charge for each job should be one rupee.

Memo. No. 79271-A/SVI/63-29, dated 16th August 1968.

178. The indirect charges mentioned in Article 177 should be brought to account whenever the settlement of the account of direct charges is effected under Article 176.

#### *Local Rulings under Article 178.*

In the case of the Public Works Workshops, Madras, the indirect charges for Establishment and Tools and Plant will be calculated monthly on the total charges of the month and adjusted through the Workshop Suspense Account. The indirect charges for Interest on Capital, Depreciation of buildings and Pension will not, however, be debited to the Suspense Account but added, at the time of adjustment, to the direct charges by credit to the heads concerned.

#### C.—ANNUAL ACCOUNT

179. *Pro forma* accounts of each workshop will be prepared annually in such form and in such detail as may be prescribed by Government in consultation with the Accountant-General.

#### *Local Ruling under Article 179.*

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

1. Annually *pro forma* accounts of each workshop should be prepared consisting of—

(i) the Capital Account, showing the values (after making due allowance for depreciation) of the buildings, machinery

and plant, and stock, and the outstanding balance of the Workshop Suspense Account.

(ii) the Outturn Account showing, in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges, and

(iii) the Profit and Loss Account showing on the one side the actual working liabilities of the year, e.g., (a) interest calculated on the mean capital of the year under all the heads named in (i) above, (b) the actual maintenance charges of buildings and machinery and plant, (c) depreciation of building, machinery and plant calculated of the capital value thereof and (d) general establishment charges plus (1) a suitable addition thereto on account of leave and pensionary charges and (2) 1 per cent for audit and account establishment, only on such jobs in respect of which this percentage is not credited to the major head "26. Audit" or "XLVI Miscellaneous—Fees for Government audit" in the regular accounts (*vide* Note 2 to Rule 10 in Appendix 3); and on the other side the percentage charges made in accordance with the Local Ruling under Article 177 excluding the 1 per cent for audit and accounts establishment credited to "26. Audit" or "XLVI. Miscellaneous—Fees for Government audit," under Note 1 to Rule 10 in Appendix 3.

NOTE.—The stock account should be treated as a part of the workshop account, only if, and to the extent that, the reserve stock is declared by the Government to be part and parcel of the shops. When the whole or part of stock is merely an adjunct to a workshop, neither the interest charges on it nor the losses or gains (including supervision charges) arising out of it, should appear in the profit and loss account of the workshop.

(2) The Accountant-General should review the annual accounts of a workshop, in consultation with the officer in charge of it, and submit a report to the Government on its financial working, specially bringing out the necessity or otherwise, of revising the percentages fixed by the Government for the several charges referred to in Article 177 above

NOTE.—The facilitate the review of percentage 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.



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**SECTION 9.—TRANSACTION WITH OTHER DIVISIONS,  
DEPARTMENTS AND GOVERNMENT.****A.—GENERAL.**

180. When a transaction has to be cleared by a book transfer, the transfer should be effected by debiting or crediting it to the remittance or other head concerned in the Cash or Stock Accounts if it appears therein, or by an entry in the Transfer Entry Book; *See* Articles 14 to 19 also.

NOTE 1.—Such percentage charges on account of supervision and establishment and tools and plant as may be leviable under the rules, should also be included, by a transfer entry, in the amount transferred.

NOTE 2.—The cost of workshop jobs need not be adjusted monthly, *vide* Article 176

**B. TRANSACTION ORIGINATING IN THE DIVISION.**

181. When a transaction originates in a Public Works division, the necessary transfer should appear ordinarily in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops, the cost should be adjusted in accordance with the directions in Articles 175 to 177.

182. In respect of work done in a division for other divisions, departments or Governments, the intimation of the transfer will be given after audit (*see* Notes blow), by the Accountant-General to the Accounts Officer concerned or to the division or department for which the work is done, if in the same State. The division undertaking the work should bring the transactions to account under the remittance or other head concerned, and submit vouchers to the Accountant-General in the same way as for works of the division itself.

NOTE 1.—For the purpose of this Article, work done should include jobs executed in workshops.

NOTE 2.—The provision regarding pro-audit may be relaxed in the case of any item appearing in the accounts for March and requiring adjustment with another Government, *vide* Article 234.

*Local Rulings under Article 182.*

1. In the case of 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 divided into two parts in the correct proportion to represent, respectively, the works expenditure and the percentage charges.

2. In the case of work done or supplies made by the Public Works Workshops, Madras, to a civil department of the Government, the estimated cost of the job or supplies indented should be credited in advance into a treasury under "P.W. Remittances—III. Officer Remittances—Receipts on account of Public Works Department—Public Works Workshops and Stores Division". The expenditure incurred will be admitted up to the amount of deposit, made by such authority any unexpected balance being credited and expenditure in excess of the deposit if insured, being debited as the case may be after the work or supply is completed based on financial accepted invoices.

183. For other transfer transactions between Public Works divisions subordinate to the same or different Governments, the **originating division should send an Advice of Transfer Debit (or Credit), Form P.W.A. 19,** accompanied by necessary vouchers in the case of debits, to the division concerned as soon as the transaction occurs. The division required to adjust the amount should, if it accepts the transfer, acknowledge it on the prescribed form of Acceptance of Transfer, Form P.W.A. 20. The entry in the accounts of the debiting division should be supported by the Acceptance of Debit, or Advice of Credit, as the case may be.

NOTE 1.—In case of transfer debit transactions, all relevant vouchers, including such as do not pass ordinarily beyond the Divisional Office, should accompany the advice. If this requirement cannot be complied with, in any case, in respect of a cash voucher which cannot be replaced by a certificate of payment, an advice should be attached to the monthly account for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

NOTE 2.—In the case of stores issued from "Stock" by one division to another with the same circle of amount, the division issuing the

stores may debit the accounts of the other division on the basis of issues supplemented by the receipt of the indent or his authorised agent in such cases, acceptance of debit must be obtained and transmitted to the Accountant-General within two months.

[Memo. No. 42044/Codes/63-2, dated 26th August 1963.]

**C.—TRANSACTIONS ORIGINATING IN ANOTHER DIVISION, DEPARTMENT OF GOVERNMENT.**

184. Transactions originating in another division, department or Government should as a rule be adjusted in divisional accounts only on receipt of intimation of the debit or credit through the Accountant-General. The following are, however, exceptions in which the adjustment may be made without receipt of intimation from the Accountant-General:—

(1) Recoveries of rent realized on behalf of the Public Works Department by Disbursing or Accounts Officers of other account circles, provided these entries are supported by certificates (signed by the Disbursing or the Accounts Officer, as the case may be) to show that the amounts adjusted in the accounts have been realized from the parties concerned;

(2) transactions for which advices and acceptances of transfers are exchanged direct between one division and another, *vide* Article 183;

(3) any other transactions authorized by the Accountant-General.

*Local Ruling under Article 184.*

All entries in the schedule of credits to civil departments will be advised by the Accountant General, but there is no objection to the P.W.D. raising credits to the Forest Department for forest supplies in anticipation of debits appearing in the exchange accounts.

185. The Divisional Officer should examine every transfer advised to his division for adjustment, but should not reject a transfer because the voucher is not in order, or is wanting.

Nor should a transfer sent for adjustment be partly accepted and partly rejected; it may be rejected altogether if it does not pertain clearly to the division; otherwise, it should be accepted provisionally in full and the dispute, whether as to the amount or as to other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer.

NOTE.—Railway debits for amounts due on warrants and credit notes passed on by the Accountant-General for adjustment in the divisional accounts, should be accepted in full, subject only to readjustment later on, of under or overcharges. The adjusting officer is not responsible for the correctness of the charges with reference to the Railway Accounts Department, but is responsible for the propriety of the charges, as against the head of the service concerned; the calculations made by the Railway Accounts Department, which are test checked by the Railway Audit Department, should be accepted as correct.

186. When a charge is transferred to another division, department or Government for adjustment, the transfer must be supported either by the necessary vouchers, complete in all respects, or by a certificate (signed by the Accounts Officer of the department originating the transfer) to the effect that the payment vouchers have been audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

#### D.—SETTLEMENT OF ACCOUNTS.

187. In cases in which Advices and Acceptances of Transfer are exchanged direct by Divisional Officers of two accounts circles, those officers shall be jointly responsible for clearing remittance transactions expeditiously in direct communication with each other. If an item cannot be accepted, and the intimation of its rejection issues too late to reach the originating officer within the month in which he has brought it to account, the officer who is called upon to adjust it, should also inform his own Accounts Officer of the number and date of the originating Officer's Advice of Transfer and of his own intimation of objection, giving him also brief particulars of the debit or credit, and the grounds of objection.

188. In cases in which no Advices and Acceptances of Transfer are exchanged, the Divisional Officer should examine, as expeditiously as possible that transfer which his Accountant-General intimates to him for adjustment in the divisional accounts, and report all his objections to the Accountant-General whether the transfer is brought to account provisionally or rejected.

189. The directions given in Article, 187 and 188 shall apply also to transfer transactions, not relating to the execution of works with (1) Railways, (2) Military Engineer Services, and (3) Posts and Telegraphs Department (Telegraph Section).

*Local Rulings under Articles 1987—189.*

1. Except in respect of transactions of the following classes, the Divisional Officer may authorise the Divisional Accountant to sign Advices and Acceptances of Transfer for him:—

- (i) when the transfer advised is a credit or *minus* debit.
- (ii) when the transfer accepted is a debit.

So far as the Public Work, Stores Divisions, Madras, is concerned, the Assistant Superintendent of Stores is authorized to sign Advices and Acceptances of Transfer in the excepted cases mentioned above.

2. The Divisional Accountant will be responsible to see that there is clear authority of the responsible disbursing 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 attested by their dated initials. He should further see that, when a transfer advised to the division for adjustment is responded to provisionally, the objection raised there on is pursued with a view to ensure speedy settlement.

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SECTION 10.--ACCOUNTS OF CEMETERY ENDOWMENTS  
190--194 \* \* \* \*

## SECTION II—OTHER DIRECTORS.

## A.—MONTHLY CLOSING OF THE ACCOUNTS.

195. The initial accounts of cash and stores, which are maintained in sub-divisional Offices under the directions contained in Sections 1 and 2, should be closed on the 25th or such earlier date between the 19th and the 25th as may be fixed by the Accountant-General for the purpose, in order that the accounts return of the sub-divisions may reach the Divisional Office in sufficient time for the compilation of the monthly account of the division and its submission to the Accountant-General by the prescribed date.

NOTE.—In cases where Sectional Officers are authorised to maintain separate initial accounts of stock in their charge, which have to be incorporated in those of the sub-divisions, they may be permitted, except in March to close their monthly accounts three days before the date of closing fixed for the subdivision. This limit of three days may be relaxed by the Accountant-General in exceptional cases.

*Local Ruling under Article 195.*

The transaction of the calendar month subsequent to the closing of the accounts should be treated as that pertaining to the accounts of the following month. In the month of March, however, the initial accounts of the sub-division should be kept open until the 31st.

196. The cash and stock accounts of the Divisional Office should be closed on the last working day of the calendar month. The Transfer Entry Book of the month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e.g., those relating to the levy of the prescribed percentages for establishment, tools and plant, supervision charges, etc., should be made.\*

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\* See Article 212 below.

### B.—REVIEW OF UNSETTLED ACCOUNTS.

197. The several registers and schedules relating to the suspense and deposit heads of accounts the Contractors' Ledger, Works Abstracts and Registers of Works should be reviewed monthly, so that the action necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustments in the accounts, may be taken regularly throughout the year. In February or early in March, special steps should be taken to bring about all possible reduction in the number and amounts of outstanding items at the close of the year.

#### *Local Ruling under Article 197.*

The procedure prescribed in this Article should also be followed in regard to the Rent Registers and other records of assessment and realization of revenue referred to in section 4 of Chapter III of this Code.

198. Similarly, special action should be taken early in March to bring to account all remittance, transactions and other liabilities and assets awaiting settlement, and to effect clearance, in the accounts of March, of as many out-standing items as possible. Liabilities, as well as outstanding debits and credits remaining unadjusted at the end of March, should be watched individually to secure their clearance before the accounts of the year are closed finally. It is not sufficient that the Divisional Office should bring to account all the transactions, the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items; the intervention of the Accountant-General may be sought, where necessary.

NOTE.—In connection with transactions with other Government and with Railways, it should be borne in mind that the Central Accounts Section of the Reserve Bank close their books for the year on the 15th April: *vide* Article 234.

### C.—CLOSING OF THE ACCOUNTS OF THE YEAR.

199. The financial year terminates on the 31st March and actual transactions taking place after that date should on no account be treated as pertaining to that year. In order.



however, that as many of the unadjusted outstandings of the year as possible should be cleared and the errors in accounts coming to notice after the 31st March should be rectified, if possible, within the accounts of the year, the Transfer Entry Book and the Stock Accounts should be kept open for inclusion of transfer entries relating to rectification of errors and for settlement of outstanding but not (in the case of stock accounts) for actual transactions. These accounts should be closed on the 20th May or on such date as may be prescribed by the Accountant-General (*see* Article 236.).

NOTE.—Accounts of transactions with other Governments and with Railways must be settled completely and communicated to the Accountant-General by the 12th April at the latest; *vide* Article 234.

#### *Local Rulings under Article 199.*

1. The Government have fixed the 20th of May as the last day for the March Final Accounts to be sent by Public Works Disbursing Officers.

2. If any adjustments in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after the 31st March, in the same way as adjustments in rectification of errors noticed after that date.

#### D.—CORRECTIONS IN ACCOUNTS.

200. (a) If an item in the accounts which properly belongs to a revenue or expenditure head is classified wrongly under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but, after the accounts are closed, no correction is admissible except as permitted in Article 251 of Volume IV \* and except in cases affecting the accounts of works including those falling under Article 149.

\* This refers to volume IV of the Comptroller and Auditor-General's Account Code.

NOTE.—1. Errors in suspense accounts are governed by the rule in clause (b).

NOTE.—2. If an error is detected after submission to the Accountant-General of the Divisional Officer's Supplementary Account of the year (*vide* Article 236), it should be reported to the Accountant-General for his instructions, unless the amount is not more than ten rupees.

(b) All errors affecting debt (including suspense) and remittance heads must be corrected, however, old they may be.

(c) When a correction is permissible, it should be made by a formal transfer entry, but when it is not permissible, a suitable note of it should be made in the account concerned.

201. All corrections in accounts which may be advised by the Accountant-General on his auditing the documents should, after verification, be carried out in all relevant records in red ink and attested by the dated initials of the Divisional Accountant. A reference to the audit note or other advice should also be noted against the correction.

#### *Local Ruling under Article 201.*

The Divisional Accountant is responsible that all corrections advised by the Accountant-General are specially brought to the notice of the Divisional Officer.

#### E.—*Pro Forma* ACCOUNTS.

202. If, for the purpose of any *pro forma* account which the Accountant General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service, or a group of works or services, the expenditure on it should be booked separately in the general accounts, eventhough, under rule, it may not be customary to estimate or account for such expenditure separately. Detailed instructions in this connection will be issued by the Accountant-General in consultation with the Government concerned, where necessary.

*Local Rulings under Article. 202.*

1. The *pro forma* accounts showing the results of the working of irrigation, navigation, embankment and drainage projects, productive as well as unproductive for which capital and revenue accounts are kept, are prepared annually by the Accountant-General in accordance with the rules prescribed in Appendix 3 to Volume IV of the Comptroller and Auditor-General's Account Code. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

2. In the case of buildings in charge of the Public Works Department, which are available for occupation as residences capital and revenue accounts are prepared triennially by the Accountant-General, for each circle of superintendence, in accordance with the rules prescribed in Appendix 2 to Volume IV of the Comptroller and Auditor-General's Account Code and any further orders that the Government may have issued. For this purpose, Divisional Officer should furnish the Accountant-General annually with the necessary data, in respect of such buildings of their divisions as may have to be included in the circle accounts in the prescribed forms.

NOTE 1.—On closing the account of a work involving expenditure on the construction, acquisition, or equipment of building intended to be used as a residence, or expenditure on additions and alterations to an existing residential building, the Divisional Accountant should see:—

(i) that if it is new building, it is entered in the Register of Rents of Buildings and Lands.

(ii) that steps are taken to obtain the orders of competent authority to assess or revise the rental, as the case may be.

(iii) that the correct capital cost of the building, is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in the Madras Public Works Department Code.

NOTE 2.— Note 1 applies also to expenditure on the provision of special services in connection with residential buildings such as furniture, etc., for which rent is charged separately.

NOTE 3.— If a building is actually occupied prior to closing the accounts of expenditure on construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy and should, therefore, be fixed provisionally with the sanction of the competent authority.

## F. ACCOUNTS IN OFFICES TO BE RECONSTITUTED

203. When, in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more Divisional Offices are to be amalgamated or those of any office are either to be broken up into parts or closed, the Divisional Officers concerned should apply in time to the Accountant-General for the instructions to be observed in regard to accounts in giving effect to the arrangements.

*Local Ruling under Article 203.*

- (i) Works in progress and suspense accounts works.
- (ii) Appropriations and sanctions not yet completely operated upon.
- (iii) Stock and other suspense account.
- (iv) Remittance accounts.
- (v) Deposit and cash balance.
- (vi) Unrealized rent and other revenue.
- (vii) Interest-bearing securities.

On all the occasions referred to in this Article, the necessary transfer between heads of unsettled accounts (for examples see margin), of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt books), should receive the special attention of all concerned.

## CHAPTER IV—ACCOUNTS RETURNS RENDERED BY PUBLIC WORKS OFFICERS\*

### A. General

204. The directions contained in this Chapter shall regulate the procedure relating to the compilation of divisional accounts and to their submission to the Accountant-General. \* \* \* \*

#### *Local Ruling under Article 204.*

The duties of the Divisional Accountant in regard to the audit of works transactions are laid down in Chapter 6 of Section IV of the Audit Code (1950 Edition) and the rules in the Chapter should be taken as supplementing those rules.

(G.O. Ms. No. 393, Finance, dated 25th March 1964.)

NOTE.—In the Electricity Department, where Chief Accountants have been appointed, the rules regarding the duties and functions of the Divisional Accountant are covered by separate orders of the Government which are incorporated in the departmental Manual.

### B. SUB-DIVISIONAL ACCOUNTS.

205. Arrangements should be made, under the orders of the Divisional Officer, for the despatch of the sub-divisional returns mentioned below, to the Divisional Office on such dates as may render possible the compilation of the monthly or other periodical accounts of the division on the due dates:—

- (a) Copies of the Cash Book (Supported Twice a month or oftener as may be directed by the Divisional Officer by vouchers). the copy for the last period of each month together with the Cash Balance Report being sent on the date fixed for closing the Cash Book; *vide* Article 195.

\* N.B.—The procedure prescribed in this Chapter is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department which is some what different, is outlined in the Departmental Manual.

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|---|--|
| (b) Abstracts of Stock Receipts and Issues, Forms P.W.A. 5 and P.W.A. 6, supported by receipted invoices or other voucher and] extracts from Registers of Stock Receipts and Issues (Copies).                         | Within three days of the date on which the accounts of a month are closed. |
| (c) Works Abstracts (accompanied where necessary, by statements of Outrun from Manufacture and Transfer Entry Orders) for each work in progress, in connection with which there was any transaction during the month. | Do.  |
| (d) Petty Works Requisition and Accounts for each petty work in progress, in connection with which there was any transaction during the month (in original).  | Do.  |
| (e) Transfer entry Orders, Forms P.W.A. 7, relating to the accounts of the month, other than those proposed from time to time and transmitted separately, <i>vide</i> Article 108.                                    | Do.  |
| (f) Such other returns as may be necessary for Compilation of the accounts required to be submitted to the Accountant-General under orders of Government, <i>vide</i> Article 239.                                    | Do.  |

NOTE 1.—The total of the "Cash" columns on both sides of the copy of the sub-divisional cash book should be expressed in words in the Sub-divisional Offices own hand in token of his having satisfied himself that is a true copy and correct in all respects.

NOTE 2.—The Accountant-General, to eliminate the work of preparing copies, may permit sub-divisions at the headquarters of a Divisional Office to maintain two alternative Cash Books—one being submitted in original to the Divisional Office at the end of the month and the other being used in the month following.

NOTE 3.—The Accounts Returns received from sub-divisions should be further checked in accordance with the rules prescribed in this behalf in the Audit and Departmental Codes.

*Local Ruling under Article 205.*

1. In addition to the returns mentioned in the above Article. Sub-divisional Officers should submit to the Divisional Office the following returns in the manner indicated against each:—

- |  |   |
|--|---|
| (i) Accounts of Receipts and Issues of Tools and Plant (Forms P.W.A. I and II) Supported by the necessary vouchers and acknowledgements in original.                         | Within three days of the date on which the accounts of a month are closed.                |
| (ii) A certificate regarding the scrutiny of the materials-at-site Account of minor works and repairs.   | Between the 10th and 15th of the following month See Local Ruling 1 under Article 126.    |
| (iii) Statement of Receipts, Issues and Balance of Road Metal (Forms P.W.A. IV).   | Monthly-See Local Ruling 21 and 22 under Article 92.                                      |
| (iv) Such Statement or reports in connection with the recoveries of rents of building and lands as the Divisional Officer may require the Sub-divisional Officer to prepare. | Monthly-See Local Ruling 2. under Article 116.  |
| (v) Estimate of probable requirements of cash, if prescribed by the Divisional Officer.  | Monthly-See Subsidiary Rules 55 under Treasury Rule 16.                                   |
| (vi) Balance return of Stock (Form P.W.A. XII).  | Half-yearly, on dates fixed by the Divisional Officer See Local Ruling under Article 239. |
| (vii) Register of Tools and Plant (Form P.W.A. III).   | Yearly, on or before the 15th October.  |
| (viii) Reports of verification of stores, including materials-at-site of works.  | Immediately after each verification.  |

A covering letter in Form P.W.A. XXXVI should be sent to the Divisional Office along with the returns specified in items (b) to (i) in the above Article and in item (i) above.

A detailed list in Form P.W.A. XXXVII should be sent with all Works Abstracts and Petty Works Requisitions and Account--items (c) and (d) in the above Article. The Materials-at-site Account, Form P.W.A. XXV or XXVI should also be sent with Works Abstracts, when necessary.

2. The Divisional Accountant, while examining the Cash Book of the Sub-divisional Officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit (see Subsidiary Rule 55 under Treasury Rule 16).

### C.—COMPILATION OF MONTHLY ACCOUNTS.

#### *I.—Introductory.*

206. Save as provided in Article 207, all the transactions of the division, as recorded in the initial accounts of cash and stock and in the Transfer Entry Book, should be posted direct from those sources in one or other of the schedules prescribed in this section, the details being in some cases recorded in supporting schedule docketts (*vide* Article 209).

207. The cash and stock transaction booked under the head "Transfer within Division" should not be included in any of the schedules leading to the monthly accounts. Nor should the following transactions be posted in the schedules from the initial accounts specified against each.—

(i) transactions recorded in the Cash Book under the head "Cash from Treasury". These are brought to account through the Transfer Entry Book as a part of the entry "Total amount of cheques drawn"

(ii) transactions brought to account in the initial accounts of stock (Forms P.W.A. 5 and P.W.A. 6) through the Cash Book or the Transfer Entry Book, e.g., stock purchased in cash, stock sold for cash and stock received from works



*Local Ruling under Article 207.*

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in item (ii) in this Article are not brought to account twice, and the Divisional Accountant should see that all items of this class are correctly separated off in the lower part of the Abstracts of Stock Receipts and Stock Issues, Forms P.W.A. 5 and 6—See Instruction (2) printed on these forms.

208. Before the actual compilation of the various schedules and Schedule dockets, etc., is undertaken, the Abstract Book, Form P.W.A. 23, may be written up from the original Cash Books. Abstracts of Receipts and Issues of Stock and the Transfer Entry Book in accordance with the instructions printed on the standard form. The book will consolidate all the transactions of the division and will, thereby, facilitate the location of errors and omissions made in the compilation of the Monthly Account from the schedules and also serve as an independent check over the compiled accounts.

*Local Ruling under Article 208.*

The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the Monthly Account is noted at once in a suitable register (or other account), preferably one wherein the expenditure incurred against it can be watched readily. General sanction to estimates and appropriations for works should be noted in the Register of Works Sanctions to fixed charges of a recurring character, e.g., those relating to the entertainment of work-charged establishments should be entered in the Register of Sanctions to Fixed Charges, Form P.W.A. XXXVIII. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions Form P.W.A. XXXIX. Register of Miscellaneous Sanctions will be found suitable.

NOTE 1.—Forms P.W.A. XXXVIII and XXXIX may also be used in respect of sanctions to contingent expenditure which is not brought to account in the Monthly Account, but separate pages of these registers should be set aside for this purpose.

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NOTE 2.—Sanctions to estimates for works should be entered in the Register of Works, eventhough a collective register of all sanctioned estimates be maintained by the Divisional Officer for his own information.

## II. Schedule Dockets :

209. As cash vouchers and transfers entry orders relating to (i) charges on works, other than percentages charged for establishment, tools and plants, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required (*See* Article 226), are received and are scrutinized, they should be posted into Schedule Dockets in Form P.W.A. 24, a separate from being used for—

(a) each work to be accounted for in a Schedule of "Works Expenditure Form P.W.A. 27 or in the Schedule of Deposit Works \* \* \* Form P.W.A. 33 \* \* \*, *vide* Article 219 \* \* \*

(b) each manufacture or other item of expenditure debitable to Stock and to be accounted for in the Schedule of Debits to Stocks, Form P.W.A. 28, *vide* Article 216; and

(c) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this Chapter.

Cash receipts which have to be taken in reduction of expenditure (*vide* Article 20) should be posted as refunds, with brief particulars of the transactions.

210. At the end of the month, the Scheduled docket should be completed in respect of the stock transactions. All the Stock debits and credits of the month as recorded, in the lower part of Forms P.W.A. 5 and P.W.A. 6. Abstracts of Stock Receipts and Stock Issues, respectively other those brought to account through the Cash Book and the Transfer Entry Books, *vide* Article 98, should be posted in the schedule docket. The total of the month's Stock transactions, relating to each schedule docket should be entered therein as a single figure plus or minus according as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted.

211. The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned, in the case of dockets of class (c) of Article 209. All the vouchers (including acknowledgements for stock supplied to contractors), transfer entry orders, survey reports, and sale accounts which are required to be submitted to the Accountant-General (*vide* Article 232) should then be attached to the respective schedule dockets which should be numbered in a separate series for each month.

NOTE 1.—Accountant-General may at their discretion, permit Divisional Officers to post the schedule dockets at the end of the month from the Work Abstracts, as soon as the latter are completed and 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 the work consists entirely of payments on muster rolls or other vouchers not required to be submitted to the Accountant-General. In that case, the Divisional Accountant should record a certificate in the last column of the Schedule of Works Expenditure against the relevant item that the vouchers in support of the item are such as are not required to be submitted to the Accountant-General under the rules.

NOTE 2.—Some of the schedules mentioned in clause (c) of Article 209 include charges for works supported by a Schedule of Works Expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

#### *Local Ruling under Article 211.*

The audit of schedule dockets is conducted in the Accountant-General's office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of unvouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test-audit. The Divisional Accountant is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

(G.O. Ms. No. 393, Finance, dated 25th March 1964.)

212. For percentage recoveries made on account of establishment, tools and plant, and accounts and audit charges, a single schedule docket should be prepared in Form P.W.A. 25 which should embrace all Government as well as non-Government works on which these percentages may be leviable under rule .

NOTE.—This form serves as the transfer entry order relating to these recoveries (vide Article 196) and should, therefore, be signed by the Divisional Officer.

### *III. Schedules.*

#### *(a) Schedule of Monthly Settlement with Treasuries.*

213. After the settlement of account mentioned in Article 89 has been effected with treasuries, a Schedule of Monthly Settlement with Treasuries should be prepared in Form P.W.A. 26 separately in respect of the treasuries of each account circle.

#### *Local Ruling under Article 213.*

Form P.W.A. 26 is required for submission to Audit in Original. The office copy of the details recorded in it should be signed by the Divisional Officer and carefully recorded for a period of twenty years.

#### *(b) Schedule of Revenue Receipts.*

214. The following schedules which are only extracts of the Registers prescribed in Articles 113 to 115, should be prepared in the same form as that of the corresponding registers:—

*(i) Schedule of Revenue Realized.*

*(ii) Schedule of Refunds of Revenue.*

*(iii) Schedule of Receipts and Recoveries on Capital Account.*

NOTE.—A separate schedule should be prepared for each class of receipt for which separate register is maintained under Article 113.

#### *Local Ruling under Article 214.*

When under a major head of revenue, there are more than one system of works for which separate revenue accounts are kept a summary of the receipts of all systems working up to the total of the major head should also be prepared.

*(c) Schedules of Works Expenditure*

215. (a) After a reconciliation has been effected between the totals of works abstracts and relevant schedule docketts, a Schedule of Works Expenditure should be prepared in Form P.W.A. 27, separately for expenditure relating to each of the following classes:—

(i) each major head (or a division thereof shown separately in Appendix 2\* to Volume I) under which expenditure is recorded, a separate schedule should be prepared for "Central" and "State" expenditure in the case of "50.—Civil Works" in States ;

NOTE.—This form is not used for manufacture transactions, *vide* Article 216.

(ii) Military Engineer Services ;

(iii) Railway Works ;

(iv) Posts and Telegraphs Department Works.

(v) Archaeological Works of the Central Government connected with the conservation of ancient monuments which are debitable to the Archaeological Department ;

(vi) all other Government works including occasional works of classes (ii) to (v) ; and

(vii) all non-Government works other than Deposit Works for which separate schedules are prepared, *vide* Article 219

(b) Except as provided in sub-paragraph (c) below, only those works on which expenditure has been incurred during the month should be included in the schedule. The entries being detailed in the order of the prescribed heads of the accounts classification in the case of works of classes (i) to (v) and grouped separately for each Government Department, division, local body or other party concerned in the case of works of classes (vi) and (vii) All works forming part of single project or system should in all cases be grouped together.

(G.O. Ms. No. 383, Finance, dated 21st May 1968.)

\*See footnote to Article 10 above.

(c) The schedules pertaining to the accounts for September and March (supplementary) should include all works, including those relating to which no transactions have appeared in the accounts of these months and copy of its should be sent by the Divisional Officer to the Superintending Engineer to appraise the latter of the excesses over the Estimates, allotments, etc. The schedules pertaining to the accounts for June, September, December and March (Supplementary) should include all works relating to National Highways and the Central Road Fund to enable the Accountant-General to furnish quarterly statements of expenditure on such works to the Government.

(G.O. Ms. No. 383, Finance, dated 2nd May 1968.)

#### *Local Ruling under Article 215.*

In the case of projects under constructions, the schedule of works expenditure should show the total expenditure up to date on each of the heads subordinate to the minor heads (e.g. headworks, 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 Appendix 2.

#### *(d) Schedules of Suspense Transactions.*

216. (a) All debits to stock should be collected in Form P.W.A. 28. Schedule of Debits to Stock. The entries in this schedule should be arranged in four groups—(1) "Manufacture", (2) "Land, Kilns, etc.", (3) "Storage" and (4) "Other sub-heads". Under (1) should be detailed all manufacture operations in progress and under (2) all works in progress in connection with the acquisition of land, construction and repairs, of kilns, etc., Under (3), should be shown, the expenditure which is incurred, after the acquisition of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards, etc.

Under (4), should be shown (a) individually, all items of expenditure on the carriage, handling, etc., or stock materials, when the cost of such processes is debitable to the sub-head of stock under which the materials are classified (*vide* Articles 98 and 131), (b) individually all items of acquisition of stock materials for which an estimate is required, and (c) collectively all other items of acquisition of stock materials. In respect of each manufacture operation, the outturn of the month (*vide* Article 156) should also be shown in the schedule. The operation and out turn should be centered in two separate lines.

(b) An account of suspenses head, "Stock" should next be prepared in Form P.W.A. 29, Stock Account. Part I of this form is the main account which should show the receipts, issues and balances, classified by sub-heads. Separate figures should be given in respect of the sub-heads "Manufacture", "Land, Kilns., etc." and "Storage" and all other sub-heads (*vide* Article 95) should be lumped up. Part II, the Detailed Account of Issues, should be written up first, and from this part and the Schedule of Debits to Stock, Form P.W.A. 28, should be prepared Part I.

#### *Local Ruling under Article 216.*

1. If the Divisional Officer is specially authorized by the Government to sanction the carriage, handling, etc., charges up to a specified money limit, it will devolve upon the Divisional Accountant to conduct a scrutiny of individual items of expenditure against the Divisional Officers' sanctions but all items of this class should be detailed in the schedule.

(G.O. Ms. No. 393, Finance, dated 25th March 1964.)

2. In Madras separate figures should be given for all the sub-heads mentioned in Form P.W.A. 29.

217. (a) Transactions relating to the purchase-suspense.

The following documents should be furnished with the monthly accounts for facility of check in the audit office.

(i) List of particulars (showing number of omnibus Transfer entries, etc.) of credit to the suspense head purchases, aggregating in the figure shown in the classified abstract of expenditure form P.W. A. 41.

(ii) Abstract account of credits; debits and balances of the purchase account in the form of part II of Form P.W. A. 31.

(iii) List of items outstanding under the suspense head Purchases, for more than six months (to be furnished with the monthly Account for September and March only).

These documents should be prepared on the basis of entries in the Register of Purchase, Form P.W.A. 17.

(G.O. Ms. No. 383, Finance, dated 2nd May, 1968.)

(b) Transactions relating to "Miscellaneous P.W. Advances—Suspense".

A schedule of "Miscellaneous P.W. Advances" restricted to items effected during the month should be prepared in the Form P.W.A. 32. In addition a list of items outstanding for more than six months should be furnished to the Accountant-General every half year with the Monthly Account for September, and March.

NOTE.—In the Schedule of Miscellaneous P.W. Advances for the month other than March, items which do not exceed Rs. 5 each may be shown in a lumpsum if so authorised by the Accountant-General.

These documents should be prepared on the basis of entries in the Register of Miscellaneous P.W. Advance in Form P.W.A. 17.

(G.O. Ms. No. 383, Finance, dated 2nd May 1968.)

NOTE 1.—In respect of Purchases, the Accountant-General may authorise the use of Form P.W.A. 31 in the case of divisions where the number of outstanding items is very large but the number of supply affected by the monthly transactions is small.

NOTE.—2 In the Schedule of Miscellaneous P.W. Advance for the months other than March, items which do not exceed Rs. 5 each may be shown in a lumpsum, if the Accountant-General so authorizes.



218. The schedule for the Suspense head "London Stores" has already been described in Article 167. The schedule for "Workshop Suspense" should be prepared in such form as may be prescribed by Government in consultation with the Accountant-General.\*

(e) *Schedule of Deposit Transactions.*

219. After the reconciliation mentioned in Article 211 has been effected, a consolidated record of the transactions of a month relating to all Deposits Works of the division should be prepared in Form P.W.A. 33, Schedule of Deposit Works. This schedule should show in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up to date. The amount of deposit received for each work should be numbered as a single item, but the transactions which relate to (1) the share available for works expenditure and (2) the total amount recoverable as establishment, tools and plant and audit and accounts charges, if any, should be shown separately thus—

For Works Expenditure.

For Percentage Charges.

NOTE.—Refunds unexpended balance of completed works should be taken in reduction of the deposits and, therefore, shown in the Schedule as *minus* realizations and not as expenditure.

*Local Ruling under Article 219.*

The 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.

220. After transactions relating to Deposit works have been posted in the Deposit Register Form P.W.A. 17 a Schedule showing only the items affected during the month should be prepared, Form P.W.A. 35 being used for the purpose.

(G.O. Ms. No. 383, Finance, dated 2nd May 1968.)

\* See the Local Ruling under Article 168.

220-222] ACCOUNTS RETURNS RENDERED BY PUBLIC WORKS OFFICERS. [CHAP IV

**NOTE.**—The Accountant-General may authorize the use of alternative Form P.W.A. 35 under the conditions prescribed in Note 1 to Article 217. This form is in two parts—Part I, Abstract Account, which should show the totals for each class of deposits, and Part II, Detailed Extract from the Deposit Register. In Part II, only such items should be extracted from the Deposit Register as are affected by the month's transactions, but in the schedules for the month of June, September, December and March all current items should be shown, those not affected by the month's transactions being also included.

*Local Ruling under Article 220.*

The Schedule of Deposits should also include the cost of all Court of Wards' Estate works entrusted to the Public Works Department for execution

*(f) Schedule of Takavi Works.*

221.

\* \* \*

(g) Schedules of Debits/Credits to "Adjusting Account between Central and State Governments" and "Adjusting Accounts with Railways".

222. (a) In Form P.W.A. 37, separately for debits and credits under each major head, should be brought together all transactions which originate in the division and have to be adjusted by the Accountant-General through the major heads "Adjusting Account between Central and State Governments" and "Adjusting Account between account with Railways" *vide Article 15.*

(b) In State divisions, the transactions included in the Schedule of Debits/Credits to "Adjusting Account between Central and State Governments" should be grouped according to the prescribed heads of classification, while in the Central divisions the transactions included in them should be detailed by each Government.

(c) Similarly, in both the Central and State divisions, the transactions included in the Schedules of Debits/Credits to "Adjusting Account with Railways" should be grouped according to each Railway.

**NOTE.**—Percentage recoveries for audit and accounts should appear in these schedules in the case of State divisions only.

(d) Items or groups or items for which details are given in the separate schedules, e.g., Schedules of Receipts (Form P.W.A. 9) and Works Expenditure (Form P.W.A. 27 or P.W.A. 41), should be shown as a single item.

*Local Ruling under Article 222.*

In the place of the suspense Schedules prescribed in this Article, a separate account should be compiled in Madras for Central transactions as Part II of the Monthly Account Form P.W.A. 42. The transactions relating to the Central Government under the Public Works Revenue and Service heads and Miscellaneous heads of account will be accounted for in Part II, while those relating to the Madras Government and other State Governments (except Coorfi) under the above heads and other Debt and Deposit heads will be included in Part I. Each part of the account should be supported by the requisite schedules prepared in accordance with the detailed instructions issued by the Accountant-General—see also Articles 228 and 229.

*(h) Schedule of Debits/Credits to "Inter-State Suspense Account".*

223. In divisions under the administrative control of a State Government any transactions which originates in the division on behalf of any other State Government should be collected in Form P.W.A. 38, separately for debit and credit transactions. The items in the schedule should be detailed by each Government.

*(i) Schedules of Debits/Credits to Remittances.*

224. All remittance transactions other than those mentioned in Articles 222 and 223 should be collected in Form P.W.A. 39, separately for debits and credits and the entries grouped under the headings given in the sample entries in the form.

(j) *Schedule of Debits, Credits to Miscellaneous Heads of Account.*

225. Subject to such instructions as may be issued in this behalf by the Accountant-General, all disbursements and receipts which cannot be accounted for in any of the other schedules prescribed in Articles 213 to 224 should be collected in Form P.W.A. 40. The transactions to be accounted for in this schedule must be such as are adjustable finally in the books of the Accountant-General under one of the non-Public Works major heads of revenue and expenditure or a debt head appertaining to the accounts of the Government to which the division is subordinate.

NOTE 1.—In Central divisions income-tax recoveries from workcharged establishment and receipts on account of cemetery endowments should appear in the Schedule of Credits to Miscellaneous Heads of Account. Similarly, in these divisions, percentage recoveries for accounts and audit should appear as credits or *minus* debits in the Schedule of Credits or Debts to Miscellaneous Heads of Account, according as the amounts are creditable to "LII. Miscellaneous—Fees for Government Audit" or "20 audit"; *vide* Article 72.

NOTE 2.—Save as provided above, no transactions should be accounted for under the final or debt concerned and shown in the Schedules of Credits or Debts to Miscellaneous Heads of Accounts, except under the authorization of the Accountant General. Ordinarily, they should be shown under the remittance head "Public Works Remittances—III. Other Remittances" and included in the Debit or Credit Schedule (Form P.W.A. 39), as the case may be.

*Local Ruling under Article 225*

Expenditure on Famine Relief works should be entered in the "Schedule of Debits to Miscellaneous Heads of Account". Expenditure on local loan works should also be entered in this Schedule supported by a Schedule of Works Expenditure.

IV.—CONSOLIDATED ACCOUNT OF CONTINGENT  
EXPENDITURE.

226. When cash required to meet contingent charges is drawn from treasuries by cheques all contingent charges (including stock and adjustment charges) should be consolidated in the form prescribed in Treasury Rules of the Government concerned for the monthly detailed bill of contingent charges counter-signed after payment (headed "Not Payable at the Treasury"). Particular of charges need not be entered in this account, except in the cases of miscellaneous items which do not fall under one of the classified sub-heads for specific charges.

*Local Ruling under Article 226.*

In Madras, the procedure prescribed in this Article applies only to the Electricity Department. In the Public Works Department, the cash required to disburse contingent charges is obtained from treasuries directly by bills in the same way as cash required for payment of pay and allowances, in accordance with the rules prescribed in this behalf in the Tamil Nadu Treasury Code and the Tamil Nadu Financial Code.

## V.—CLASSIFIED ABSTRACT OF EXPENDITURE.

227. A Consolidated account of all expenditure debited against the grant of the division should be prepared in Form P.W.A. 41, classified abstract of expenditure. The figures relating to the several major heads (or divisions thereof shown separately in column I of the Classification table in Appendix 2\* to Volume I) should be entered in separate sections, arranged in the order indicated in the Appendix and in the case of major head "50. Public Works" in States the "Central" and "State" transactions should be shown in two different sections.

NOTE 1.—When works for Military Engineer Services, Railways, Posts and Telegraphs Department and Archaeological Department are undertaken as a standing arrangements *Vide* Article 215, and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in Form P.W.A. 41, in accordance with the classification prescribed in respect of the works concerned, *vide* Article 17.

NOTE 2.—Refunds of Revenue should be excluded from this Abstract as they are treated as *minus* Revenue, *vide* Article 21. On the other hand "Receipts and Recoveries in Capital Accounts" should be included in this Abstract as *minus* expenditure, as they are taken in reduction of the charges under the major head concerned.

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\* See foot-note to Article 10 above.

*VI.—Monthly Account.*

228. Finally, the Monthly Account should be prepared in Form P.W.A. 42. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the opening and closing cash balances. On the back of the form are recorded (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balance of the subordinate disbursing officers.

229. The entries in the Account should be divided into three groups: (1) Revenue entries, which are totals of receipts of the Government concerned under the several major heads, as taken from the Registers of Revenue Realized, Form P.W.A. 9, (2) Expenditure entries, which are the totals of expenditure of the Government concerned for the several divisions of major heads and posted from the Classified Abstracts of Expenditure, Form P.W.A. 41, and (3) Other Heads, under which both receipts and disbursements are posted from the Schedules of Deposits. \* \*  
“Adjusting Account between Central and State Governments, Adjusting Account with Railways” Adjusting account with Posts and Telegraphs Adjusting account with Defence “Inter-State Suspense Account”, “Remittances” and Miscellaneous Heads of Account, Form P.W.A. 34 to P.W.A. 40.

NOTE 1.—The entries posted under the several heads in the monthly account should be checked with corresponding entries in the Abstract Book (Form P.W.A. 23).

(G.O. Ms No. 383, Finance, dated 2nd May 1968.)

NOTE 2.—The totals of the columns for receipts and disbursements must agree and, if there is any difference due to cash being in transit between two disbursing officers, its amount should be included in the closing balance and the certificate of cash balance should be amplified to explain the amount and the steps taken to adjust the difference.

**D.—SUBMISSION TO ACCOUNTANT GENERAL.**

230. The Monthly Account should be submitted so as to reach the Accountant-General's office by such date between the 7th and

10th of the month following that to which it relates, as may be fixed by the Accountant-General in consultation with the Divisional Officer. It should be supported by the following documents\* :—

- |  |  |  |
|--|--|--|
| (1) Schedule of Revenue Realised, Form P. W. A. 9, and   |  | Extracts from the registers, vide Article 214                                    |
| (2) Schedule of Refunds of Revenue, Form P. W. A. 9  |  |  |
| (3) Classified Abstracts of Expenditure, Form P. W. A. 41  |  | Vide Article 227.  |
| (4) Schedule of Works Expenditure, Form P. W. A. 27  |  | Vide Article 215.  |
| (5) Consolidated account of contingent expenditure (with necessary vouchers)   |  | Vide Article 226.  |
| (6) Schedule Docket of Percentage Recoveries, Form P.W.A. 25.  |  | Vide Article 212.  |
| (7) Stock Account, Form P.W.A. 49 (with Sale Accounts in support of the Cash Credits to Stock)   |  | Vide Article 216.  |
| (8) Schedule of Debits to stock, Form P.W.A. 28  |  |  |
| (9) Abstract account of credits, debits and balance of purchase Account, Form PWA 31 supported by a list of credits to the suspense head "Purchases" during the month showing reference to the Transfer entry orders aggregating to the figures shown in the Classified Abstract of Expenditure, Form P.W.A. 41. |  | Extracts from the relevant sections of the Suspense Registers, Vide Article 217. |

\* NOTE.—In the Electricity Department, certain of these accounts returns are with the approval of the Government, not sent to the Accountant-General. These are specified in the Departmental Manual which should be taken as supplementing this Code.

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- (0) Schedule of Miscellaneous P.W. Advances, Form P.W.A. 32.
- 11) Schedule of London Stores, Form P.W.A. 18.
- (12) Schedule of Workshop Suspense (in the prescribed by Government.) Vide Article 218
- (13) Schedule of Receipts and Recoveries on Capital Account, in the same from as that of the registers Vide Article 214.
- (14) Schedule of Dockets, From P.W.A. 24 (with necessary vouchers, transfer entry orders, survey report and sale accounts attached to each). Vide Article 209 to 211
- (15) Schedules of Credits and Debits to "Adjusting Account between Central and State Government, Form P.W.A. Vide Article 222.
- (16) Schedules of Credits and Debits to Adjusting Account with Railways Form P.W.A. 37 Vide Article 222.
- (17) Schedules of Credits and Debits to "Adjusting Account with Posts and Telegraphs", Form P.W.A. 37. Vide Article 223
- (18) Schedules of Credits and Debits to Adjusting Account with Defence Form P.W.A. 37 Do
- (19) Schedules of Credits and Debits to "Inter-State Suspense Account", Form P.W.A. 38. Vide Article 223.
- (20) Schedules of Credits and Debits to Remittances, Form P.W.A. 39 Vide Article 224.
- (21) Schedules of Credits and Debits to Miscellaneous Head of Account Form P.W.A. 40 Vide Article 225.
- (22) Schedule of Monthly Settlement with Treasuries, Form P.W.A. 26 (with supporting Consolidated Treasury Receipts and Certificate of issue signed by treasury Officers.) Vide Articles 213:



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|------|---|---------------------|
| (23) | Schedule of Deposits, Form P.W.A. 34 or P.W.A. 35, Extract from the Deposit Register, Form P.W.A. 17.               | Vide Articles 2 25. |
| (24) | Schedule of Deposit Works Form P.W.A. 33 (with Reports of Progress of Expenditure.                                  | Vide Articles 219.  |
| (25) | * * *   |                     |
| (26) | List Accounts submitted to Audit Form P.W.A. 44   |                     |
| (27) | Copies of Tools and plant received sheets and Tools and plant Indents (only in respect of Special Tools and plant). |                     |

NOTE 1.—The Consolidated Account of Contingent Expenditure is not required to accompany the Monthly Account, if contingent charges are drawn by bills presented direct at treasuries.

NOTE 2.—If the Divisional Officer is required by any rule to make a formal report, periodically, of the progress of expenditure on a Deposit Work, to the administrator or depositor concerned, a report setting forth the amount of the estimate, the total deposits received and the progressive expenditure, should accompany the Schedule of Deposit Works, so that the Accountant-General may, after audit of the schedule, verify the report and forward it to the local body or persons concerned.

NOTE 3.—If the Divisional Officer is authorize to refund, without reference to higher authority, fines which have been remitted by a Court of law, the original orders of the court should accompany the Schedule of Refunds of Revenue, as the audit of the refunds made in such cases is conducted by the Accountant-General on the authority of the orders of the court.

#### *Local Ruling under Article 230.*

The Divisional Officer should send the reports described in Note 2 under the above Article in regard to all deposit works. The reports should be sent in Form P.W.A. XL. When two or more works relate to the same depositor, they may be dealt with in the same report.

231. The schedules relating to the suspense and deposit accounts should be submitted to the Accountant General month after month, so long as there are balances outstanding under the account concerned, whether there have been any transactions during the month or not. In respect of the Schedule of Deposit Works, (Form P.W.A.), the Accountant-General may dispense with the submission, every month, of Part II of the Schedule, provided (1) that this part submitted invariably with the accounts for March and (2) that, if Part II for any month contains works any expenditure on which has been debited to Miscellaneous P.W. Advances, an extract from Part II relating to such works only is submitted to him. Subject to those exceptions, the remaining schedules are necessary, only if there have been any transactions during the month.

232. (a) With the exceptions noted below [as to which however, see clause (b) below], all vouchers and transfer entry orders in support of cash payments and other charges in the accounts should accompany the Monthly Account:—

(i) muster rolls or other vouchers in support of payments to labourers, irrespective of amount;

(ii) vouchers in support of payments of wages to members of the work charged establishment, when the Divisional Officer is authorized to sanction the posts held by them;

(iii) other vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 50;

(Memo. No. 75715/Codes/634, dated 3rd October 1963.)

NOTE.—Vouchers not submitted to the Accountant-General should be "cancelled" by means of a perforating or endorsing stamp and kept carefully to be made available for test audit whenever demanded by him.

(iv) invoices or other vouchers in acknowledgment of issues of stock materials, including issues of outturn from manufacture to stock;

(v) vouchers in support of payments made for the conversion of cash deposits into interest bearing securities, in cases in which no voucher other than the security itself or a safe custody certificate of the security exists; and

NOTE.—When a voucher of this class is not submitted to the Accountant-General, the reasons should be noted against the entry of its amount in the schedule docket, or in the Schedule of Works Expenditure, vide Article 211.

(vi) transfer entry orders of the classes enumerated below :—

(a) those involving debits to Remittance heads otherwise than in respect of expenditure on works;

(b) those relating to charges which are supported by vouchers received in transfer ;

(c) those involving a debit or credits to London Stores, or a credit to a Revenue head (Gross Receipts), or to any Miscellaneous Head of Account otherwise than in respect of expenditure on works.

(b) All vouchers (other than muster Rolls) in support of debits to contractors should be submitted to the Accountant-General even though falling under any of the exceptions to clause (a).

NOTE 1.—The provisions in clause (a) and (b) of this Article apply also to vouchers received from other divisions, departments or Governments, in support of transfer debits raised by them.

NOTE 2.—The term "Voucher" used in clause (a) includes Advices of Transfer Credit and Acceptances of Transfer Debit received from other divisions, departments, etc., in the case of the docket for Schedule of Debits to Remittances.

(c) All vouchers in support of payments for land acquired should be submitted to the Accountant-General.

(d) All survey reports of stores and sale accounts should also accompany the Monthly Account. Sale accounts in support of cash credits to stock should be attached to the Stock Account, From P.W.A. 29, survey reports and sale accounts in support of other credits to stock should be attached to the schedule docket pertaining to the works or accounts debited, and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

## 233. Deleted.

234. In connection with the accounts for March, the following points should receive special attention :—

(a) the entry of the closing cash balance should be supported by—

(1) the original Cash Balance Reports of all disbursing officers including the Divisional Officer, and (2) a certificate of the Divisional Officer to the effect that he has obtained on or after 31st March and retained in his office, an acknowledgement from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the Cash Balance Reports of the division for 31st March ;

NOTE.—The original Cash Balance Reports of subordinate disbursing officers should be initialed by the Divisional Officer transmission to the Accountant-General.

(b) to Part II of the Schedule of Monthly settlement with Treasuries, Form P.W.A. 26, should be sub-joined a statement in the form given below, in respect of the cheques drawn to meet payments of works :—

<i>Particulars.</i>	<i>Number of cheques issued.</i>	<i>Amount.</i>
1. For the whole month	....	....
2. During the last five working days of the month.	....	....

(c) the Schedules of Credit/Debits to the heads "Adjusting Account between Central and State Governments", "Adjusting account with railway, "Adjusting Account with Posts and Telegraphs", "Adjusting Account with Defence" and "Inter-State Suspense Account" should invariably be despatched so as to reach the Accountant General not later than the 7th of April of the succeeding year and all correcting entries affecting those schedules should be intimated to the Accountant-General so as to reach him by the 12th of April at the latest.

(G.O. Ms. No. 283, Finance dated, 2nd May 1968.)

235. Within six weeks of the submission of the Monthly Account for March, a consolidated certificate in respect of balances other than cash, should be forwarded to the Accountant-General in Form P.W.A. 46, Annual Certificates of Balances.