

MANUAL OF INSTRUCTIONS FOR INSPECTION OF PUBLIC WORKS OFFICES

CHAPTER – 1

Introductory

1. The general procedure for local inspection of public works offices is prescribed in Section VI. "Inspection and Local Audit" of the Comptroller and Auditor General's Manual of Standing Orders (Technical) Volume I and in Paras 28 to 53 of "Memorandum of Instructions regarding extent of Audit". This Manual is a compilation chiefly of orders or rules of local character issued from time to time with a view to supplement these instructions.

Both the inspecting Officers and their staff should carefully study the rules on the subject in the books mentioned above and this Manual and be generally guided by the principles enunciated therein.

Strength of the Inspection Parties

2. The Inspecting Officer who should ordinarily have 3 years experience as an Audit Officer Incharge of Works Audit Section (one year in the case of officers of Indian Audit and Accounts Service) should be assisted at the Inspection of each Divisional Office usually by two Asstt. Audit Officers/ Section Officers, Preferably the Asstt. Audit Officers/ Section Officers who had worked as Divisional Accountant or had been incharge of Works Audit Sections and one Sr. Auditor/Auditor. In the case of Divisional Offices Wherein the work is exceptionally heavy or where some special matter involving a considerable amount of work has to be looked into, the number of assistants may be suitably increased.

In some of the Offices, because of shortage of qualified hands, it may not be possible to constitute P.W. Inspection Parties with two Asstt. Audit Offices/ Section Officers and one Sr. Auditor/Auditor. In such cases the composition of the parties will be one A.A.O or S.O. and Two Sr. Auditors/Auditors.

3. Documents to be supplied to Inspection Parties from the Audit Office.

Documents to be supplied to the Inspecting Officer from the Audit Office are detailed in paragraphs 30 and 31 of the Memorandum of instructions regarding extent of Audit. The following documents may also be sent in addition to them.

- i) A list of special recoveries of all kinds as noted in Part III of the Works Audit Register , the recovery of which has been unduly delayed should be made out and supplied to the Inspecting Officer who will investigate the delay and suggest measures for speedy recovery.
- ii) A consolidated list of outstanding paras from previous Inspection Reports.
- iii) Inspection Report files of the previous years, objections from which are still outstanding upto the previous inspection.
- iv) List of cases of Measurement Books reported lost since the last inspection to be investigated on the spot.
- v) Some blank audit note forms.
- vi) A few blank forms of confidential report on the work and qualifications of the Divisional Accountant.
- vii) A statement showing number and date of authority sanctioning the new or revised standard rents prepared from part III of the Works Audit Register with the rates, since the date of last inspection.
- viii) P.W.A. form D.F.R. (PW) 5- Statements of rents for one month only viz for which the accounts are to be test audited.
- ix) A list of Audit Notes issued by WAD section pending with the Divisional Officer at the time of inspection. Audit Notes and Inspection Report etc. pending in Central Office may also be sent to the Inspecting Officers, where necessary, duly placed in a separate file.
- x) All files containing cases of losses registered in the section. Each file should contain a note detailing the present position of the case and the action that is awaited. The Inspection Parties are not required to study and deal the cases denovo.

Note 1: Abstract travelling allowance bills selected under paragraph 30 of the “Memorandum of Instructions regarding the extent of Audit” should relate to the month the accounts of which are to be subjected to special test audit.

2. The dealing Auditor will obtain the counter foils of paid cheques selected monthly Account and Schedule Dockets and Vouchers of the Selected Work form the Office of the A.G. (A&E), Haryana well in advance and send the same to the field party alongwith other records etc. After completion of audit these will be immediately returned to that office.

3. Deleted.

4. It should be ensured by the S.O./AAO Incharge of the Audit Party that documents received are complete and in case of any missing documents reports be sent to central office at once. After the Inspection is over the S.O. / AAO or his Assistant should detail the documents which he returns to the Central Office and the SO/AAO of the WAD section should see that all the documents have been duly received & acknowledged by the Auditor concerned.

(DAG's orders dated 26th August, 1929 on the case of a loss of a T.E. Voucher for 5/27 of 3rd Lahore Provincial Division.)

Note The foils of paid cheques when supplied to the Inspecting Officer under Paragraph 30 of the "Memorandum of Instructions regarding the extent of Audit" should be put in a separate cover after check by the S.O/AAO. Similarly the AAO/S.O. should do the same when returning the cheques to the Central Office. The S.O/AAO in the Audit Office and the AAO / S.O. must see personally that the numbers of the cheques sent is correct as per list attached thereto.

(DAG's order dated the 18th September, 1939, in case Jhang 7 of 1939-40 in WAD 3).

T.A. Bill of Inspection Staff

5. The travelling allowance bills of the members of Inspection Staff should be submitted to Administration section through WM section b end of first week of the next month. WM Section will apply for the sanction of the Accountant General where necessary on receipt of the T.A. bills of the parties concerned.

The Inspecting Officer will countersign the T.A bills of the party for the halts in respect of the Divisions/ offices in which the work of the party is supervised by him.

6. Regulation of Daily Allowance.

(a) The President has sanctioned, in modification of M.O.F. (Deptt. Of Exp.) O.M. No. 1903/2/86-E. IV dated 24.3.86, the grant of full daily allowance upto 180 days on tour as follows.

The admissibility of daily allowance for continuous halts at places outside the Govt. Servants headquarters during tour will be as follows.:-

(i) First 180 days Full daily allowance

(ii) Beyond 180 days Nil

2. Other terms and conditions for grant of D.A. will remain unchanged .

(Authority:- G.O.I. M.O.F. (Deptt. Of Exp.) O.M. No. 19030/5/86-E. IV dated 12.12.86, Copy received with C.A.G's No. 24-Audit-1/30.86/IV-87(7) dated Nil circulated vide No. Admn.III/Imp. Cir/86-87/1127 dated 11.2.87.

- (b) As per serial No. 1 section B of C.A.G's M.S.O. (Administrative) Vol. II as modified under Comptroller & Auditor General of India office letter No. 3229-NGE.I/81-79 dated 30th October 1979, the powers to treat enforced halt, occurring enroute on tour (journeys) necessitated by breakdown in communication due to blockade of roads on account of floods, heavy rains, snowfalls, landslides etc. as duty under FR9(6)(b) is vested with Heads of the Department in the case of Group 'C' officers and below.

The question of delegating these powers further has been under consideration in CAG's office. It has now been decided to delegate these powers to the Accountant's General/Directors and other Heads of the Department in the case of Group 'B' officers working under them. This will, however, be subject to the condition that daily allowance for such halts is regulated under the relevant rules of the Government of India.

(Authority: C.A.G's letter No. 1003-GE.II/36-85 dated 3ed April, 1986)

7. Deleted.

8. The Government of India, Ministry of Finance, have decided the in future cost of telegrams for reservations of accommodation should be met by the party desirous of securing the accommodation in question.

(Letter from the Auditor General to all A.G's No. 2219 G.B.E/417-38 , dated the 7th September 1938, filed in case W.M. 4-5/ Genl. Of 1938-39.)

Grant of Casual leave to Staff

9. Casual leave shall be sanctioned by the Headquarter and should be forwarded in advance to WM Section before the leave is actually availed. If any member of the Inspection Party applies for leave during the course of inspection for sudden and unforeseen reasons, approval to the grant of leave should be obtained from the Headquarter telegraphically on the date the leave is applied (C.A.G's Circular Letter No. 766-TA-1/137-80 dated 16.08.80).

CHAPTER – 2

Responsibilities and Functions of the Inspecting Officer and the Inspection Staff.

10. The duties of the Inspecting Officers are laid down in Section VI-“Inspection and Local Audit” of the “Comptroller and Auditor General’s Manual of Standing orders (Audit) and Para 32 of “Secret Memorandum”. He should see that the work done by himself and his staff is in accordance with the rules. The important items of work to which the Inspecting Officer should devote his personal attention are listed in paragraph 53 of the “Secret Memorandum” but these are not intended in any way to be exhaustive. The Inspecting Officer is at liberty to examine any other point which he may consider necessary. It should, however, be clearly understood that the introduction of this list does not in any way diminish his responsibility for the supervision of the inspection as a whole. In addition he may also do the following items of miscellaneous work personally.

- a) Review of Register of Divisional Accountant’s Audit objections.
- b) Review of the reports of Inspection conducted by the Superintending Engineers, the Divisional Officers and the Divisional Accountants.
- c) Review of Irregularities noticed in previous Inspection Reports which remain Unremedied.
- d) Review of the extent to which instructions and orders previously issued and Noted for compliance are being observed in practice.

In order to distinguish between the records checked and those not checked by the P.W. Inspection parties, it has been decided that the parties will tick all entries checked by them in vouchers and registers. The records and Registers checked should be initialed in token thereof. The Inspecting Officer will, therefore, ensure before proceeding on P.W. Inspection that the staff has procured the requisite No. of audit pencils from CRT Section. These pencils if not wholly consumed may, however, be handed over to the succeeding party in the field or returned to CRT Section on the expiry of the inspection spell.

11. During local Inspection, Service Books of Group ‘C’ and Group ‘D’ Government servants restricted to such staff as are/ will be entitled to pension and in whose case the Annual Estt. Returns were required to be prepared should be reviewed to the extent of 25 per cent including therein the service Books of all such Government servants who are due to retire during the next 5 years.

During the check of Service Books, it should be ensured that the Service Books are kept up-to-date and they contain a certificate of annual verification of Service with reference to acquaintance rolls etc. The entries in the pay columns should also be verified with reference to office copies of pay bills for the month or months selected for detailed audit to see that they agree. The correctness of the pay and increments allowed to the officials from time to time for the period to which the check of service books relates, should also be checked. The check envisaged in para 3.2.3 and 3.2.4 of Manual of Standing Orders (Audit) Vol. I should also be exercised to ensure that no pay is passed for a Government servant beyond the date of attaining the age of superannuation or on the expiry of a term of extension of service sanctioned by competent authority.

In the Service Books so checked an audit endorsement (with date) under the signature of the Inspecting Officer may be recorded in the following form:

“ Certified that the entries in the Service book and leave account of Shri..... have been carefully Scrutinized under my supervision.

Also certified that N.T.C has been conducted for the month of pay verified at Rs..... p.m. we've.....

Inspecting Officer

Leave Accounts to the extent of 5 per cent of the total Group 'C' and Group 'D' Estt. Should also be checked at the time of Local Inspection and cases of irregular grant of leave should be reported. Leave account of such persons as are likely to retire before next inspection should be checked carefully.

In case where leave accounts are checked, the following certificate may be recorded over the signature of the Inspecting Officer.

“Certified that leave accounts have been checked”.

(ii) Every Inspection Report submitted by the Inspecting Officer to this office (Concerned WAD Section) should be accompanied by a statement (in duplicate) indicating-

a) Number to persons on roll in a particular month whose service Book are to Be checked in a particular office.

- b) Number of Service Books required to be checked.
- c) Number of Service Books actually checked and particulars thereof to enable selection at the next time of inspection.
- d) Number of persons with full particulars whose Service Books had not been prepared.
- e) Number of service books with full particulars which were found incomplete or contained unauthorized and unattested entries or erasures etc.
- f) No. of Service Books with full particulars in which seal (certificate) of audit verification had been affixed.
- g) Number of Service Books which had been verified in Local Audit but which were not forthcoming at the time of subsequent local verification.
- h) Total Number of Leave Accounts, the number of leave accounts checked, and the particulars of persons whose leave account have been checked.

A copy of this statement will be kept with the office copy of the Inspection

Report to facilitate selection at the time of next inspection.

- (iii) A separate audit note in respect of irregularities detected in the checking of Service Books and leave accounts should be sent alongwith the Inspection Report, in duplicate, to the concerned WAD. "Nil" audit note should be sent where no irregularity is detected.
- (iv) Deleted.
- (v) The receipt of statement of Service Books and Leave accounts checked and The audit notes thereon will be watched by the concerned WAD Section and the fact brought out in the scrutiny sheet of the Inspection Report for information and orders of D.A G. (Works)

(DAG (W)'s orders dated the 24th April 1965 on page 25-N of file WM-I/14-Misc / sub-Cases-V/64-5/Vol.II and AG's orders dated the 11th June 1963 on page 19-B in File T.M.I/II-7 Insp/CR (63-65).

11.A The instructions regarding conducting of NTC/establishment audit etc.

During local audit as issued vide No. T.M. (Tech)10-12/82-83/292 dated 25.06.82 (Copy Reproduced below) will also be strictly adhered to.

Copy of letter No. T.M. (Tech)/10-12/82-83/292 dated 25.6.1982.

Office Order

Subject: Procedure for conducting Central Audit Checks in local Audit, as prescribe In CAG's instructions contained in letter No. 102-O8M/145-79 II dated 20.3.1980.

It may be clarified at the outset that the existing system of audit of sanctions to Establishment and audit of classification of expenditure, will continue to be conducted Centrally as prescribed in paragraphs 3.3.5 to 3.3.10 of M.S.O (Audit) VOI. I and other Instructions contained therein. Subject to the foregoing the following procedure is laid Down for conducting of certain central audit checks in local audit.

- i) The present system of nominal audit or check of correctness of pay and allowances drawn through fly-leaves has been dispensed with. Instead, the nominal check will be conducted in local audit in such a manner that in each office visited by the audits party, 100 percent service books are audited/scrutinized in a cycle of 4 years. In respect of incumbents who are likely to retire within 5 years it will be the duty of the I.O. to ensure that all such cases are picked up and audited separately so as to ensure that all such cases are checked cent per at least once before the expected date of retirement.
- ii) The quantum of audit checks will remain as already prescribed, but the selection will be made individually by the G.O. concerned and this need not coincide with the selection made by the OAD in their local audit.
- iii) The Group Officer shall select the months to be audited well before the departure of the audit party to the field. However, in case it is not feasible to stick to the selection made or to shift the selection to another month to speed up the process of audit locally, the Inspecting Officer will get in touch with the group officer and get the selection revised quickly, if necessary.
- iv) The manner of nominal check and audit of service books/ leave accounts as prescribed in para 5 and the annexure (copies enclosed) of the CAG's instructions dated 20.3.1980 shall be strictly adhered to. These checks are reiterated briefly as follows:-
 - a) N.T.C will be exercised with reference to the initial and primary records containing the authority for changes in the rates of pay and allowances for time to time for whatever reasons.
 - b) In cases of increments sanctioned or pay fixed on promotion or reversion during the selected months the prescribed quantum of audit will be 20% of such cases which will be in addition to the other checks prescribed in the CAG's instructions.
 - c) The results of the N.T.C shall be tabulated on the spot under proper authentication by the SO/AAO and the AO as per proforma in Annexure 'A'. This proforma shall be prepared in triplicate and shall be forwarded to the Branch Officer of the section concerned and AO/ Cent. Co-ord , by name to serve as a permanent guard file relating to the

department/DDO. This record shall be treated as a permanent record. The third copy shall be handed over to the DDO for compliance of audit observations.

- d) The proforma shall contain a certificate indicating clearly the checks exercised by the I.O and the SO/AAO in respect of nominal audit, audit of increments, pay fixation on promotion/reversion, check of service books and leave accounts, check of office copies of pay bills and acquaintance rolls.
- e) The months selected for audit shall be deemed to have also been selected for review by the I.O and the SO/AAO as per the prescribed quantum.

The following certificate will also be rubber stamped in the Service Books checked under the signature of the Inspecting Officer:-

“Certified that the entries in the Service Books and leave account of Shri..... have been carefully scrutinized under my supervision.

Also certified that N.T.C has been conducted for the month of Pay verified at Rs..... P.M. W.E.F.....

- f) Supplementary bills and arrear claims drawn during the selected months will be generally reviewed locally to ensure that the cases are not kept pending unnecessarily and that there are valid reasons for claiming them in arrears or in supplementary claims and these should be subjected to detailed check in the months selected for audit.
- g) The procedure/instructions detailed above will also apply to salaries/ claims of gazette officers drawn on the establishment bills.

2. Local Check of Special Charges & Scholarships

- a) The register of special charges and the periodical charges register have been discontinued in Central Audit from 4/82. These will now be checked in local audit to ensure that control system in the offices of DDO/ countersigning officers is adequate to prevent more than one drawl against a single sanction or a double payment of a recurring charge.
- b) The scholarship payment vouchers will also be checked in local audit from 4/82 onward as these have since been discontinued in Central Audit. The payments of scholarships relating .

3. The I.O. will obtain the paid establishment vouchers for the month selected for audit from the concerned WAD Section before conducting the audit of any particular office. For this purpose, advance intimation should be sent to the WAD Section well in time. The vouchers will be returned to the WAD Section immediately after the audit is completed.

4. Copies of the important orders having a bearing on the pay and allowances and specific sanctions in regard to grant of special pay and compensatory allowance will be supplied by the WAD Sections to the Inspecting party for information.

5. The observations of a procedural nature not involving specific overpayments/recoveries shall be consolidated in a test audit note which shall be issued on the spot by the Inspecting Officer to the DDO. The compliance of the test audit notes will be checked at the next NTC.

(The points noticed during the audit of scholarship payments as also registered of special charges and periodical charges register will appear in the Test Audit Note under a separate heading.)

The test audit note will be prepared in triplicate one copy will be given to the DDO, one copy to Cent. Co-ordination section and the third copy to the concerned dealing section which will watch final compliance of the points raised in the test audit note. Any excess payments indicated in the TAN will be kept in the OB and pursued.

Showing results of N.T.C in respect of establishment

In the office of the

For the month of

Sr. No.	Name of the official with designation	Pay&D.A etc. as on....	D.O.R	Date of next increment	Whether pay & DA etc in col. 3 have been checked & found correct	If the pay & D.A in col. 3 are not found correct reasons therefore and the correct rate of pay	Action taken by the DDO to rectify audit observation	Remarks
1	2	3	4	5	6	7	8	9

Certified that the NTC has been conducted to the prescribed extent, subject to the observations indicated above.

**Inspecting Officer
O/o the A.G. (Audit) Haryana,
Chandigarh.**

Copy of para 5 of C.A.G secret letter No. 102-o&M/145-79 II, dated 20.3.80.

Manner and extent of nominal check to be conducted during local inspection.

A. The nominal check during local inspection will be conducted in respect of pay, bills of establishment for the month/ months selected for test audit (under the extent instructions) in the case of annual inspection, one month is selected for detailed test audit and in the case of

biennial or less frequent inspections, two months are selected for detailed test audit . The months so selected for test audit will be the months for conducting the nominal check of establishment.

b. The nominal check will be exercised with reference to initial and primary records containing the authority for the events necessitating the regulation of pay and allowances of government servants such as increment certificates sanctioning the increment, orders declaring him fit to cross the efficiency bar, orders of promotion/reversion and fixation of pay on such promotion/reversion, sanctions to leave and the leave salary, orders of suspension if any and the subsistence allowance granted to him, general orders of government governing the pay scales, different types of allowances admissible and specific orders of government in regard of grant of special pay or compensatory allowance to any member of establishment or type of establishment. Copies of specific orders relating to particular establishment should be made available to local audit. The paid establishment vouchers for the months selected for audit should invariably be made available to the local audit parties well in time.

Apart from comparing the pay and allowances drawn by each Government servant in the pay bills of selected test audit month/months with the corresponding entries in the pay columns of the service books and checking the acquittance rolls to ensure that the pay and allowances drawn have been disbursed and acquittances obtained properly and accurately, the admissibility for pay and allowances drawn for each individual Government servant in these pay bills, should be checked completely in the manner indicated above.

c. The above checks should be integrated with the check of service books as already prescribed and where service books are not made available they should be checked independently with reference to the initial and primary records mentioned above.

d. In addition to audit of pay and allowances drawn in the pay bills of establishment for the month/months selected for test audit in the manner prescribed above. 20% of (a) cases of increments sanctioned to the members of the establishment of the office under inspection and (b) cases of fixation of pay on promotion or reversion during the period covered by local audit should also be checked during local inspection.

e. The inspection Officers should include in a separate para of the Inspection Report either in part establishment, the service books and leave accounts. The covering memo to the inspection Report would indicate clearly the checks exercised and include a certificate to that effect, in respect of nominal audit, audit of increment certificates, pay fixation on promotion/reversion, check of service books and leave accounts, check of office copies of bills and acquittance rolls.

ANNEXURE

Checks exercised in local audit of establishment charges Local Audit :

a) The establishment vouchers relating to the test audit month or months selected for the initial and subsidiary records kept in the departmental offices are taken by the inspection for checking them with cash book, office copies of the pay bills, acquaintance rolls, treasury bill books.

Acquaintance rolls and the register of undistributed pay and allowances are examined to each amount shown as disbursed has been disbursed to the persons entitled to receive them arrangement for keeping a proper watch over the undisbursed amount is satisfactory.

b) Besides, the overtime allowance claims, children's education claims, reimbursement of fees, claims of T.A. bills, are checked with reference to the local records kept in the departmental accounts offices to satisfy about the correctness of the certificates on the basis of which have been drawn and to see that the rules and regulations in regulating such claims followed.

c) The pay and allowances drawn for each individual as per vouchers taken from the office are compared with the corresponding entries in office copies of pay bills.

d) The service books are checked to see that (i) a service book is maintained for every gazette government servant and a service roll for each class (IV), (ii) entries of all events in official carrier of a Government servant are made in the service book and attested by concerned authority; (iii) no alteration is made in the date of birth without the sanction of concerned authority; entries in the front page are reattested every five years;(iv) annual certificate of verification of service is recorded in the service book. Entries in pay columns are verified with reference to office copies of the pay bills for the month or months selected for detailed audit to see that they agree. The quantum of check of service book has been prescribed so that each service book verified once in four years as the service books are the only documents for verification of pension.

In the service books selected for check, the correctness of pay and increments allowed to the Government servant from time to time for the period to which the check of service relates is also to be checked as per headquarters' instructions contained in confidential Letter No. 417-TAI/785-086, dated 21st March, 1969. (Copy enclosed).

It is also checked that no payment has been made to a Government servant beyond attaining the age of superannuation or on the expiry of term of extension of service sanctioned by competent authority. The audit endorsement duly signed by the incharge of the Inspection party is required to be made in the service books checked during the local audit.

Leave Accounts :

5% of the leave accounts including accounts of persons likely to retire or likely to complete 30 years of qualifying service are checked in detail to see that ;

i) It has been properly posted and closed after the incumbent returns to duty form leave every entry has been duly attested.

- ii) the leave sanctioned has been correctly posted in the leave account and the entry of leave sanction order has been attested.
- iii) Leave at credit has been correctly calculated in accordance with the rules and leave account has been revised with reference to orders regarding completion of probation, confirmation etc.
- iv) The fact of issue of certificate under Fundamental Rule 26(bb) is recorded, period of leave is counted as service for increment under that rule;
- v) Subsidiary leave accounts have been maintained wherever necessary.
- vi) the collective record of the various kind of special leave granted to the employee maintained.
- vii) the nature and extent of leave sanctioned is correctly due and admissible to the employee.
- viii) there are no cases of evasion of leave rules.

Copy of letter No. 417-TA.I/785-86, dated 21st March, 1969 , from Deputy Director (Tech. Admn) O/o the C.A.G of India addressed to all the Accountants General.

Sub: Verification of fixation of pay during local audit.

I am to invite a reference to para 4 of this office circular letter No. 928-Admn.II/349-61, dated 26th June, 1962 wherein it was prescribed that consequent on the abolition of the Annual Establishment Returns; 25 percent of the service Books in each office should be taken up for scrutiny during local audit. It has been under the consideration of this office whether the correctness of pay drawn by the Government servants from time to time as entered in the service books, should also be verified during local audit.

2. In the case of non-gazetted Government Servants whose names are shown in the pay bills nominal check is conducted in the Central Audit twice a year and the rate of pay of each individual drawn in the pay bills is compared with that recorded in the fly-leaves, Grant of increments to the non-Gazetted Government Servants is also checked 100% under relaxed scheme of audit and the increment, so admitted, is noted in the fly-leaves.

3. However, since the service books will in future be the only document for verification of service for pension and our Establishment Audit Registers are preserved only for a period of 8 years, and the fly-leaves maintained in our offices are not often quite reliable, it has been decided that the correctness of the pay and increments allowed to the individual from time to time for the period to which the check of Service Book relates, should also be checked in the Service Books selected for scrutiny during local audit, besides other checks exercised at present.

12. The Inspecting Officers are expected-

- a) To guide their staff in the examination of accounts;
- b) To do a certain –amount of original work; and
- c) To examine personally with reference to the initial documents, all important points raised by their staff.

12-A Broad outline of responsibilities and duties of various ‘Categories of personnel’ in the Public Works Inspection Parties consequent upon restructuring of cadres in the I.A. & A.D.

It has been ordered by the AG/Sr. DAG (Works) that in future the following Duty list/Proformas duly filled up and signed by each member of the staff will be Sent to the headquarters alongwith the Inspection Report.

Office of the Accountant General (Audit) Haryana and Union Territory Chandigarh.

DUTY LIST

(Enclosure to Inspection Report)

Office Audited.....
 Duration of Local Audit.....to.....
 Duration of AO’s Supervision.....to.....
 Local Audit Party No.....

Members of the Audit Party

- 1. Shri.....
- 2. Shri.....
- 3. Shri.....
- 4. Shri.....

A. Audit Officer

Table 1

Items of work	Whether done	Whether not done (Reason to be stated)	Remarks indicating results in brief or reference to	Dated signature

			I.R. Paras	
1	2	3	4	5

1. Have the documents to be supplied from the Central Office received in time?
 - a) A list of special recoveries noted in works Register, the recovery of which has been unduly delayed.
 - b) A consolidated list of all outstanding paragraphs from the previous inspection reports.
 - c) List of records & documents not produced during earlier inspection.
 - d) List of Audit Notes issued by Central Audit pending with the Divisional officers duly placed in a separate file.
 - e) Voucher/schedule bundles for local audit.
 - f) List of cases of losses registered in the Central Audit Section.
 - g) Any other records to be specified.

2. Did the Inspecting Officer have a preliminary discussion with the Divisional Officers regarding-
 - a) State of accounts in the division.
 - b) Important points which the Divisional Officer would like the audit party to investigate.
 - c) Important cases of losses, shortages and any other irregularities,

3. Has the register of Divisional Accountant's Audit objections been reviewed personally?

4. Have the reports of Inspection conducted by-
 - a) Chief Engineer,
 - b) Superintending Engineer,
 - c) Divisional Officer. Been reviewed and important points collected for comment in the Inspection Reports? Have points of interest for audit mentioned in the Inspection Report by the Administrative Officers been included in the Inspection Report itself to ensure proper appreciation and impact?

5. Has the Audit Officer Himself conducted;-
 - a) Review of all regular contracts and of a percentage of other agreements made since the last inspection.
 - b) Review of Register of Revenue other than rents including a review of the procedure for its assessments and realization special attention being paid to cases where a shortfall is noticed in the revenue derived from any particular property.
 - c) Review of the system and the extent check measurement by Divisional and Sub Divisional officers and review of the check of measurements books by the divisional accountants.
 - d) Review of balances of stock system of acquisition of stores and of store verifications.
 - e) Review of account of manufacture operations.

- f) Review of the banking arrangement to see that they are generally satisfactory.
 - g) Review of the arrangement for the custody of cash and with drawal of money from the cash chest.
 - h) General review of accounts of works (the nature and extent of detailed scrutiny being left to the discretion of the Inspecting officer).
-
- i) Muster Rolls
 - ii) Transfer Entry Books
 - iii) Suspense/Deposit
 - iv) Schedule of rates.
 - v) Register of rents of buildings and lands.
 - vi) Establishment records.
 - vii) Monthly accounts.
 - viii) Other item if any.

6. Have the irregularities noticed in the previous inspection reports been reviewed to assess whether they are persisting or have been remedied?

7. Have the check of service books of government servants been completed by the inspection staff and reviewed to the extent of 25 percent including therein the service books of all government servants due to retire during the next five year:-

- a) Whether the service books have been recorded upto-date.
- b) Whether a certificate of annual verification by government servants been recorded.
- c) Whether the government servant, concerned has signed in token of his having seen the entries.
- d) Whether the entries in the pay columns verified with reference to the office copies of the pay bills for the months selected for detailed audit.
- e) Whether the certificate in the following form been recorded in the Audit Memorandum relating to the check of service books:- "Certificate that the entries in the service book have been carefully scrutinized under my supervision and that entries in the pay columns have been verified with reference to office copies of pay bills for months selected for detailed audit and that the service book contains a certificate of annual verification of service."
- f) Whether the leave accounts to the extent of 5 percent have been checked and the irregularities reported in the case of check of leave accounts, Whether the I.O. has recorded the following certificate on the Audit Memo, relating to the check of leave account "Certificate that leave accounts have been checked."

8. Whether the Inspection Report is accompanied by a statement showing the following:-

- a) Number of persons on roll in a particular month whose service books are to be checked in a particular office.

- b) Number of service books required to be checked.
- c) Number of service books actually checked and particulars thereof to enable selection at the next time of inspection.
- d) Number of persons with full particulars whose service books had not been prepared.
- e) Number of Service books with full particulars which were found incomplete or contained unauthorized and un-attested entries or erasures etc.
- f) Number of services books with full particulars in which seal (certificate) of audit verification had been affixed.
- g) Number of service books which had been verified in local audit but which were not forthcoming at the time at of subsequent local verification.
- h) Total number of leave accounts, the number of leave accounts checked, and the particulars of persons whose leave accounts have been checked.

9) What are the work/works which have been selected by the DAG/Sr. DAG (W) For analysis.

10) Has the I.O. on the basis of the desirability adjudged on the spot selected any other work for detailed analysis?

11(a) Have all the papers and documents required to be inspected by him/the party been produced?

b) If not whether the non compliance has been reported to the Divisional Officer or to the next higher Officer if he is in the same station.

12. In case of non production of records inspite of special efforts, has the I.O. prepared a separate paragraph regarding non production of records specifying interalia:-

- a) The records which have not been produced.
- b) The reasons adduced by the division/sub division for not making them available.
- c) The special steps taken by him to ensure production of the records.
- d) The extent to which the effectiveness of audit has suffered on account of such non production and the probable attendant implications of such non production.

13(a) Has the inspection covered all transactions up to the month proceeding the month of the current inspection?

b) Have the paragraphs which have been included in the Inspection Report made comprehensive and up to date so as to present a complete picture?

14 In case any irregularity has been noticed during current inspection, which should have been noticed in the earlier inspection, such points as well as the extent of failure on the part of the earlier inspection party to be indicated.

15. Has the I.O. looked into the areas of arrears and confusion in the accounts work of the division and discussed these matters with the Divisional Officers?

16. Has the inspection Report been written by the I.O. himself and if so, on what date?
17. Has the inspection report been discussed with the Divisional Officer and the date of such discussion?
18. Has the I.O. enclosed four copies of the typed report?
19. Has the I.O. ensured that four copies of the Annexures have also been enclosed to the inspection report?
20. Has the I.O. ensured that copies of important orders been enclosed to the inspection report to facilitate expeditious editions?
21. During the course of the discussion with the Divisional Officers/any other Departmental Officer , the specific points which have been mentioned which need to be kept in view either in editing the report or in organizing the future inspections of the same or similar divisions.

22. Has the I.O. seen the Test Audit Note and included therein all minor points which could eventually be settled by the Divisional Officer, instead of keeping such minor points on the inspection report , thus making it unnecessarily lengthy?

23. Has it been ensured that the Test Audit Note has been neatly written or typed, and one copy has been handed over to the division, second copy attached to the inspection report ?
24. Has the I.O. carefully gone through the Test Audit Note and satisfied himself that the objections taken are valid and deserving to be reported?
25. In case where the Inspection report contains certain irregularities of a serious nature, has the I.O. specifically mentioned these paragraphs to the Head of the office/ Divisional Officer inspected and obtained detailed explanation on all the points.
26. Has the I.O. prepared tentative draft paragraphs or factual statements based on the paragraphs in the inspection report and discussed with the Divisional Officers and sent the copies alongwith the inspection report after the factual statement or the potential draft paragraph "been seen or discussed by the"
27. Has been forwarding letter by the I.O. to the DY. Accountant General/Sr. DAG (W) enclosing the draft inspection report interalia included the following:-
 - a) The draft inspection report alongwith the enclosures and copies of the Government orders etc.
 - b) A state ments showing the paragraphs in the inspection reports which have been settled or which continue to persist in the form given in statement (A) to this Memorandum.
 - c) Copies of factual statements/potential draft paragraphs which have been duly discussed with the departmental Officers individually and their remarks, if any.
 - d) Any others Important point which the I.O. would like to bring to the notice of the DAG / Sr. DAG(W) AG>

28. Has the I.O. applied his mind to the development of some aspects either partly or in their entirety for inclusion in the form of a scheme/review?
29. Has the I.O. examined the feasibility of subjecting the organization to system audit, and if so, his comments?

30. Has the I.O. any suggestion for taking up the review of schemes/works on the basis of his experience of the audit of this division as well as similar other divisions with a view to enable the headquarters to organize reviews / studies?

Year to which the inspection report relate	No. of paragraphs which are remaining unsettled at the commencement of the inspection together with the paragraph numbers in the inspection report	No. of paragraph which have been recommended for settlement on the basis of satisfactory explanation/or production of records of after the discussion with the divisions concerned .	No. of paragraphs in which the irregularity commented upon still persists and hence taken to the paragraph on the persistent irregularities in the current inspection	No. of paragraphs which have thus been recommended for settlement (3+4)	No. of para.which have been added in the current inspection report.	Total number of para. At the ends of the current inspection including those contained in the current inspection report (2+5+6)
1	2	3	4	5	6	7

B. Assistant Audit Officer.

1 2 3 4 5

- 1 Complete analysis of selected work with reference to sanctioned estimates, agreements etc. and connected measurement books.
- 2 Material at site account for selected works.
- 3 Examination of the register of major and minor works.
- 4 Disposal of special points referred by Central Audit.
- 5 Stock accounts including general review of stores ledger and bin cards etc.
- 6 Complete checking of contractor's ledger for selected months.
- 7 Examination of abnormal rates quoted by contractors.
- 8 Examination of arbitration cases.
- 9 Checking of extra or substituted items derivation of rates etc.
- 10 Scrutiny of special repairs estimates.
- 11 Survey reports alongwith registers of survey reports.
- 12 Disposal of previous inspection reports.
- 13 Other items done.

C. Section Officer

1. General review of cash book with reference to counter foils of cheques/receipts books.
2. Tracing of receipts in cash books.
3. Remittance book
4. Checking of transactions in the selected months with cash books and other allied records.
5. M.A.S accounts and road metal returns in respect of works affected during the selected month.
6. Transfer entry book since last inspection.
7. Checking of contractors ledger for the affected works in the selected month including complete checking of the ledger since last inspection.
8. Examination of tools and plants registers.
9. Register of leases/lease files.
10. Register of Muster Rolls/Muster Rolls.
11. Register of licence fee of buildings and lands.
12. Register of agreements/work orders.
13. Other items done.

D. Sr. Auditor/Auditor

1. 25% check of Service Books
2. Complete checking of pay and T.A bills.
3. Checking of leave accounts of Government servants including leave salary and checking of increments.
4. Provident Fund accounts of work charged establishments and Group 'D' Government servants.
5. Log Books of Motor Vehicles/Construction Machinery.
6. Suspense and Deposit registers.
7. Treasury bill book
8. Register of fixed charges.
9. Contingent Register.
10. Register of Service Books/Service Books.
11. Register of interest bearing security.
12. Other items done.

Note:1

The Audit Officer incharge of the Inspection Party is not however precluded from making certain changes to be indicated by him in writing in the distribution suggested keeping in view the suitability of the individual official for the type of work in hand.

Note:2

In case the composition of the Public Works inspection party consists of one Section Officer and two Auditors only then the distribution of work amongst the party members in such a situation would be as under:-

Audit Officer: Same as those detailed in portion 'A' above.
Section Officer: Same as those detailed in portion 'B' above
Senior of the two Auditors: Same as those for section Officer detailed in portion 'C' above.
Junior of the two Auditors: Same as those for auditor in portion 'D' above.

NOTE: 3

An occasion may arise when due to certain administrative reasons/shortage of staff in any of the cadres (AAOs/Sos/Auditors) there may be a deviation /departure from the prescribed /normal-composition of an inspection party. In such cases the inspecting Officer supervising the party will specifically ensure that the completion/compliance of all the prescribed duties as stipulated in the Manual of instructions for restructuring of cadres in IAAD has been properly arranged/secured with the assistance of the staff available in the Inspection Party.'

(Authority:- WM/HR/Audit/ROC/IAAD/84-85/1945 dated 31.12.84 and No. WM/HR/Audit/ROC/IAAD/84-85/2382 dated 20.3.85).

NOTE: 4

- (i) According to para 2.9 of MIR and para 2.5 of MICA, normally auditors should be able to finalise audit memos and put up notes on their own. The provision was intended on encourage auditors to assume responsibility and act on their own subject to general supervision by the head of the party. It is clarified that it was not the intention of that the head of the party would see to be responsible for working of the audit as a whole. The head of the party must guide the auditors by general instructions and always keep himself posted with the progress of the work to the extent determined by him. He should determine the extent of independent action to be allowed to each member of the party with reference to his experience, quality and capacity to act independently based on such judgement, he may permit individual members issue draft memos, themselves and see the memos after issue in due course. In cases where it is considered appropriate, the head of the party should stipulate that the memos may be issued only with his approval. The head of the party should always make arrangement to keep himself posted with the progress of audit and the observations that have been communicated to the inspected office by suitable arrangement of work.
- (ii) According to annexure 2.9.1 of MIR the work relating to verification and disposal of previous inspection report is assigned to the Senior of the two auditors in the case of Civil inspections and to the AAO in the case of P.W. divisions. Here again, the head of party is not relieved of his overall responsibility. How far the auditor may be allowed to act on his own has to be decided in each case by the head of the party who has to remain responsible for the work as a whole.
- (iii) According to para 1(B) of annexure 2.9.1 of MIR examination of cash book and verification of drawls and deposits into treasury with reference to treasury records

is required to be done by AAO/SO. In cases where close supervision of the items in (i) and (ii) above are needed, routine checking of receipts and payments, the assistance of the auditors may be availed of for those items of work, subject of course, to the overall responsibility and supervision resting with the AAO/SO.

(Authority:- C.A.G Letter No. 954-Audit -11/123-TA/1/85 dated 18.6.85, copy circulated vide no. Cent Co-ord /1.17/85/293 dated 22.7.85.

NOTE:5

I.O/AAO./S.O. incharge of parties are expected to exercise general supervisory control over the party so as to ensure that the work done by the party members as a whole is correct.

(D.A.G (W) orders dated 13th April, 1987 filed in file "Revised Chapter 2" of P.W. Inspection Manual.

13. As a normal procedure inspecting officers should before the commencement of an audit inspection make it a point to call on the Divisional Officers if present at the station, and ascertain from him. Whether with a view to simplify accounts and curtail obsolete or unnecessary accounts, he has any suggestion for investigation of the processes of the initial account under his control. If the Divisional Officer is not present at the station at the time of commencement of the audit inspection, the inquiry should be made from him as soon as he returns to the headquarters during the inspection period. To facilitate this work this point will be included in the notice of Inspection sent to the Divisional Officer. Such discussions, if conducted intelligent, are likely to give sufficient material to the Inspection staff for investigation and thus enable them to direct their inquiries in fruitful channels to raise the inspections above the ordinary routine.

14. In accordance with the instructions issued by the Comptroller and Auditor General as contained in the "Secret Memorandum" the quantum of audit is not to be revealed to the offices inspected. The Inspecting Officer, should, therefore, avoid giving any information in the Inspecting Report or otherwise regarding the extent of check exercised and the months of accounts selected for detailed audit.

15. The Comptroller and Auditor General has made the following observations regarding quality and extent of the comments included in the Audit Report, there is considerable scope for improving both the quality and extent of the comments included in the audit report by paying special attention to expenditure on large projects. Important public work and state trading enterprises generally. A careful and intelligent review of the tenders and contracts connected with these schemes will ordinarily reveal a large area of irregularity to the present day standards of financial control and of technical execution)

about which audit can make useful comments. A careful review of incentive bonuses or of extras for additional items of work paid to contractors as well as "Claim cases relating to large contract will be fruitful source of material which can be worked up into draft paras without difficulty. The contribution of PW Inspection and OAD staff will be specially valuable in this sphere of activity".

(CAG 's letter No. 2222-REP/350-58 dated 4th October, 1958, copy received with Appn. Section's Edst. No. App./1-5/VOL.V/1724 dated 9th October , 1938 file WM/4-1/Misc. Inspection Manual).

16. The work / works to be analysed completely at the time of local inspections are selected by the DAG (W). It however, does not mean that the analysis should necessarily be limited to the work/works selected by the DAG (W). The inspecting Officers are at liberty to analyse in detail reporting reasons to the DAG (W). These instructions should be carefully kept in view by all concerned and whenever there are apprehensions that the detailed analysis of any work is likely to reveal serious irregularities, the account of that work should be analysis in detail instead of the one selected by DAG(W) and the reasons for this deviation reported to him.

17. It has been decided by the Chief Engineer, Irrigation Works, Haryana that the following procedure should be observed in regard to the attendance of Sub –Divisional Officers.

(i) The Sub-Divisional Officer and Sub-Divisional Clerk of the Sub-division, the accounts of which are being test-audited should be present at Divisional Headquarters throughout the period of such audit.

The Sub-Divisional Clerk should be present when required to facilitate the submission of records and supply of information in connection therewith to the Inspecting Officer or to the staff accompanying him in presence of the Sub-Divisional Officer.

(ii) Records will not be removed by the staff accompanying the Inspecting Officer. In case, however, and Inspection Officer shall requires records out of office hours in order to expedite the work of inspection, the Divisional Officer shall supply the records to him on receipt of a written requisition form the Inspecting Officer.

18.(a) The Inspecting Officer should ensure that all the papers and documents required to be inspected by him are duly produced before him. If for any special reasons any particular document is not produced for scrutiny the fact should be specially mentioned in the Inspection Report with a view to enable the head office to obtain those documents direct from the Divisional office for scrutiny, if considered necessary. This is of utmost

importance as any laxity or oversight in this regard might lead to defalcations or losses to Government. When the accounts enumerated in paragraph 47 of the "Secret Memorandum" are required to be audited locally, the Inspecting Officer should furnish a certificate to the effect that those documents have been duly audited in full. The Section Officer / Asstt. Audit Officer of the WAD section concerned is required to bring to the special notice of the DAG (W) any omission or defective certificate in this connection.

(b) While mentioning non-production of Records, The Inspecting Officer should specify:-

- (i) The reasons for which the records were not made available by the divisional or sub-divisional offices.
- (ii) The special steps taken by him to ensure the production indicating particularly whether the matter was brought to the personal notice of the head of the office if so, with what results.
- (iii) The particulars of the records, if any, which in his opinion should be obtained centrally for audit-scrutiny.

© The instruction issued by the Haryana Govt. vide 'Chief Secretary 's letter No 24_A/8/78-GS-1,dated the 6th June 1978 addressed to all Heads of Departments etc.

Copy forwarded to AG. Haryana, (Copy enclosed) regarding production of departmental files to audit will be kept in view.

Copy of letter No. 24-A/8/78-GS-1, dated the 6th June, 1978, from the Chief Secretary to Government Haryana, Chandigarh to all Heads of Departments etc. Copy forwarded to the Accountant General, Haryana Chandigarh etc. etc.

Subject: Scrutiny of Departmental files by the Audit Department.

Sir,

I am directed to invite your attention instruction contained in the Haryana Government letter no. 7945-5 GS-1,7 S/733 dated the 16th January , 1976 and Endorsement No. 6850-5GS-I-763, dated the 24th December 1976 on the subject noted above and to say that according to these instructions the departments can withhold the records concerning administrative matters or files containing discussions of policy matter, Views of officers at various levels, Cabinet notes and discussions etc. In the course of formulation of Government policies,from scrutiny by the Audit Department. These instructions do not, however forbid the departments from producing records or files relating to financial matters for scrutiny by the Audit Department. The Accountant General,

Haryana has brought to the notice of the Government that various departments have been using the aforesaid instructions as an excuse for not producing before the audit the records relating financial matters. The State Government would like to make it clear that such is not the import of these instructions. It is again brought to your notice that under of the section Comptroller and Auditor General's (Duties powers and Conditions of service)act,1971 the Comptroller and Auditor General or any officers nominated by him, can in the performance of the duties under the said act, act. Pass orders for scrutiny of any accounts books, papers or other documents which deal with form basis or are otherwise relevant to the transactions, As such, all records relating to financial matters should be readily made available to the Audit for scrutiny.

2. The above instructions may please be brought to the notice of all concerned under your administrative control for strict compliance.

19(a) As for as practicable every local audit or inspection should cover transactions upto the month preceding the month in which the inspections takes place.

(b) Local audit and inspections should be complete and through in respect of the transactions covered by them. The members of inspecting staff should particularly bear in mind that all cases of serious irregularities and defalcations which are not detected during local audit but are discovered by other agencies letter on bring the whole audit department into disrepute.

(O.O.No.B/164,dated the 4th july, 1955).

(c) Where any irregularity is noticed, which occurred during or which related to, period covered by earlier inspections, the Inspection officers should specifically indicate in a covering addressed to the Deputy Accountant General concerned, his definite opinion whether the irregularity in question could have been noticed in the earlier inspection, and what in his opinion were circumstances in which this was not noticed earlier. It will be the duty of the H.Q section the report to verify the previous inspection reports, find out whether this irregularity or any aspects it was actually noticed and to get the circumstances of any omissions investigated fully. Wherever necessary, explanations of previous inspection staff and officers should be called for under orders of the Deputy Accountant General.

CHAPTER 3

Examination of Accounts and Accounts Arrears

(A) Test audit of accounts

20. The instructions for the test audit of the accounts for one month taken from the audit office are contained in paragraph 33,34 and 50 of the "memorandum of instructions regarding the extent of audit". In addition to these checks prescribed for verifying the correctness and genuineness of entries in the monthly account, the vouchers submitted to the Audit Office with the accounts should be compared with their office copies (or bill book in the case of Irrigation bill books/M.B Divisions) and the entries in the Divisional and sub-divisional cash books and imprest accounts.

a. General

21. For General instructions regarding the examination of P.W. Accounts see paragraphs 39 to 50 of the "Memorandum of Instructions regarding the extent of Audit".

22. The Inspecting Officer should investigate the contingent charges of at least one year from the higher audit point of view and incorporate the results of such investigations in their reports. Even in case in which no serious irregularities are discovered mention should be made in the Inspection Report of the Period for which the contingent charges have actually been examined at the inspection. The WAD Section are required to see that these orders have actually been observed in practice.

23. During the course of examination of the initial records it should be particularly seen that irregularities of common occurrence are avoided as far as possible. In case they are found to be frequent, the fact may be brought to the notice of higher authorities in the Inspection Report; otherwise they may be taken up in the Test Audit Note.

(C) Arrears in the Division

24. An arrears or confusion in the accounts work of a Division should receive the special attention of the Inspecting Officer who should take steps to investigate reasons for this state of affairs and report the matter to the Head Office, confidentially. Besides compliance of provisions of para 52 of the Memorandum regarding extent of Audit, the following may be kept in view:-

- a) Tendency to transfer the staff frequently.

- b) Adequacy and efficiency of the staff.
- c) Steps taken to remedy the defects and omissions pointed out in the previous Inspection Reports of Audit, Superintending Engineer, Divisional Office and/ or Divisional Accountant.
- d) The position of the outstanding items under the various suspense heads, which should be reviewed and recorded in the Inspection Report.

The WAD sections may therefore, send the necessary material to the controlling WM section after ascertaining the comments of the Department and the latter section may prepare a draft para for inclusion in the Audit Report. To enable the controlling WM section to prepare the comments all such reports received for the Inspection parties, and those made to the Administrative Ministries/Departments should be passed on to the controlling WM section.

(Authority; para 615 of the CAG's MSO (TECH) para 32 of the memorandum regarding extent of audit and CAG's letter No. 1956-Admn.II/358-63 dated the 31st October 1963 filed on page 153-C of file WM I/14 – Misc /Decentralisation /1963-64 secret).

CHAPTER 4

Results of Inspection and Local Audit

General Purpose

25. The main purpose of the inspection of public work divisions is to help the executive, as far as possible, in the accurate and efficient maintenance of accounts.

Presentation of Inspection Report.

26. The results of Inspection should be set forth in the following parts:-

Part I (a) Introductory – This part should also include a mention of records not put up for examination alongwith the reasons for non production.

B) A Review by the Asstt. Audit Officer of the outstanding paras of the previous inspection report in the following proforma.

Sr. No.	Number and year of I.R.	Para No.	Gist of Para	Latest position	Recommendation of AAO.	Orders of Sr. DAG(W)

On receipt of this review report of old previous reports along with the Inspection Report in the concerned WAD Section, it should be put up to the Group Officer for obtaining his orders on the recommendations of the Asstt. Audit Officer as to whether the para may be treated as settled or should be pursued if so, in what report.

c) Schedule of persistent irregularities.

d) Schedule of Megnitude of irregularities.

Part II-Section A- Major irregularities which are likely to materialize into draft paras for the Audit Report. It is desirable that copies of correspondence referred to in the paras included in this part are attached with the paras.

Section B- Irregularities which though not major are to be brought to the notice of higher authorities and followed by the Accountant General.

Part III- Test Audit Note containing minor irregularities to which should be attached a schedule of items settled on spot. The procedural irregularities in respect of which the head of

office has held out assurances about following correct procedure in future should be noted in this schedule.

Instructions regarding writing up and compiling the Inspection Reports.

27. The Inspection Report should be written by the Inspecting Officer himself who should not leave this work to his subordinates. The Inspecting Officer may, however, avail of the service of a Stenographer where available and submit a typed copy of the report with a certificate that it has been dictated by him. He is, thereby, obliged to apply his mind actively to everything mentioned in the report and ensure the accuracy of the facts stated, the cogency of arguments and moderation in and preciseness of the language used.

Tone and Language of the Inspection Report.

28. Criticism is in itself unpleasant and it should not be made worse by any discourtesy in language. It is possible for an Inspecting Officer to take a strong position in cases where action taken by the Executive Officers is contrary to definite rules and orders. But he should be very careful about the tone and language of the report particularly in cases where discretion vests in the Executive but has not, in the opinion of the Inspecting Officer been exercised with due regard to the Financial interests of Government. In such cases he should better confine himself to a statement of probability and ask for elucidation and should in no case comment upon the judgement exercised by the Executive Officers. Whatever loss the Inspecting Officer thinks has occurred should be stated in a form so as to show that the matter requires elucidation and explanation and not in the shape of a final verdict by Audit.

Inspection Report

29. A long report defeats its object merely by its length. The Inspection Report must, therefore, be short and to the point and it should not, save in exceptional cases, exceed 10 to 15 pages of typewritten material. It would be sufficient to mention the rule/rules and to state how it/they has or have been infringed. The use of strong adverbs and adjectives e.g. "Serious irregularity", "highly irregular" "Special notice" etc. should be avoided as they serve no purpose, but merely irritate the Executive Officers. Any comments which may be necessary, will be made by the Head Office after receiving the replies from the departmental offices. It is only then that comments can be made effectively.

30. It has been noticed that remarks to the effect that the general state of the initial accounts was found to be satisfactory are added to the Inspection Reports despite the fact that

such remarks are either preceded or followed by a list of more or less very serious irregularities detected in the initial accounts. Similarly even though the report may mention serious cases of embezzlement or fraud, there is a remark that the account were generally satisfactory. Such a declaration that the accounts were satisfactory should not be made in a routine and mechanical manner. These remarks should be recorded only where the condition of the accounts really warrants favourable only where the condition of the accounts really warrants favourable comments. Otherwise, the inclusion of remarks to that effect in the face of serious irregularities is most undesirable as the Government concerned is pulled into a sense of security by such inappropriate Audit comments.

31. After the inspection is finished the report should be discussed with the Divisional Officer. If the Inspecting Officer, as a result of discussion, deems necessary to make any modification , he may do so and show the modified report to the Divisional Officer. In case of any difference of opinion between the Inspecting Officer and the Divisional Officer regarding any portion of the report, the Divisional Officer may be allowed to record his views in the margin of the report or on a separate sheet which may be appended to the report alongwith the observations of the Inspecting Officer.

The Punjab Government, in the Finance Department, in their circular letter No. 11585-3 FRI-60/107, dated 4th January, 1961 ordered that the Divisional Officer should discuss the Inspection Report in detail with the Inspecting Officer and properly verify the facts as mentioned in the Audit Objections noticed during the local inspection and to record an endorsement "Discussed and facts verified" on the draft Inspection Report.

Test Audit Note

32. All minor points which can be settled finally by the Divisional Officer should find a place in the Test Audit Note. It should be neatly written in duplicate and must not be mere scribbling . The AAO/SO should critically examine the portion contributed by his assistants and verify the facts stated by them. The Inspecting Officer should carefully go through whole of the Test Audit Note and satisfy himself that the objections taken are, prima facie, valid. The Audit Note, (in duplicate) after signature by the Inspecting Officer should be forwarded to the main office alongwith the Inspection Report. The Test Audit Note should be issued by the WAD section concerned to the Divisional Officer for necessary replies, after incorporating also such matter included by the Inspecting Officer in part II of the Inspection Report as may be decided to be transferred to part III as a result of scrutiny of the Inspection Report at Headquarters.

(Authority: CAG's endst. No. 740-Admn.I/177-30 dated the 10th April 1963 filed at page 254 of the WM I/5-4/60-63/sub case II.)

Inspection Report of the Departmental Officers

33. (i) If in the reports of inspection of Sub-Divisional Offices conducted by the Divisional Officers or those of the Divisional Offices conducted by the S.E , there are any points of sufficient importance in the final decision of which the Audit Office is interested a brief reference to those matters should be made in the Inspection Report itself alongwith full details of points with reference to initial records, etc.

(ii) In case the review of the Divisional Accountants Audit of the Sub-divisional accounts (paragraph 51 of the Memorandum of instructions regarding the extent of audit) discloses any items which has been inadequately dealt with or call for further action, it may be incorporated in the Inspection Report under a distinct and separate heading "Review of divisional accountant audit".

Preliminary Objection Memos

34. (i) The Divisional Accountant should be frequently consulted by the Inspecting staff during the course of inspection and if the Divisional Officer is at his headquarters, he should also be kept informed of the objections by passing on the preliminary objection memos to him. It is necessary that the points noticed during inspection are passed on to the Head of the Office as and when noticed and not at the end of the inspection So that replies to the points may be when noticed and not at the end of the inspection so that replies to the points may be furnished, discussed and if possible, settled during the course of the inspection. As many points as possible raised during the Inspection should be settled on the spot by discussion between the Inspecting Officer and the Head of the Office and important points which cannot be so settled should be included in the Inspection Report, or the Test Audit Note, as their importance may warrant, by quoting cross-reference to the serial number of the paragraphs of the Preliminary Objection Memos/rough notes, and vice versa. Only important points which matter, rather than irksome and meticulous points which do not matter but are a source of complaint and trouble to the Audit Office, should be taken.

These rough notes/Preliminary Objection Memos should be sent to the central office where they should be filed as a record of the points settled by the Inspecting Officer on the spot.

(ii) It seems very necessary that full opportunity is given to the Departmental Officers to explain their point of view especially in case of objections contained in part II A of the Report. All the facts and figures should be completed and carefully examined with the records and got expressly accepted or cogently refuted by the Departmental Officers to avoid subsequent disputes regarding correctness or incompleteness of facts. All objections taken in a report should indicate the points of view of or explanation given, if any, by the divisional officers. In particular,

the Inspecting Officers should invariably indicate in the margin of the draft Inspection Report. Attested copies of all documents/correspondence referred to in the para of the Inspection Report on which Draft para is based should be obtained and attached with the report.

In all cases, which are likely to figure in the Audit Report, it is the duty of the Inspecting Officer to obtain detailed explanation of the local officers in respect of all the points, which are likely to be asked by the PAC, and the Accountant General during discussion. The original draft paras by the Inspecting Officer should be so clarified as a result of Personal discussions as to ensure that all the points have been considered and weighed from every angle.

(iii) The grounds on which an objection, present or old is dropped by the Inspecting Officer should also be briefly recorded against all points dropped for the information of the DAG. It would not be enough to say "Discussed and Dropped" unless minutes of discussion are brought on record.

(iv) CAG's instructions conveyed vide their D.O. Letter No. 684-TA/1/164-175 dated 2.8.76 and circulated vide no. TM I/10-21/Documents/76-77/826 dated Nil, EM.I/4(ii)/2362-66 1st September 1976(copy enclosed) will be scrupulously observed by the Audit Inspection Parties.

Copy of No. T.M.I./10-21/Documents/76-77/826 dated Nil, circulated vide No. WM..I/4(ii)2362-66 dated 1.9.76.

MEMORANDUM

Subject: Frauds suspected during local audit of Departmental Offices.

Attention is invited to the Comptroller and Auditor General's office secret D.O. Letter No.C/9/321-Admn.I/53-pt. III dated 23.11.1954 wherein instructions were issued that in the case of frauds suspected during local audit, the original documents may be taken away by the Inspection parties and after retaining Photostat copies thereof in the Audit Office, the original may be returned to the department. A copy of the aforesaid letter dated 23.11.54, was recently supplied to OAD (CIVIL), OAD (Commercial) and works wing the D.O. letter No. T.M.I./10-21/Documents/1862 dated 9.3.76.

2. In supersession of the foregoing instructions, the Comptroller and Auditor General, has now conveyed vide D.O. letter No. 684-TA/1/164-75 dated 2.8.76 that instead of taking over the original document/Photostat copies thereof, the inspection parties may only take a note of the

documents in question and report the matter to the next superior departmental authority and, where necessary to the Head of the Department. Details of these cases should be kept in record in Audit Office and action taken by the Departmental Officers watched in the usual manner.

(v) For expeditious settlement of outstanding paragraphs of Inspection Report, the following guide lines issued by O/o the Comptroller and Auditor General of India, New Delhi vide Letter No. 748-TA-I/45-82/Vol.II dated 19.6.82 may be kept in view while conducting review of old outstanding paras of Rs..... during local audit of P.W. Divisions:-

(i) Power of waiving of petty objections should be exercised freely.

(ii) Paragraphs which have lost significance with the passage of time may be dropped.

(iii) Paragraphs relating to initial and subsidiary accounts in audit reports may be clubbed with or merged in the paras on the same points in the latest reports. Paras which have dealt with the subject matter vaguely or where no specification or rectification or improvement has been suggested may be dropped.

(iv) Over lapping objection relating to the same work or scheme lying scattered in different Inspection Reports should be reviewed for a consolidated reference to the Government and the Individual paragraphs dropped.

(v) Objections remaining outstanding for more than 18 month from the date of issue may be reviewed and joint meeting with the concerned departmental officers and Audit officers may be arranged for linking up of the records/ papers sent by former (especially in regard to objections outstanding for want of payees receipts and detailed contingent bills) and settlement. The objections remaining outstanding even during these discussions may be taken up at the Group Officers level with the Head of Departments/Adminstrative Departments and those which are significant may be proposed for inclusion in the Audit Report.

Confidential and Special Reports.

35. The inspecting Officer, when writing up the confidential report on the work and qualifications of the Divisional Accountant to be submitted to the DAG (W) under paragraph 6.1.25 of M.S.O (Audit) should base his views on independent investigation and should not report what the Divisional Officer thinks about his Divisional Accountant unless after proper scrutiny he is satisfied about the Divisional Officer's views.

With a view to ensuring that the assessment made by an Inspecting Officer in the Confidential report is objectively related to the performance of the Divisional Accountant during the period

covered by the report, the Inspecting officers should append to the Confidential report an annexure showing the clearance/addition made by the Divisional Accountant in respect of the following items of work.

- (a) (i) Outstanding A.G. Memos.
 - (ii) Balance under the Head "Cash settlement Suspense Account."
 - (iii) Items and amounts outstanding under the head "Miscellaneous P.W. Advance."
- (b) Disposal of pending
 - (i) Audit Notes
 - (ii) Test Audit Notes
 - (iii) Paras of the Inspection Report.
- (c) Settlement of old outstanding objection book items.
- (d) Settlement of difference in form P.W.A.26 26 Schedule of monthly settlement with treasuries and submission of awaited schedules.
- (e) Proper note of Contractor's ledger.
- (f) Outstanding recoveries of rents of government residential buildings with action taken to effect recoveries.

Besides, the Inspecting officer should also record their assessment in respect of the following points.

- (i) State of accounts work
- (ii) Divisional Accountant's knowledge of rates and procedure relating to Audit and Accounts
- (iii) Capability to manage the staff well and exercise healthy influence over his subordinate
- (iv) Dealing with Divisional Officer and Sub-Divisional Officers.
- (v) Any aspect of work or duties in which the Accountant is specially good as also any defects of character or other short-comings.

A special report should also be made direct to the DAG (W) whenever the inspection of the Divisional or Sub-Divisional Accountant reveals any failure on the part of the Divisional Accountant. No opinion on the work of the Accountant should, however, be expressed in the Inspection Report.

36. Inspecting Officers should in future also submit confidential reports on any clerks of the division whose names may be borne on the waiting list of Divisional Accountants.

(A.G's orders, dated the 10th September, 1938 filed in case Admn. P.W.7 for 1938-39).

General

37.(a) The inspecting Officer should personally ensure that Inspection Reports are promptly dispatched and that the reports, complete in all respects, reach head office within the prescribed time limit of 4 days.

(b) The Punjab Government (Department of Agriculture) in their number 161A, dated the 15th February, 1923 have approved of the omission in future, from all Audit Inspection Report on the accounts of P.W. Divisional Offices of the usual opening paragraph stating the names etc., of the previous officers inspecting the Divisions, the names of Divisional Officers, Sub-Divisional Officers and Accountants who have held respective charges since the date of last inspection. The Inspecting Officer should, however, note this information in the form given in Appendix 1 to this chapter so as to be readily available if required at any time by the S.E. or local Government.

(c) In submitting the Inspection Report to the DAG (W) the Inspecting Officer should specify any paragraph which he desires to be brought to the notice of the Accountant General or which in his opinion is likely to find a place in the Report on the Appropriation Accounts, alongwith a tentative draft paragraph.

Only those Inspection Reports which contain any special points need be submitted to the Accountant General before they are dealt with in the office.

(Accountant General's order dated the 28th October, 1942 on the Inspection note of Palampur Sub-treasury dated the 15/16th October, 1942, filed in T.M. Section case W.M. 4-2 of 1942-43).

(c) The paras in the Inspection Report should be typed separately so that in case the arrangement is to be changed in the Head office no difficulty is experienced. All copies of letters referred to in the paras or of statements desired to be attached with the Report should form the appendices or annexures, giving cross references, in the paras and the appendices or annexures. As many copies of the annexures as possible (and in any case not less than 5 copies spare) should be got typed and furnished with the report.

Appendix 1 to Chapter 4 (Referred to in paragraph 37)

Memorandum to Accompany the Inspection Report, Detailing Names of Divisional and Sub-Divisional Officers and Divisional Accountants, who have held respective charge from the date of last Inspection.

Sr. No.	Question	Answer
1	2	3
1.	Division	1
2.	Name of Inspecting officer	2
3.	Assisted by:-	3
	(i) Asstt. Audit Officer/Section Officer (a)	(i)
	(ii) Sr. Auditors/Auditors (b)	(ii)
	(iii) Items of work allotted to them	(iii)
4.	Date of Inspection	4
5.	When last inspected:-	5
	(i) By Accounts Officer	(i)
	(ii) By Superintending Engineer	(ii)
6.	Executive Engineer(s) Incharge since last inspection	6
7.	Divisional Accountant (s) incharge since last inspection	7
8.	Period embraced in the Inspection generally	8
9.	Month for which Travelling Allowance claims were audited	9
10.	Month the accounts of which were test-audited	10
11.	Period upto which half yearly registers of stock were audited	11
12.	Period up to which yearly register of tools and plants was audited	12
13.	Period for which contingent charges were audited from the higher audit point of view	13
14.	Name of work the accounts of which were completely analysed	14
15.	Constitution of the Division (the table below to be filled in)	15

Sr. No.	Name of Sub Division	Office Incharge	Period for which in charge	Mode of supply of funds and amount of imprest	When last inspected by AG/by XEN/by Div. Acctt.	State of A/C
		Name	From	To		

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Drawing account, Cash, Transfer or Imprest

16. Imprest Holders other than the Divisional Officer

Name	Rank	Accounts of Imprest	Remarks

1	2	3
17	Is the Clerical establishment of the Divisional Office equal to or in excess of requirement and the Divisional Accountant recognized as the Head of Office Establishment .	17
18	Any suggestions for reducing the work that is superfluous or any other useful suggestions.	18
19	Points outstanding in the previous Inspection Reports of the A.G.	19
20	Are accounts reply to Audit Notes etc. received promptly form the Sub-Divisions?	20
21	Did the Inspecting Officer carry out any other items of work which he considered essential , (This is to be mentioned besides the items of work to be done by him.)	21
22	Whether the documents required from this office were received in time?	22
23	Did the Inspecting Officer satisfy himself that the staff carried out Inspection of account and records as prescribed in the CAG's MSO (Audit) and Inspection Manual of Public Works Offices.	23
24	Inspection completed on (Date)	24
25	Report discussed on DATE	25
26	Reference to paragraphs which have been either modified or deleted as a result of discussion.	26
27	Does the Inspecting Officer consider any amendments to Manual of Instructions of Public Works Offices, necessary and if so, to what paragraph and to what extent exactly?	27

Inspecting Officer

Dated.....

Asstt. Audit Officer/Section Officer

Public Works Inspection Party

Dated.....

CHAPTER 5

Surprise Inspections

38. It is usual to give formal notice to the Divisional Officers about the forthcoming accounts inspections, but it may at times be considered advisable that Audit officers should pay surprise visits to the Divisions. For instance, if an Audit Officer purposes to visit an office for the purpose of seeing that the rules regarding the closing of the Cash Book on 31st March and avoiding heavy payments during the last 3 days of the financial year are duly observed by the disbursing officers, a formal notice of his impending visit will defeat the object of his inspection. No notice shall be given in such cases. The following procedure which has the approval of the C.E., PWD B&R vide his letter No. 280-A, dated the 15th March, 1923 shall be observed with regard to the submission of reports embodying the result of surprise visits by Audit Officers:-

- (i) The report should exclude any points in regards to which there is reasonable doubt as to the failure of the PWD. Staff in complying with rules and should include only those items which appear sufficiently proven to enable the Chief Engineer's Office to pursue the matter to a definite and final conclusion. The Chief Engineer has pointed out that if doubtful matter were mixed up with those which clearly indicated the necessity for definite disciplinary action, the possibility of taking such action would be delayed and hampered and definite issues confounded
- (ii) It is suggested that the report be made by Audit Officers in half-margin form containing definite Statements of the irregularities charged, and opposite the same written explanation of the PWD. Officers concerned obtained at the time of the inspections.
- (iii) The report should be treated as an ordinary inspection report of the Accountant General office and be dealt with accordingly, that is a copy should be sent to the Superintending Engineering at once and the Accountant General's office should only take up those items with the C.E in which satisfactory action has not been taken by the Superintending Engineer concerned. Should there, however, be any case of very flagrant irregularity or embezzlement, a copy should also got to Government for information concurrently with that to the Superintending Engineer.

The codes and Manuals provide for suitable notice to be given before an inspection is taken up. This notice is provided from practical consideration, i.e., so that required books may be kept ready for audit as otherwise, the time of the audit party will be wasted. A surprise inspection, when temporary misappropriation is suspected, is,

however, a different matter. Such Inspection should not be undertaken too frequently or frivolously but only on a reasonable suspicion of temporary mis-appropriation. Such inspections may, in view of the absence of notice of regular inspectional, have to be confined to the limited purposes of verification of Cash and of the books relevant to that purpose. The existing provisions in rules, viz. Para 775 of MSO (Tech) and Paragraph 40 (b) of the "Memorandum of Instruction regarding the Extent of Audit" do not preclude the Inspecting Officer of the Indian Audit and Accounts Department from carrying out a physical verification of cash at the time of inspection. The correct position in this regard is stated in para-III of the OAD Manual of the Accountant General, West Bengal which is reproduced below:-

"This Inspecting Officers are not required to verify by count the cash balance of the office inspected . It is however, not the intention that an inspecting Officer is debarred from verifying the cash of an office if the circumstance of any case warrant this. In such a case, the verification should be under taken as soon as the necessity for the same is felt and this should preferably be done at a time when the officer in charge is present".

The same considerations apply in respect of surprise inspections too.

It may , however, be mentioned that if in any case, the cash balances pertaining to a cash book is counted , a simultaneous count of all cash balances (with relevant accounts) in charge of the disbursing officer or other custodian of the cash chest is desirable.

(CAG's decision conveyed in his D.O. No. 79-Admn.I/54, dated 26th July 1954, copy received with TM. Endorsement No. T.M.4-A/2017 dated 24th August 1954 filed in W.M file No. Confidential).

CHAPTER 6

Special Points to be looked into the Examination of various initial Accounts

(i) General

39-A A list of initial accounts and other documents required at an inspection of P.W. Offices is given in Appendix A to this Chapter. The detailed accounts procedure governing them is described in relevant rules in the Departmental Financial Rules, Account Code, Vol. III, Punjab Financial Rules Treasury Rules (Punjab) and subsidiary Treasury Rules issued there under and other Departmental Manuals of the Local Government (B&R M.O., I.M.O, PWD Code & PWD specification).

The Inspecting Officer should see that these accounts are maintained in accordance with the rules. He should also attend to the Instructions bearing on the important accounts records as given in this Chapter.

All accounts records not specifically dealt with in the Manual should also be inspected and examined generally to see:-

- (i) That the prescribed procedure and forms are in use;
- (ii) That they are kept up-to-date ; and
- (iii) That there are no financial irregularities or serious errors.

Para 40 . The Comptroller and Auditor General considers it most undesirable that at the local inspection the check of initial records such as Cash Books (comparison of entries in the Cash Book with Counterfoil of receipts granted and the treasury remittance book) should be neglected in favour of material which may provide cases for "Higher Audit" . It is emphasized by him that the primary duty of the Indian Audit Department is to secure the correctness of accounts and not to criticize the executive work of a department of "Higher Audit" character. A close examination of initial records will lead to the detection of fraud which might have been committed.

(CAG's No. 31-Admn.I/205-36, dated the 15th January, 1937, filed in file "Auditor General's circulars".)

(ii) Cash Book and Cash Accounts

41. The term Cash includes legal tender term, notes, cheque and draft payable on demand. A small number of one rupee revenue stamps may be treated as a part of Cash balance Govt. securities, deposit receipt of bank debentures, bonds accepted as security deposit under the rules of the Government do not fall under the term.

Art 9(4) of Account Code. Vol. III.

Instructions for maintenance and writing up of the cash books in the Divisions and Sub-Divisions are contained in financial Hand Books No.1 and 2 (Treasury Rules (Pb). And Subsidiary Treasury rules, there under and Punjab financial Rules) as also in Departmental financial rules (relating to public works deptt.). These rules are to a large extent given in the fly leaf in the Cash Book in form. PWAI. The Compliance of these requirements may be generally seen. IN addition the following orders may be kept in view.

- (a) In the Irrigation Divisions where cashiers are employed the Executive Engineers are to make one and preferably two surprise counts of cash in a month at irregular intervals in addition to that on the last working day.
- (b) The Executive Engineers should affix their signatures in the sub-Divisional Cash Books when they inspect them on tour. This has been agreed to by the Chief Engineer, Punjab Irrigation Works on the Understanding that the only significance attaching to their doing so will be that they have satisfied themselves that the general rules regarding the upkeep of the cash book contained in authorized codes etc. , are being observed in the Sub Division. This will not, however, imply any responsibility on the Executive Engineers part for the accuracy of the entries made or the balance struck in the Cash Book.
- (c) Administrative Deptts, are competent to sanction the write off of the Cash book and other accounts records provided no financial implications are involved.
- (d) The state Government in the finance Department have decided that whenever inland letters of credit are established in favour of firms, the charges thereof should be borne by the firms concerned.
(F.D.U.O No. 11832-f.p.w.52, dated 19th January 1953, filed in W.M.I/14-Misc. Nangal –I(P) (Subcase)1952-53).
- (e) The State Government in PWD B&R Branch have ruled that whenever a cheque is drawn, entered in the Cash Book and not paid away on the day on which it is drawn a note should be made against the entry in the Cash Book explaining why it has not been possible to deliver the cheque to the payee.
- (f) The Statement of Cash cheque on loose sheets received from the Treasury should be returned periodically (i.e twice or thrice a month) to the treasury to be written up (Rule 8.14 of DF Rules) the monthly certificate of agreement with cash book should be

duly recorded thereon over the signature of the Divisional Officer (Rule 8.14 of DF Rules) and the loose sheets should be properly kept in a guard file in the Divisional Office.

(Letter from the Secretary to Government, Punjab, PWD,, I.B., B&R . and Electricity Branch to all S.E's No. 55/2- Account dated the 14th April, 1934 CE. No. 872-EL dated 4th August, 1934, No. WM. 14-Misc.1 (1933-34).

(g) The Punjab Government have decided that in the case of Irrigation Branch, the names of payees on work charged establishment should be omitted from the cash book entries but care must be taken to ensure (i) that the entry in the Cash Book is in sufficient detail to make it readily possible to trace the particular roll on which acquittance for the payment exists and (ii) that the rolls are kept in safe custody.

(Secy. To Govt. PB,. PWD IB No. 32215/g/70/1910, dated 15th November , 1944, copy received with finance Department endorsement No. 32216/g/70/1910 of the same date filed in file No. H-1558-7 of 44.43).

42. The comptroller and Auditor General has approved of the accounting of temporary advances in all the branches of the PWD. Direct in the Cash Book of the Divisional or sub-Divisional Officer, as the same case may be, instead of through an imprest account as required by article 88 of the Account Code, VOL. III

43. The compliance of the under noted orders may also be watched___

(a) The following procedure should be followed in recording the Cash Book transactions relating to cheques on banks, received from firms, Municipalities and other private individuals in payment of Government dues or in settlement of other transactions_

- (1) Cheques and drafts payable on demand constitute "Cash" vide article 9(4) of the Account Code, Vol.III and such they should be brought to account in the cash Book immediately on receipt as required by notes 2 and 3 printed on the fly leaf of the Cash Book. A receipt for the actual cheque only should, however, be granted in such cases, the final receipt for the amount being issued when desired by the payee after the cheque has been cleared, vide Rule 2.5 of the subsidiary Treasury Rules While signing the receipt for the cheque the Officer concerned should satisfy himself that the amount has been entered in the cash book, and in token of this check he should put down his initials (with date) against the connected receipt entry in the Cash Book. At the time of signing of final receipt, he will attest (with date) the receipt number and date as entered in column 2 of the cash book, noting at the same time the date on which the cheque was cleared as "Cheque cleared on....."
- (2) When the cheque are sent to the bank for encashment they should be shown in the disbursement column as remittance into treasury. In order, however, to relieve the Cash

Book of a large number of detailed entries in this respect, the cheques may be initially entered in a subsidiary register in the form given below and only the daily totals of receipts and remittance entered in the Cash Book. This register will also facilitate the watching of the clearance of these cheques.

- (3) The use of subsidiary register is recommended in the divisions in which sufficiently large number of cheques are accepted in payment of Government dues.
- (4) In order to guard against embezzlements, frauds etc., the verification of remittances with reference to treasury records during the local audit of public works & forest Divisions is an important check on the working of treasuries. The independent verification of remittances with references to treasury records for the selected month must, therefore, be conducted by Inspection Parties during the course of inspection of public work & forest Divisions.
- (5) In the event of a cheque being dishonoured, minus entries should be made in red ink in the cash book with suitable cross references, so as to write back the entries made on the previous occasions in respect of the cheque.

Register of cheques

Sr. No.	Date of Receipt	From whom received	Name of Bank, Cheque No. & date	Amount	On what A/C to be credited	Date of dispatch to the bank	Date of adjustment	Divisional officers initials	Amount
1	2	3	4	5	6	7	8	9	10

- (b) To prevent the occurrence of defalcation the following measures should be adopted for observance by the Officers concerned.

As provided in Rule 3.18 (A) of the Departmental Financial Rules (Relating to the Public Works and Forest Departments) each Executive Engineer in-Charge of a Public Work Division should maintain an accounts of the cash obtained on bills presented at the treasuries and of petty amounts received occasionally, in cash book in form. PFRI . Prescribed in rule 2.2 of the Punjab Financial Rules, Volume-I. To ensure that all amounts drawn from the treasury have been entered in the Cash Book he should obtain from the Treasury Officer by the 25th of each month a list of all bills drawn by him during the previous month and trace all the amounts in the Cash Book, as required by Rule 2.31 of the Punjab Financial Rules, VOI.I.

Details of undisbursed amounts should be verified with the relevant documents every month for which a register of undisbursed pay and allowances etc. in a form similar to the form C.T.R.71 should be maintained.

- (iv) Arrears of pay and allowances of such members of the staff as have been transferred and in respect of whom Last Pay Certificates have already been issued should in no case be drawn by the Division from which they have been transferred. According to rule. 5.1 (I) b(I) (ii) of the Punjab Financial Rules, Volume I it is Permissible to draw pay and allowances for part of a month when a Government servant is transferred from one Public Works Division to other. As and when therefore, a Government servant is transferred from one Division to another, the Divisional Officer from whose charge the Government servant concerned is transferred should draw his pay up to the date on which he relinquishes charge in his Division Officer to whose charge the Government servant is transferred. Thereafter no sum on account of that Government servant should be drawn in the previous Division except under special circumstances and with the approval of the new Division. If, However, in any case emoluments up to the date of transfer are not drawn before the Government servant proceeds on transfer , the fact of non-drawal of pay for any period prior to the date of transfer should be clearly and prominently brought out in the Last Pay Certificate.
 - (v) Amounts noted in the Contingent Register Should not be initialed by the Disbursing Officer Until, he has satisfied himself that they have actually been paid. For this Purpose, the instructions contained in Rule 8.15 of the Punjab Financial Rules, Volume-I in regard to the maintenance of the contingent register should be strictly adhered to by the Disbursing Officer who should exercise a great vigilance at the time of attesting the entries in the register to ensure that the entries made therein are correct and are supported by necessary documents.
 - (vi) A register of Bills, similar to the one in form CTR 28 . A should also be maintained by each disbursing Officer.
 - (vii) A systematic watch over the final disposal of every claim for payment should be kept by each disbursing officer.
 - (viii) The necessary safe-guards against any surreptitious removal of official documents relating o payments should be enforced.
- (Secretary to Government, PB. F.D. NO. 2645-fia-59/6699, , dated 15th july, 1959 to the C.E. copy received vide T.M.I./5-26/59-60/828, dated the 18th August, 1959.

(iii) Estimates

44. The procedure for preparing estimates for works and sanction thereof is laid down in relevant Departmental Codes. The delegation of powers made in this respect may also be consulted and the Sanctions to estimates verified.

The estimate is the basis of all Public works system and accounts. No work should, therefore normally be commenced or under taken unless a properly detailed design and estimate have been sanctioned all allotment of funds made except in cases covered by para 2.89 of the Punjab PWD Code. The Inspection Party Should collect the number of cases where the works are undertaken without a technically sanctioned estimate, and record the same in the inspection report.

As a matter of fact, the expenditure on a work should not exceed the amount of sanctioned estimate, should, however, there be any cases in which an excess has occurred these should be collected in the form of a statement and steps taken to have the excesses regularized, scrutinized and commented upon in the Report, if necessary.

(iii) Revenue and Receipts
GENERAL

45(A) In conducting the audit of Government revenue and receipts the principles laid down in Section – II Chapter 4-Audit of Receipts of the Comptroller and Auditor General's Manual of standing orders (Audit) should be borne in mind.

(B) This sanction of the Finance Department to the write off of a receipt book is not necessary in cases where no financial implications are involved.

(c) The Comptroller and Auditor General has laid down certain Fundamental responsibilities of an officer-in-charge of inspection in connection with the audit of receipts, rules for which have been issued by the Punjab government vide. NO. 1040-f, 39/15621, dated the 24th April, 1939 under.

He must then make up his mind roughly as to what system of accounts is necessary for these receipts and expenditure, what registers are necessary for internal check purposes and how far the existing system conforms to this standard. This is the elementary and primary responsibility of the Supervising Officer to be discharged at whatever stage he comes in on the inspection. An Inspecting Officer, is responsible for audit of receipts , should make it his duty to correlate all the accounts documents so that he may be able to direct his staff, as to how they can check that all the money due is received and all money received is brought to account.

The Comptroller and Auditor General considers that an inspection party which does not do this fails to appreciate the first responsibility of audit.

(CAG no. T.962-Admn/74-40, dated the 25th September, 1940, filed in the file No. WM. 14-34 of 1939-40-41).

(D) The question of rejection of highest bids in the case of mills and their consequent non-letting on rents should be discussed with the Executive Engineer concerned at the spot and in case the rejection is explained as to be due to the formation of a ring by the Contractors the point should not be entered in Inspection Report but should be reported separately to the DY. Accountant General (Works & UT) for being dealt with confidentially with the CE.

(CEIW Pb. U.O. No. 1 627-Rev., dated 31st October, 1934 and this office U.O. N. 203399-A, dated 13th December, 1934, filed in WAD I in file Inspection Report of Madhopur UBDC. Division).

47. A register of all Government properties yielding produce available for sale on lease should be maintained in all Divisions of Irrigation Branch according to the instructions printed on its fly leaf. The register should be further examined to see that all fruit gardens belonging to the Division, are actually borne on the register of properties, yielding produce, are available for sale on lease and that they as well as all grazing areas on canal banks except those reaches where plantations have to be preserved from cattle, are regularly leased out and that the revenue derived from them is promptly recovered and accounted for. A comparison of the amount realized during the year under review with that of previous year might with advantage be made with a view to see whether the revenue from this source is increasing or going down.

(Pb. Govt. PWD, IB No. 8/2A-I, dated the 11th February, 1928 in file pat2/1927-28).

Note: A distinction obviously exists between a fruit garden i.e. an orchard and a few fruit trees planted in a rest house compound and the decision as to what is or is not an orchard lies with the S.E. Compounds of rest houses are not be leased out for growing vegetables and crops.

(Letter No. 0714-A, dated 17th July, 1928 from the Secy. To Government, Punjab, PWD IB to the S.E., LIC. In file WM 35-A of 1912-13/28).

48.(a) The 3 Percent fee on the total realization is retained by the Lambardars at the time of crediting Irrigation Revenue into the Treasuries. The gross amount of the Revenue, is however, credited into the account with per contra debits in the account of fees retained by them and pass on those receipts to the Executive Engineers. The XENs check that the amount paid is not excess of that due to them and also debit them in a register.

(b) The inspecting Officer should check the above register showing the details of fees paid to the Lambardars at the time of Local Inspection of Irrigation Divisions and state the result of this check in the Inspection Report.

49. Under Rule 13 of the Rules for dealing with paid telegrams from the Public circulated with CEIB No. 6728-W GENL., Dated the 22nd September 1938 and subsequently amended with I.B. Estt. No. 6934 dated the 29th September , 1939, the Divisional Accountant is required to exercise an internal check over the receipts on account of such telegrams. With a view to seeing that the realizations are made correctly according to the rules referred to above, the Inspecting Officer should

check the message drafts and made it a point to say in his report what he has done in the matter of local check of this item of receipts.

(AG's orders, dated 18th November, 1939 in endst. W.M. 14-27 of 1939-40).

(v) Rents , Land and Buildings.

50. Rent of buildings belonging to Irrigation, Buildings and Roads and Public Health Branches and recovery of rent of furniture provided therein should be audited locally in all respects with special reference to instructions issued from time to time. The Inspecting Officer should also see that all refunds made by the Division during the month selected for audit are linked against the original credits and if there is any discrepancy , to point out the same in the inspection Report.

(CAG's Letter No. 441-Admn.II/60-61, dated 18th March, 1963. Filed in page 81-C of file W.M/14-3/60-63).

NOTE: In respect of the rent statements pertaining to the selected Treasuries received from the audit office, the Divisional Offices will furnish a certificate to the effect that emoluments of the officials as shown in the statement received from WA (CASS) Section agree with as shown in the Register of Rents of buildings and lands on record in the Division and the Audit Office.

The correctness of the certificate of comparison furnished by the Division should be test checked by the inspection parties during the course of check of rent records of one selected month for check of Rent Rolls as per selection done by T.M.(C)

(C.A.G's letter No. 3124-Admn.I/562-63(KW), dated 17th December, 1963; filed at page 131-C of file WM.I/14-3/Sub.Casell/60-64.

51. It should be seen that the contributions, at the rates prescribed in para. 5.7 of the I.M.O towards the cost of upkeep of recognized gardens, maintained at Government expense is duly recovered from the Sub Divisional Officer concerned and is shown separately in the monthly statement of assessment and recoveries as on account of vegetables.

52. The Punjab Government has decided to allow residential accommodation to Chowkidar's and Sweepers living within the Premises of Rest Houses and the Offices under the Irrigation Department from 20th August, 1964.

(Authority-Secy. To Government Pb, Irrigation and Power Departments letter No. 7069-Irrigation Est.-II(4)-64/1185 dated 20th August 1964; filed in file WMI/14-18/64-65).

53. Any expenditure incurred by the Government on entertainment of conservancy establishment and chowkidars for the canal colonies (constituting of residential and non-residential

buildings) should be charged to the maintenance estimates of the colonies and no portion of this expenditure is recoverable from the tenants of the residential buildings.

(Decision made on para 6.2 of the Inspection Report Main Line Division S.V.P. Khanpur, dated 14th August, 1930, filed in file No, 2 Khanpur Division, 1930-31).

54. The register of buildings and lands belonging to Government and incharge of the Executive Engineer should be complete and it should show the cost of each building etc., corrected upto date.

The values of residential buildings in the register should agree with those shown in the last Capital and Revenue Accounts of the Buildings of the Register maintained in the Division for watching the punctual revision of rents of residential buildings for which capital and revenue accounts are not prepared.

55. (1) With a view to enabling the Audit Officer to exercise, in the case of Irrigation Division where a separate maintenance estimate is not prepared for each residential buildings , a check over the figures of actual maintenance charges for each such building as shown there against, in the Capital and Revenue Accounts, the Irrigation Branch have agreed to treat with effect from 1st April, 1926, each such building as a separate sub-head of a consolidated annual maintenance and repairs estimate of residential buildings. The Figures reported in the Capital and Revenue Accounts should accordingly be verified at the time of local inspection with the actual maintenance charges of each residential buildings as shown in the Divisional Register of works.

It should also been seen that(1) separate estimates are sanctioned for "Ordinary" and "Special" maintenance, (2) the saving in the sanctioned allotment for ordinary repairs in a financial year is not included in the estimate of the following years and () the annual allotment under "Special is not spent each year as a matter of course but is allowed to accumulate and used only when need for such repair arises and that the estimates sanctioned therefore do not exceed the accumulated balance.

(Secy. To Government Punjab, Irrigation Branch, Letter No. 7170-Acctts, dated 5th September 1936, filed WM 6.1(B) of 1929-30).

The total expenditure on any group of buildings costing less than Rs. 5,000 on account of special repairs should not exceed the sum allowed for the group i.e. per cent, of the capital cost and the funds available in a year.

(2) A proper account of the buildings referred to in (1) above may be maintained in accordance with the following instructions;

(a) Each sub-division may be considered as a unit for purposes of grouping building costing less than Rs.5000 and the total capital cost of all such buildings should be determined.

(b) The total annual permissible sum for special repairs may be recorded in a register maintained in the Divisional Office. Unspent balance of any year may be carried forward as a credit to the account for the next year.

(c) All sanctioned estimated may be recorded in a register giving name of the building and the amount. The expenditure may be recorded in due course. It will thus be easy to determine the balance at credit.

(d) As a check that any particular building does not get more than a reasonable share of the funds, a special note may be made when the amount of an estimate exceeds say 10 years, allotment for the buildings. In such cases approval of the Superintending Engineer should be specially obtained.

(3) As no records have been kept in regard to the amount of accumulated balance under "special repairs" the amount at credit at the time of opening the accounts as referred in para (2) ABOVE cannot be determined. It may, therefore, be assumed that in each sub-division two years earning are unspent and to start with, the account opened with this sum at credit.

(letter from the Secretary to Government, Punjab PWD, Irrigation Branch No. 16978-A/30 dated 20th February 1947 copy received with the Finance Department's endorsement No. 17004-A/339/30 of the same date; filed in file No. WM 6(I)(b) of 1946-47)

56. There is a difference in the percentages for maintenance and repairs of the residential buildings as fixed in the Irrigation and buildings and Roads Branches (Including the Electricity board where buildings and Roads Rules apply) vide Rule 5.28 of the Civil Service Rules, Punjab, Volume I part-I, though apparently (other things being equal) there should be no such difference. With a view to testing the correctness of these percentages and investigating the cause of their difference in two branches, a few typical cases of residential and non-residential buildings should be selected and their repair estimates scrutinized and the expenditure test audited to see that the accounts are kept in order and expenditure incurred with due regard to the canons of financial propriety.

59. (a) It should be verified in case of purchases of lands whether the procedure for the acquisition of land through the Land Acquisition Officers has been followed.

(b) Whether mutation deeds have been obtained and are on record.

(c) In case the lands have got any agricultural cultivation, fruit trees, garden, etc., it should be looked into whether the receipts realized there from are properly accounted for.

(d) That the register of land plan required to be maintained in the Irrigation / B&R Divisions to show the area in each locality acquired for various purposes under article 3.4 (v) and para 9.19 (iii) of the Irrigation and Buildings and roads Manual of Orders respectively is being maintained and that all payments made in the month selected for detailed check are duly traceable in this register. In all such cases, it should be seen whether all the lands acquired have been put to proper use.

(Authority _ DAG (W)s orders, dated 6th June, 1965 at page 22-N of file WM.I/Secret Memorandum).

60. A register in the following form should be maintained in all the divisions for watching the punctual revision of rents of residential buildings for which capital and Revenue Accounts are not prepared.

Refce. To register number of the building	Name of Building	Recorded cost of building as per correct statement		Date from which current rent takes effect for - revision		5% on capital cost	1st year	
		Value of site	Cost of building	Authority	Date		Total y.	Up to date expdr.
1	2	3	4	5	6	7	8	9

Expenditure recorded/incurred/increasing the capital cost since the date of last revision but not accounted for in rental statement.

2 nd year		3 rd year		4 th year		5 th		remarks
Total for the year	Upto date expdr	Total for the year	Up to date expdr	Total for the year	Up to date expdr	Total for the year	Up to date expdr	
								Date of revision of rent if the exceeds 5 percent before the expiry of 5 year since the date of last standard rent of the building

10	11	12	13	14	15	16	17	18
-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Chief Engineer, PWD Irrigation Branch letter B&R Memo No. 10078-Acctt. No. 264/20/815-W dated 25th October, 1935 to all Supertintending Engineers/ S.E. I, II, III and Punjab Health Circle; filed in case WM 1010)

61. It has been decided by the Government that Irrigation Branch Patwar Khanas, wherever existing, may be held to have been included in the categories, specified in clause (2) of the paragraph 2 of Appendix 2 to Account code, vol. IV and may accordingly be omitted from register of rents buildings and lands prescribed in the sub-rule 2 under 4.16 of the Departmental Financial Rules.

Endorsement No. 675-Genl, dated 29th may, 1949 by the Punjab Government, Finance Department on the letter from the Irrigation Branch to all S.Es, Irrigation Branch; filed in case Wm. 6-I (b)-Genl. Of 1939-40)

62. In the case of Irrigation Divisions the assessment and recoveries should be completely checked and all cases of rent free buildings in respect of which a reduce rent is recovered coming to notice during the course of Test Audit should be scrutinized. In addition to this check, a complete audit of assessments, and recoveries and the general checks as detailed below, should be undertaken:-

(1) The entries in the first seven columns of the register have been correctly brought forward from the previous years register and monthly assessments and recoveries are in order.

(2) The rates of standard rents in col.6 are not altered without sanction of the competent authority, and reference to it is quoted in column 5.

(3) No building or land is removed from the register without the orders of the competent authority.

(4) The standard rents are revised when due (Rule 5.24) of the Civil Services Rules (Punjab) Vol.I.

(5) If any property is occupied free of rent, or if the rate for any month's assessment is neither the standard rent nor the ten per cent of the occupant's emoluments, a suitable remark

(quoting authority) has been made against the entry relating to it. If a Government servant is not entitled to put is actually allowed the benefit of the 10 per cent concession a reference to the specific orders of Government allowing it has been recorded in the remarks column of the register.

(Note under Rule 4.18 of the DFR)

(6) On closing the account of works involving expenditure on the construction, acquisition , or equipment of buildings intended to be used as residences or expenditure on addition or alteration to existing residential buildings, new buildings have been entered in the register and steps have been taken to obtain the orders of the competent authority to assess, or revise the rental, as the case may be.

(This also applied to expenditure on the provision of special services in connection with residential buildings, such as furnitures, etc., for which rent is charged separately.)

(7) Adequate action is being taken either to effect recoveries of arrears of rents or to obtain sanction of the competent authority to the write off of arrears which have become , or are likely to be “Irrecoverable”.

(8) In the case of buildings let to private persons rent is regularly recovered in advance at the rates prevailing in the locality for similar accommodation belonging to private owners, but without the special permission of Government the rents charged are not less than worked out under note below rule 5.15 of C.S. R. (PB) Vol. I.

The check in respect of recoveries of rent should be conducted by references to Divisional copies of DFR. (PW) 5 received back duly signed by the Treasury Officers.

(Paragraph 2 of A.G’s letter No. WMHAI(b)-169 dated the 13th July, 1927 to the Controller of Civil Accounts and the latter’s letter No. 1231- Admn./381-27, dated 2nd September, 1927.

63. The Punjab Government in the Irrigation Branch have decided that rent free quarters should be allowed to the guard establishment and Telephone Attendants subjects to the condition that these officials will be charged rent in case the existing policy is revised.

(Secretary to Government , Punjab, Finance Deptt. Endorsement No. 1991-92/Actt./98/26; original filed in WAD HG.NL

64. The Instructions relating to the assessment and recovery of water charges on account of water supplied from the following sources as contained in Appendix 5 to the Departmental financial Rules are:-

- a) In bulk, i.e. unmetered supply from sources other than public works department to individual occupying residential buildings allowed to certain Government Offices or Institution.
- b) Government sources of supply for the use of occupants of Government residential buildings.
- c) Supply form open wells, used jointly for offices etc., and residences.

It should be seen that recoveries where due have been made in accordance with the above instructions.

(vi) Check of T.A. Bills

65. The traveling allowance bills of regular establishment whose abstract bills are received in audit and drawn in the month selected for the purpose should be checked to see:-

- (i) That the journeys indicated in the bills correspond to the details in the measurement books,
- (ii) the purpose of journey.
- (iii) that journeys were not performed from end to the same places again and again where the purpose could be served by halting at a place instead of returning to base, and
- (iv) that proper control and check by the Divisional Officer and the Divisional Accountant exist.

(vii) Transfer Entries

66. All transfer entries involving the rectification of errors should be examined to see that they do not indicate any defect in the system of accounting or any of the following irregularities:-

- (i) Expenditure is deliberately charged to a wrong estimate because the correct estimate has not been sanctioned.
- (ii) Materials are issued unnecessarily to works merely to utilize grants and are retransferred to stock later on.
- (iii) To hide excesses over estimates.
- (iv) To conceal the fact that certain materials have been too long lying at the site of work without being used transfer entries of March, March final and March supplementary should be scrutinized with special care and attempt should be made to link subsequent T.Es with the previous ones.

(viii) Employment of Labour

67. For employment of departmental labour on Muster Rolls, the rates given in the common schedule of Rates are the Maximum upto which an Executive Engineers can authorize employment of labour. If the prevailing rates of wages in a particular locality be lower than these rates, the Executive Engineer shall authorize the employment of labour at the prevalent rates, subject to the provisions of the Minimum Wages Act. The rates for various kinds of labour as paid by the Division may be compared with those authorized by the Deputy Commissioner.

68. In case the rates in any particular locality are higher than those given in the CSR due to its peculiar conditions, the S.E. is competent to increase the rates suitably upto a maximum of 50 per cent over and above the rates given in the Schedule, for a specified period not exceeding six months after which the rates are required to be reviewed and revised downwards, if conditions so warrant.

The Chief Engineer is vested with full power to authorize an increase in the labour wages for departmental works for any length of time in any particular locality.

The increase in rates of labour should be checked accordingly.

Note: The rates for different kinds of labour given in the common Schedule of Rates are for adult male workers unless specifically mentioned to the contrary.

69. Record of daily attendance of labour employed departmentally on daily wages is required to be kept in the Muster Rolls alongwith the progress of work done which is then recorded in the Measurement Books also in the local audit of muster rolls, it should be seen that the progress achieved is commensurate with the amount paid that the rates paid compare favourably with those given in the CSR. If these are higher a suitable mention may be made in Inspection Report.

(ix) **Muster Rolls**

70. Muster Rolls should be generally examined to see that the instructions contained in Rules 7.12 and 7.13 on the DFR are followed, in particular it should be:-

(i) That payment is made through muster rolls only to-day-to-day labourers and never to (a) permanent or temporary employees whose pay is chargeable to the head "Estt." Or (b) "members of the W.C. Estt" employed upon the actual execution of a specific work or upon the subordinate supervision of departmental labour stores, etc.

(See para, 1.131. of the Pb. P.W.D. Code).

(ii) That attendance is taken daily and record of attendance is checked, at intervals, by responsible officers of the sub-division, and that the daily attendance and absence of labours and fines inflicted on them are recorded daily in part-I of the muster roll in such a way as to:

- a) To facilitate the correct calculation of the net wages of each person for the period of payment.
- b) To render it difficult to temper with or to make unauthorized addition to or alterations in entries once made; and

c) To facilitate the correct classification of the cost of labour by works and sub-heads of works where necessary.

(iii) That disbursement and with it the certification of disbursement is not entrusted as a rule to officials of low standing.

(iv) That a systematic record is maintained of the unpaid items and of their payment, and that wages remaining unpaid for three months are regularly reported to the Divisional Officer

(v) That after the M.R. was passed by the SDO. Payment there on was normally made within a week and at the most within 15 days, the thumb impression or dated acknowledgement was taken.

(Rule 7.13 © of DFR)

(vi) The payment of labour engaged through a contractor is not made or authorized on a Muster Roll as in such cases the use of the Muster Roll or M.B. is not permissible vide sub below rule 7.14 of D.F.R.

(vii) That Muster Rolls in manuscript or printed forms should be prepared only in the forms issued by the sub – divisional Officer and that blank or spoiled forms are invariably returned to the S.D.O.

That forms issued by the S.D.O's are registered in his office to watch their proper use and forms not used for over three months are called for by the S.D.O's and examined.

(F.D.U.O. No. 450-FPW-54, dated 2nd February, 1964 filed in file No. WM-14-Misc-6(9))

71. It has been observed that in certain P.W. Divisions, manuscript forms of muster rolls are used in many cases and that there is no proper control over the use of these forms. Muster roll in initial record upon which the accounts of work are based and as it is a fundamental principle vide para.7.13(2) of the Departmental Financial Rules that Muster Rolls should not be kept in duplicate, it is very imperative for all concerned to ensure that the muster rolls in the prescribed forms are issued by the S.D.Os. To achieve this end, it has been decided by the Government that all muster rolls issued should be registered and that their use is carefully watched in the Sub-Divisional Offices. Muster Rolls not used for three months should be called back by the S.D.Os and examined.

72. The word 'Subordinate' used in para 4.2 for Punjab P.W.D Code refers to any servant of Government deputed for the purpose to write up daily the Muster Roll and not to

an overseer only, as members of the Subordinate Engineering service are not designated as Subordinate but as Sectional Officers.

(Secretary to Govt. Pb. P.W.D. B&R. Branch No. 82-G/32/1741, dated 5th April, 1943 filed in file No. Kangra 6 fo 1940-41).

73. Wages of labourers and W.C. Establishment become time barred after one year if they are artisans or labourers and after three years in other cases and these time-barred wages are not subsequently payable vide Rules 7.40 and 7.74 (Sub Rule 2) of the Departmental Financial Rules. It should be seen at the local inspections of all P.W. divisions that the time barred wages have not been paid.

74. Unpaid wages during the selected month should be linked with the original entry in the Muster Rolls and the unpaid wages register.

(x) Measurement Books and Measurements

75. In the PWD all payment to contractors and suppliers are made on the basis of measurements recorded in the Measurement Books, the general instructions for writing of which are given in the fly leaf attached in the measurement book itself. The compliance there of should be seen.

76. The genuineness of some entries in the Measurement Books may be verified by comparison in respect of dates and other particulars with T.A. journals of the subordinates concerned which should contain all journeys, both within and beyond five miles radius, performed in connection with the measurement of works (in this connection please refer to Arti\][-0

.....le 1.13(12) of I.M.O and paragraph 3A of Appendix 10A of the B&R Manual of Order)

77. One of the points frequently brought to notice by the Inspecting Audit Officers in their reports on the accounts of P.W Divisional Offices relate to excessive measurements which were taken in the first instance by subordinates but which were subsequently reduced by the Sub-Divisional officers on check measurements.

The validity of the challenge of such reduction is unquestioned but particular care should be taken not to challenge each correction unless the differences are important and indicate more or less deliberate excess measurements as against genuine mistakes.

78. If the same contractor's work has been persistently short or excess measured, this should be specially brought to notice.

79. In the large size Measurement Books, when used for heavy irrigation Construction Works Pages, if Desired , can be reserved for different reaches in accordance with the instructions laid down in Article 1.13 of I.M.O.

80. In the case of Irrigation Department, the Chief Engineer, Irrigation Works, Punjab has decided that the serial number of a Measurement Book should be marked on each page of the blank Measurement Book by a numbering machine on soon as the Measurement Book are received by the Divisional Head Clerk and before a Measurement Book is issued to an official, instead of the present system of marking it on the cover only. Till such time as the numbering machines become available it should be duty of the Head Clerk to mark the secret number of the Measurement Book on the each page below the serial NO. 1 of the page on all the blank Measurement Book entered in the registers of Measurement Book maintained in Divisional Offices. These instructions should come in force with immediate effect and non-compliance of these orders will render the defaulters to severe disciplinary action.

A similar action may also be taken for the Measurement Book already issued which are in use and a certificate recorded to this effect on each Measurement Book indicating date on which this has been done.

(C.E. Irrigation Works, Pb. Endorsement No. 2011/Accounts/82/02/WJC(W) dated the 18th march 1960, filed in case No. WM 1/4/1/I.M.O.)

81. The Inspecting Officer should investigate cases of Measurements lost since the last inspection and report the result of his investigation to the Central Office with comments as regards:-

(a) Adequacy of the action taken against the person responsible for the loss, in case the loss was not merely accidental.

(b) Adequacy of the measures adopted to ensure that works entered in the lost Measurement Book and already paid for are not paid a second time.

(DAG's order, dated 7th May, 1931 abolishing the register of Measurement Books lost papers filed in the case W.M. 35-21 of 1923-24).

82. In the case of lost Measurement Books it should be seen:-

(i) that the S.D.O has prepared a list of all claims for works or supplies which are then outstanding.

(ii) that the list is verified by him by reference to bill book/office copies of bills, Works Abstracts, petty vouchers. Muster Rolls or Cash Book to ascertain that none of the claims entered there in has been already paid for.

(iii) that a certificate to this effect has been recorded by the S.D.O on the list; and

(iv) that after the above verification, the works not paid for have been remeasured and entered in a fresh Measurement Books for payment as usual.

(Circular letter No. WM-35-2(23-24)41, dated 20th June, 1930 from the A.G., Punjab to all Divisional Officers, Pb. P.W.D.)

Note;- The sanction of the Finance Department to the write off of a Measurement Book is not necessary in cases where any financial implications are not involved.

83. Under clause 10 of the standard Agreement forms, Government materials are sometimes issued to contractors for use on Government works. Materials remaining unused on the site of the work and which are required by Department should be returned by contractors under the provisions of this clause, or as may have been provided in the Agreement.

In order to facilitate accounting of such materials it has been decided that measurements of all materials which are returned by contractors under the direction of Executive Engineers should be kept in the M.B. in future.

(Chief Engineer, C.P.W.D., New Delhi's letter No. CE/Acctt/125 dated the 15th December, 1959).

(Finance Department letter received with chief Engineer, Irrigation Branch No.154-G/8/02, dated the 6th , 1951, filed in case W.M. 14-Misc.)

84. The M.B. being primarily the initial record made on spot by personal measurement by a responsible executive officer or subordinate of quantities of work done or materials received and only secondarily and incidentally a record of expenditure incurred on the basis of quantities, it is obvious that in case where, the services to be paid for is not susceptible of measurement such as Octroi Duty, Municipal Taxes, Electric Charges and Railway Freight, etc., or where it is not possible to determine the quantity of work done, entries need not be made in the Measurement Book.

If, however, it is desired to keep a record of petty payments of the nature detailed above as a safe-guard against double payments, the maintenance of a special register for the purpose is

suggested, in which a separate page or a number of pages may be set apart for each particular class of charge.

Further petty purchases upto Rs. 10 in each case mostly of the nature of office contingencies, are directly made from the local Bazar and not through the agency of a petty contractor for which payments have to be made immediately. In such cases, it is not possible to observe the usual formality of recording measurements in M.B. and their scrutiny and approval by the Sub-Divisional Officer before making payments and consequently no entry in Measurement Book need be made.

Any supplies of which quantity accounts have to be kept under the rules should, however be recorded in the M.B. irrespective of the amount involved.

(A.G Pb. Circular letter no. WM 35-22/226 dated the 24th September 1928 No. W.M. 33/1/431 dated the 11th February, 1947 and NO. WM. 33-1/480-481 dated the 11th March, 1927 to all Divisional Officers, P.W.D. Pb. Etc.)

85. As laid down in paras 10.23 and 10.23A of the B&R Manual of Orders, the measurements in the following cases should be made by the Sub-Divisional Officers.

(1) In the case of works for which owing to their nature, accurate detailed estimates cannot be prepared before they are undertaken, measurements should , as a rule, be made by the Sub-Divisional Officer himself before payment. In very special cases, where the S.D.O. cannot make such measurements before payments, for reasons which must be recorded in the bill, he should satisfy himself by rough check measurements, or otherwise that the work done is approximately , if not exactly, in accordance with the details entered, in the M.B. The final measurements by himself should follow, as soon as possible thereafter. In such cases a certificate of final Measurement , when this has been made should be attached to the original bill.

(2) In making final payments of bills, or in forwarding them to the Disbursing Officer for payment a Sub Divisional Officer, will if he has not made the measurements himself sign the following certificate which will be printed on the bill or attached to them.

“ I have satisfied my self that the work entered in this bill, so far as it was carried out under my charge, has been actually done and is in accordance with the details entered therein.”

Note:- As a rule a Sub Divisional Officer should not pay finally any work costing more than Rs.200 until he has personally inspected it and satisfied himself that the work has been correctly done.

(3) Measurements of excavation in foundations are to be made and checked by the Sub Divisional Officer, except in the case of very small works, before any building work is started.

(4) The Sub Divisional Officer is expected to make personally all measurements required for the preparation of final bills for all classes of work. He should also test check other measurements made by his subordinates.

Check Measurements

86A Since measurements form the basis of all payments, Sub Divisional Officer is required either to make all measurements himself or to check measure personally not less than the following percentages of measurements recorded by his subordinates:-

(a) In the Irrigation Branch –

(i) Works costing not more than Rs. 50,000-35 percent of the cost of all such works.

(ii) Works costing more than Rs. 50,000 cent per cent of the cost of such work.

(iii) In respect of works costing more than Rs. 1,00,000 the Executive Engineer will check measure to the extent of 5%.

(b) In the B&R Branch –

(i) Works costing more than Rs. 2,000 executed departmentally – 25%

(ii) Works costing more than Rs. 5,000. _ 50%

Note:- In computing the cost of the work, the cost of materials to be issued should be deducted from the estimated amount.

2.In the case of B&R Branch, the S.D.O. is also required to make personally all measurements in connection with the preparation of final bills for all classes of works costing more than Rs. 5000.

(Para 1-12 of I.M.O and 10.53/B&M.O)

87.The compliance of these provisions may be watched and the records of the check measurements maintained in terms of the Rules quoted above seen so as to verify that various indicated on check measurements are within the permissible limits which are as follows:-

(A)	FOR IRRIGATION BRANCH-		
	Original works		2%
	Repair works		5%
	Earth Works (Original or Repair)		10%
(B)	For B&R Branch		
	Original works		2%
	Repair Works		5%

Cases indicating variations in excess of these percentages are required to be reported to higher authorities. Action taken in such cases should be examined in Local Audit.

NOTE(1) Measurements of excavations in foundation or such other items of work as get covered up should be taken and entered by the Sub-Divisional Officer himself before these are covered.

NOTE(2) The limits for variations as mentioned above are the maximum permissible limits. The marginal cases of variations bordering the maximum limits (e.g.9.8% in case of earth work) should be examined and commented upon suitably.

NOTE(3) In case the variations exceed the permissible limits the works have to be re-measured in full by the S.D.O.

NOTE(4) Measurements for bricks should not be made by a subordinate below the rank of the Sub-Divisional Officer and in exceptional cases the necessity for so doing should be clearly stated below the measurement in the M.B.

Measurement of Burrow Pits

88. With a view to check the practice of transcribing entries in MBs from some intermediate record and to ensure genuine and accurate measurement being entered in the Measurement Books at the site of the work the C.E.I.W. ordered that burrow pits entries should in no case exceed 700 in one day vide correspondence ending with his letter No. 20702-W13/1907 dated 27th November 1940. Although it may be possible to measure even more than 700 burrow pits in a day, it was considered that a limit was necessary to prevent slipshod and guess work measurements.

These orders were, however, withdrawn in the C.E's letter No. 24201-17G/13/1907 dated 22nd December, 1943, but it is still open to the Inspecting officer to bring to the notice for orders any abnormal cases.

(D.A.G's orders, dated 19th January, 1944 filed in case w.m 4.3 of 1938-44)

(xi) **Special orders relating to measurements of Certain Materials**

89. In the succeeding paragraphs special features in respect of certain types of work/materials are reproduced as given in the Punjab P.W.D. Specifications , 1963 (Effective from 1964).

90. Lime-in Lump or hydrated form it should be measured by weight Kankar, in lime, in powdered form should be measured by volume. (Sp No. 3.8).

91. Surkhi-No deduction on account of shrinkage shall be made from the measured quantity (Sp. No. 3.9)

92. Course Aggregate-To allow for loose stacking, all stacks of course aggregate of nominal sizes more than $\frac{3}{4}$ inch (20mm) but up to 3 inch (75mm) shall be measured and paid as 12 inches for every 13 inches height. In metric units, 27 cms high stacks shall be measured as 25 cm.

No deduction is to be made in case of aggregate of nominal size of $\frac{1}{2}$ inch 15mm or less Sp.3.29.

93. Fine Aggregate-While recording measurements, deduction for bulking of sand on account of moisture content shall be done as per table in the specification as the rates are for dry sand. The rate includes the cost of obtaining the fine aggregate at source, any washing that may be required and stacking and storing. All municipal, forest dues, royalty or other charges are included in the rate.

94. Boulders-The boulders shall be stacked compactly on level ground in stacks not more than 3ft. (0.9) metre in height or such other height as may be prescribed by the Executive Engineer. The actual dimensions of stacks shall be measured and the total quantity reduced by $\frac{1}{7}$ th on account of voids to arrive at the net quantity for payment(sp.3.30).

Stone Boulders and Stone Soling

95. Buildings and soling stores 2 $\frac{1}{2}$ inches gauge shall be stacked compactly on level ground in stacks of 2mx 1 $\frac{1}{2}$ mx 40cm and measured as 34cm for payment purposes.

96. Stone Metal and Kankar, in order to allow for loose stacking shall be 13 inches high but shall be measured as one foot. In metric units, 27cm high stacks will be measured as 25cm (Sp.3.34 and 3.36). In the case of stone Metal the contractor shall also screen the stone metal and supply 10% screenings alongwith the stone Metal without any extra payment. In case the quantity of material obtained after screening is less than 10% the contractor shall make good the same by supplying bajri or grit (Sp.3.34).

97. Puddling-The measurements of clay puddle shall be recorded before hand by measuring the space where puddle work is to be done. After completion, the officer

incharge shall certify that the work is completed in accordance with the measurements already recorded (Sp.6.4).

98. Demolition- Measurements for all works except hidden work shall be taken before demolition commences. No allowance for increase in bulk shall be allowed. The method of measurements shall be the same as for new work in respect of deductions for voids, openings etc. (Sp8.1).

99. Cement Concrete- It shall be measured by volume in cubic feet or cubic metres. The volume occupied by water pipes, conduits etc. not exceeding 4 Sq. inches (25Sq.cm) each in each cross sectional area shall not be deducted (Sp.10.4)

100. Brick work.

	Non-Metric Bricks		Metric Bricks
(a)	All brick shall be measured in cubic feet and paid for in units of 100cft. The lengths and heights of walls being measured to the nearest ¼ inch and cubic contents to be calculated to the nearest 0.1 cubic foot.	(a)	All brick work shall be measured in cubic metres; the dimensions being measured to the nearest centimeter namely fractions 0.5cm and above shall be measured as one centimeter and fraction below 0.5cm, shall be calculated to the nearest 0.01 cubic metre.
(b)	Walls of 4 ½" or 3" thickness shall each be measured separately and paid in units of 100 sft. Brick walls beyond half brick and upto 3 bricks shall be measured in multiples of half bricks which shall be assumed to be 4 ½ "for 9" bricks. The thickness of walls shall be as given below. One brick wall 3/4ft.	(b)	Walls of half brick thickness or less, shall each be measured separately and given in sq. metres stating the thickness. Brick walls beyond half brick and up to 3 bricks in thickness shall be measured in multiples of half brick which shall be deemed to be inclusive brick which

	1 ½ brick wall 1 1/8ft. 2 brick wall 1 1/2ft. 2 ½ brick wall 1/7/8 ft. 3 brick wall 2 ¼ ft.		shall be deemed to be inclusive the mortar joints. For bricks of size 19x9xcm; half brick measurement including mortar joint shall be taken as 10cm. The thickness of wall will be as given below. One brick wall 20cm. 1 ½ brick wall 30cm. 2 brick wall 40cm.
--	--	--	--

In case of walls, which are more than 3 bricks in thickness, the actual thickness shall be measured to the nearest ¼ inch and so on and so forth where fraction of half brick occurs due to architectural or other reasons, the measurement shall be taken as follows:-

1	Beyond 10 cm upto 12cm	Actual
2	Beyond 12cm upto 20cm	20cm
3	Beyond 20cm upto 22cm	Actual
4	Beyond 22cm upto 30cm	30cm
5	Beyond 30cm upto 32cm	Actual
6	Beyond 32cm upto 40cm	40cm
7	Beyond 40cm upto 42cm	Actual
8	Beyond 42cm upto 50cm	50cm
9	Beyond 50cm upto 52cm	Actual
10	Beyond 52cm upto 60cm	60cm

In case of walls, which are more than 60cm in thickness, the actual thickness of wall shall be measured to the nearest one centimeter.

- (c) No deduction shall be made nor any extra payment made for the following-
 - (i) Ends of dis-similar materials i.e. joints, beams, lintels, posts, girders, purlins, rafters, trusses corbels, etc. upto 500sq cm. (77sq.inches)in section.
 - (ii) Opening upto 1,000sq cm (155sq inches) in section.

(iii) Bed plates, walls plates, bearing of chhajas etc. upto 10cm. (4 inches) in depth.

(D) The brickwork (excluding) fire brick work in chimney breasts, chimney stacks, smoke or air flues not exceeding 0.25 square metre (2.7 square feet) in sectional area shall be measured as solid and no extra measurement shall be made for pargeting and coring of such flues, where flues exceed 0.25 Square metre in sectional area, deduction shall be made for the same and pargeting and coring flues measured and paid for separately.

(e) Aperture for fire places shall not be deducted and extra labour shall not be measured for splaying of jumps, throating and making arch or linted to support the opening.

(ii) Special items to be measured separately- The following items shall be treated as special items. These are not covered by the general rate of brickwork and these shall be measured and paid for separately.

(a) Square rectangular or circular pillars,

(b) Arch work.

(c) Profile walls and flared out walls of siphons, super-passages, falls, etc.

(d) Brickwork curved on plan to a mean radius not exceeding 6 metres or 20ft.

(e) Honey comb brick walling-This shall be measured in square feet or square metres, stating thickness and pattern of honey combing. No deduction shall be made for openings in honey-comb work.

(f) Reinforced brickwork.

(g) Brickwork in independent chimney shafts as for large boilers.

(h) Half-brick thick walls.

(iii) The rate of brickwork in foundations and plinth includes, in the case of buildings, all work upto ground level, and in the case of other works, such work as can be done without scaffolding i.e. upto 4.5ft. (1.5 metres) from top of foundation concrete. The rate for brickwork in superstructure include all work from the level specified above to a height of 13 feet 4 metre above the level, or up to top of first structural roof, whichever is less and includes the cost of scaffolding. In case of every additional story, an increased rate shall be paid; such increase being for units 13 feet (4 metres) or of story height whichever is less. In case any single storey exceeds 13 feet (4 metres) in height, the rate for the entire brickwork in that storey will be increased for every additional height of 6 ½ feet (2 metres) or part thereof. This additional rate of brickwork shall also be added for the brickwork in subsequent storeys. Brick coping courses, splays, reveals, cavity walls, brickwork curved on plan to mean radius exceeding 20 feet (6 metres) shall be paid for at the general rate for brickwork which shall include exposed brickwork in selected bricks, wherever specified, raking out joints for plastering or pointing preparing to tops and sides or existing wall for raising and extending, all rough cutting and waste for forming gables, cores, skew-backs, and spandrels of arches, splays at caves, and all other rough cutting unless otherwise specified.

(iv) Labour and through rates

The labour rate shall include the cost of water, tools and plants and scaffolding. In case of brickwork in mud mortar, the labour rate shall also include the cost of good earth required for mud mortar. The through rate shall include, in addition to aforementioned items the cost of bricks, cement or lime or surkhi and sand including breakage or wastage (Sp.11.1).

101. Half Brick thick walls –

Half Brick thick masonry shall be measured and paid for by superficial area. The labour rate for this item of work includes the cost of water, scaffolding, tools and plant and laying of hoop iron reinforcement, where specified. The through rate shall, in addition, include the cost of cement, sand hoops iron and bricks and any breakage or wastage thereof (Sp.11.8).

102. Brick and Tile Jalli work –

The Jalli work shall be measured by superficial area in square feet or square metres and shall be paid for as such. No deduction shall be made for openings (Sp.11.12).

103. Cement and Mud Plastering –

For jambs:- Soffits, sills etc., for openings not exceeding 5 sq.ft.(0.5 sq. metre) each in area, ends of joints, beams, posts, girders, stapes, etc. not exceeding 5 sq. ft.(0.5 sq. metre) each in area, ends of joints, beams, posts, griders, stapes, etc. not exceeding 5 sq. ft. (0.5 sq. meter) each in area and openings not exceeding 30 sq. ft. (3 sq. meters) each deductions and additions shall be made in the following manner.

No deduction shall be made for ends of joints, beams, posts, etc. and openings not exceeding 5sq. ft. (0.5 sq. metre) each, and no addition shall be made for reveals , jambs , soffits, sills etc. of these joints, beams, posts etc.

Deduction for openings exceeding 5sq. ft.(3sq. metres) but not exceeding 30sq. ft. (3 sq. metres) each shall be made as follows and no addition shall be made for reveals , jambs, soffits, sills etc. of these openings.

- (i) When both faces of wall are plastered with the same plaster, deduction shall be made for one face only;
- (ii) When two faces of wall are plastered with different plasters or if one face is plastered and the other pointed, deduction shall be made from the plaster or pointing on the side of frames for doors, windows etc. on which the width of reveals is less than that on the other side, but no deduction shall be made on the other side.

In case of openings of area above 30 sq. ft. (3 sq. meters) each, dedication shall be made for the openings but jambs, soffits and sills shall be measured.

Thickness shall be exclusive of the thickness of key i.e. grooves or open joints in brickwork, stonework, etc., or space between laths (sq. 15.1 and 15.6).

104. Lettering:-

The lettering and figures shall be measured by numbers by giving their height in inches (cms) Letters under one inch (25mm). high shall be paid as one inch (2 5mm). Stops, commas, hyphens and the like shall be deemed to be included in the items. (Sp.1611).

105. Wood Work:-

Wood work “wrought and planed” shall be measured for finished sections in cubic ft. (cubic metres). No allowance shall be made for wastage or for dimensions supplied beyond those specified. (sp.17.1).

106. Iron Work:-

Where steel and iron has been fabricated from rolled steel bars, plates or sections it shall be measured by the standard weight of these sections without taking into account the rolling margin. The weight of revets, bolts and nuts used shall be added and no deduction shall be made for metal removed from holes, provided however, that whenever the finished work can be weigted it shall be measured by its actual weight.

107. Well sinking:-

The items of well sinking shall be paid on the basis of volume displaced, (Sp. 22.1)

108. Water bound macadam wearing course:-

Consolidation work shall be paid by the cubic contents of the new or old metal used in consolidation. The cubic contents shall be calculated by multiplying the width by actual thickness of wearing course after hand packing but before consolidation (sp. 24.3).

109. Cutting down of trees:-

Trees having girth 1 foot (30cm) or less shall be included in the rate of jungle clearance. For purposes of measurements, girth shall be measured at 4 ft. (1.2 metres) above ground level (Sp. 26.1)

110. Jungle clearance:-

For areas acquired for new canals, drains, extensions of channel and for construction of roads and buildings measurements shall be done on acreage basis. In case of existing Irrigation channels or drains the unit of measurement shall be canal mile of 5,000 ft. (1.540 metres). (Sp 26.4)

111. Rate of payment:-

The payments in the Public Works Deptt,. Are made on any of the following basis:-

- a) Rates included in the common schedule of rates – labour or through
- b) Rates worked out on the basis of rates indicated in the publication titled “Ananyis of Rates” included in the common schedule of Rates = Labour or through.
- c) Rates based on/ compiled from current market rates.

In case of doubts as to the composition of any particular rates the above mentioned publication may, with advantage be consulted. The composition of some of the rates in the C.S.R. as indicated in the Punjab P.W.D. Specification 1963 is reproduced in the succeeding paragraphs for guidance.

112. Water:-

In case water is not available within half a mile, water allowance is payable for concrete, brick masonry in lime or cement mortar, plastering in lime or cement mortar, pointing and flooring. This rate is payable only where water is not available locally and where fixing of hand pump is neither feasible nor practically possible due to small amount of work and where water is actually carried by carts or by mechanical transport. (Sp.3.1)

113. Timber:-

The rate for timber is for scantling or sleepers of standard dimensions. No allowance is to be made for wastage in making sleepers or scantling out of logs. Where the timber has been felled by the contractor, he is responsible for the proper observance of all forest, municipal or other rules or bye-laws and for such royalty or other dues as may accrue. (Sp. 3.15).

114. Fine Aggregate:-

The rate includes the cost of obtaining the fine aggregate at source, any washing that may be required and stacking and storing. All Municipal, forest dues, royalty or other charges are included in the rate. (Sp.3.30).

115. Grit and Kankar:-

Unless otherwise agreed to the rate shall include the cost of quarrying, crushing, screening and supplying at site and includes all railways and out carriage charges as well as stacking. (Sp 3.35 and 3.36).

116. Cast iron rain water pipes and fittings:-

The unit of pipes for payment purposes shall be ft. (metres). The fittings shall be paid for each piece. (Sp.3.54).

117. Loading:-

Unless otherwise specified, rate for loading is upto 50feet (15 metres) lead where the lead is more than 50 feet (15 metres), this shall be paid at carriage rates for second, third and subsequent chains, etc. as the case may be. For calculating lead, only horizontal lead shall be taken into account. Nothing shall be paid extra for lift. The distance shall be measured by the shortest practicable route. Supply of any tools and plant required for the work shall be included in the rate for loading. The rate does not include the cost of any special arrangement such as cranes or heavy mechanical equipment.

Loading of materials shall be contracted and paid for either by weight or by volume or by numbers. When the payment is made by volume, the materials shall be measured as laid down in specifications for that material and deductions from measurements shall be made for voids to account for loose stacking etc.

118. Unloading:-

Unloading of material:- Unless otherwise specified, rate for unloading includes clearing 5ft. (1.5 metres) away from the rail or the edge of the platform where existing or 20ft. (6 metres) away from the water edge. If stacking is specified, the same shall be carried out in accordance with the orders of the engineer-in charge. Where the lead is more than the lead specified, this shall be paid at carriage rates for second, third and Subsequent chains as the case may be. The distance shall be measured by the shortest practicable route. Supply of any tools and plant required for the work shall be included in the rate for unloading. The rate does not include the cost of any special arrangements such as cranes or heavy mechanical equipment.

Unloading of materials shall be contracted and paid for either by weight or by volume or by members. When the payment is made by the volume the materials shall be measured as laid down in specification for that material and deductions from measurements shall be made for voids to account for loose stacking etc. In case of unloading from railway wagons , materials and machinery shall be unloaded where the railway authorities direct. No unloaded material shall be within 5 ft. (1.5 metres) of rail or edge of platform where existing.

1. Unloading of machinery:-

Special precaution should be taken for unloading of machinery as slight negligence may cause considerable damage to the same. If there are makers' instructions for unloading, these should be strictly followed.

119. Carriage:-

Unless otherwise specified, carriage of materials includes loading with 50ft. (15 metres and unloading as well as stacking the materials in regular stacks on the ground and within 50 ft. (15 metres) of the point to which it is carried. The size of stacks shall be in accordance with the orders of the engineer-in-charge. Supply of any tools and plant required for the work shall be included in the rate for carriage.

Carriage of materials shall be contracted and paid for either by weight or by volume or by numbers and either at a mileage rate or a fixed rate between the specified places. In the former case the distance shall be measured by the shortest practicable route. When the payment is made by volume, the materials shall be measured as laid down in specifications for that materials and deductions from measurements shall be made for voids to account for loose stacking etc.

2. Special precautions should be taken for carriage of machinery as slight negligence may cause considerable damage to the same. If there are maker's instructions for loading, unloading and carriage of machinery, those be strictly followed.
3. Loading, carriage, unloading and stacking shall be done carefully to avoid loss or damage to the material carted. The loss or damage, if any, shall be made good at the cost of the carriage agency.
4. Where the contract is for carriage from railway station to works or godowns, the contractor shall make adequate arrangements for removing the unloaded materials quickly , so that the unloaded material is not liable to wharfage. If the material is not removed in time and wharfage has to be paid, the same shall be recovered from the carriage contractor.

Whenever carriage of materials from railway station and also unloading from the wagons are to be got done through the agency of the contractors , it is better to entrust both these items to one contractor under one contract.

120. Silt Clearance:-

Rate for silt clearance includes all the operations involved therein and no extra allowance for wetness, slush or daldal is payable in addition to the rate (sq. 4.61).

121. Earth Work Excavation of foundations Rate:-

The rate for excavation shall cover:-

- (i) Lift, lead and removal of excavated material as specified in the Schedule of Rates;

In case of plinths if the depth of foundation or disposal of surplus soil is more than that specified in items No.

Specified in items No. 6.6 of Common Schedule of Rates Volume I, extra payment at the rate specified in items 6.2© shall be made for the additional lead to lift. Additional lift shall be calculated only for earthwork below 6 feet (2 metres) from top of excavation.

- (ii) Dressing of bottom and sides of trenches;
- (iii) Filling the space between the masonry and the sides or the trenches with the excavated earth, laid in 6 inches (15cm). layers watered and rammed in according with the specification No. 6.6; and
- (iv) the provision of drains through the soil banks, as may be required to prevent drainage accumulating round foundation trenches in the event of rain (Sq. 6.5)

122. Rock Cutting:-

The rates for rock cutting include handling of material within 50 feet (15 metres), dressing, cost of explosives, compressed air, and the working and hire of equipment and other tools and plant which if supplied by Government, the cost thereof will be recoverable from the contractor.

Rate for rock cutting in case of hill roads shall include the making of side drains also. (Sq. 7.1)

123. Demolition:-

The rate for demolition shall be held to include carefully lowering to the ground all material liable to be damaged if dropped from a height, and the removal of all doors and windows with their hinges from the chowkats, before dismantling the latter. The rate for dismantling roofs or upper storey floors includes the dismantling of the roofing or flooring materials proper as well as all planking, ceiling, rafters, purlins, eaves, gutters and rain water pipes, but does not include the dismantling of roof supports such as beams and trusses.

124. 1st Class Mud Roofing:-

The through rate for first class mud roofing covers the following works:-

- (i) Laying two layers of tile in mortar as specified, laying a coat of plaster on tile in mortar as specified with two coats of bitumen painting at the specified rate.
- (ii) Laying a coat of mud plaster, filling earth and finishing with mud plaster and leepa.
- (iii) Plastering portion of parapet, against which mud plaster and earth filling about, and covering the same with two coats of bitumen painting at the specified rate.

(iv) Painting the underside of the tilling, and filling space between battens over the beams.

The labour rate includes the labour charges for above operations , cost of water, tools and plant, scaffolding (both labour and material), cost of soil or earth for mud plaster and earth laver, and cost of clay and cowdung for leepai.

The rates do not include the provision of fixing of battens, or the making of “Khurras” “Gollaa” and rainwater outlets.

125. Kilometre Stones and Boundary Pillars:-

The through rates for kilometer stones and boundary pillars include the cost of labour and materials for casting the structures, finishing coat of plaster, carriage to site of work and fixing in position with foundation concrete . The labour rates include the cost of labour only for above operations and also carriage to site of work. The rates exclude the cost of painting & lettering which shall be paid for separately.

(xii) Materials and Consumption Statements

126. I(a). The Contractor shall use all cement issued to him on the work for which it has been supplied. Cement surplus after the completion of the work shall not be disposed of without the previous consent of the Executive Engineer in writing.

(b) The stone etc. obtained from excavation, rock cutting will remain the Government property. The useful portions shall be separated from the useless ones and deposited in regular stacks as directed by the Executive Engineer-in-Charge.

II(a). While drafting objections on the non-maintenance or improper maintenance of Material-at-site accounts the following points should specifically be mentioned.

The name of the work and its estimated cost.

The value of materials charged to the work.

Whether form 30 or form 31 or both have not been maintained.

(D.A.G(W) order, dated 4th March, 1954 filed in WM 14-Misc (NO.WM.14-Misc/2511).

(b) On the completion of any work whether executed on through rates, labour rates or through departmental labour, the consumption statement shall be prepared for such material as have been issued by Public Work Department . In order to determine the excess or short consumption of materials the actual quantities issued to the work shall be compared with the theoretical quantities worked out on the basis of consumption factors given in Chapter 27 of Haryana Schedule of Rates . The consumption of materials for different items will normally conform to the quantities given in this chapter. However, if there is any excess or short consumption of materials the following procedure should be adopted unless otherwise specified.

(i) For excessive consumption of materials

If actual consumption exceeds the theoretical consumption by 5 per cent or less , no action shall be taken. If actual consumption exceeds the theoretical consumption by more than 5 per cent recovery of excess consumption beyond 5 per cent shall be made at penal rate. Where the excess consumption in the opinion of the executive engineer is substantially high, he shall bring such cases to the notice of the Superintending Engineer for further action whose decision in all such cases will be final.

(ii) For short consumption of materials

Where the actual consumption of materials is short by 5 percent or less, no action shall be taken when the work is executed on labour rates or departmentally. However, where the work is done on through rate basis, the recovery of cost of materials, thus saved, shall be made from the contractor at the issue rate. When the consumption of materials is short by more than 5 percent and the work is being done on through rate basis the rates of items shall be reduced or where it is not possible to determine the exact items on which short material has been used, the cost of materials shall be recovered from the contractor at the issue rate. When the work is done departmentally or on labour rates and the consumption is short consumption and shall bring to the notice of the Superintending Engineer all such cases, for such action against defaulting. Government officials and contractor as he may deem fit. The decision of the Superintending Engineer in this matter shall be final. It shall also be determined whether the stability of the structure is affected adversely by short consumption of materials and in cases where it is felt that it is likely to be so, the work shall be rejected. The decision of Superintending Engineer in this regard shall be final.

(xiii) Contracts and Agreements

127. General(i)

A proposal made and accepted becomes a promise. In order to convert a proposal into a promise the acceptance must be absolute and unqualified. A qualified acceptance is , in fact, a new proposal.

(ii) Every promise and every set of promises forming the consideration for each other is an Agreement.

(iii) An Agreement enforceable by law is a Contract

(iv) An agreement not enforceable by law is said to be void.

(v) An agreement which is enforceable by law at the option of one or more of the parties, but not at the option of other and others is Voidable Contract.

(vi) Rates quoted by contractors in response to a specific invitation from a Divisional or Sub Divisional Officer on simple paper with requisite non- judicial stamps duly

affixed thereon and un-accompanied by "Earnest money" for works and supplies, proposed to be executed on "WORK ORDRES " basis are termed "Quotations" time not being the essence of the undertaking.

(vii) Rates quoted by contractors in response to tender notice issued by Divisional or Sub Divisional Officer on prescribed printed forms with requisite non-judicial stamps duly affixed thereon and accompanied with "Earnest Money" for works and supplies , provided to be executed on "Contract" basis are termed "Tender" time being the essence of the undertaking.

128. (a) it is important to realize that the breach of the contract by the other party does not necessarily put an end to it. It only entitles the injured party to put an end to it and does not compel him to do so.

(b) Where a formal written contract is not made, no order for supplies etc. should be placed without at least a written agreement to price.

129. Delays in execution or renewal of agreements are objectionable and sometimes result in loss to Government. Such delays may be examined and commented upon in the Inspection Report.

130. It has been ordered that where it is desired that the work should be completed by an appointed date or within a stipulated period the work should invariably be let out on contract.

131. The Punjab Government has fixed charges of Rs. 7.50 for supply of a copy of draft agreement from along with complete set of drawings, specifications, schedule of quantities and complete set of conditions to the contractors. The breakup of this amount of Rs. 7.50 is as under _

Cost of printed form Rs. 2.00

Copy charges Rs. 5.50

Total Rs. 7.50

(Secy to Govt. Pb. P.W.D B&R/P.H. Branches endstt. No. 3766-B&R. JJJ (2)-64/9996, dated 4th May, 1964).

132. It has been decided by the Haryana Government that the Fee/Duty Chargeable from the contractors shall be as under in the Haryana P.W.D (B&R) department.

Category of Contractors	Rates (In Rupees)	Remarks
I class	5000/-	Renewal after every two financial years at 50% of these rates.
II class	4000/-	Revised w.e.f 2.9.97.
III class	3000/-	
Iv class	1000/-	
V class	500/-	

(E-I-C, Haryana P.W.D B&R Letter No. 8622/General Dated 2.9.97.

The cost of the prospectus including application form has been increased to R.100/-.

133. General instructions for audit of contracts are given in Chapter 7 Audit of contract of Section II of the "Comptroller and Auditor General's Manual of standing Order". These should be carefully studied and applied in the audit in question.

134. It has been decided by the Government that in the P.W.D Building and Roads Branch where under a contract the Department is to be responsible for additional payments due to rise in freight, provision should also be made therein for Government to benefit in the rate cases when the Railway freight is officially reduced. The differences in charges may be due not only to rates (Freight) but also to quantities of materials transported. The factor of quantities should be taken into consideration when entering into contracts.

(Secy. To Govt. Punjab P.W.D Branch Endorsement No. 104/87-3203-G, dated the 26th October , 1236 filed in case jullunder 6/34-35. Case W.M 55-57).

135. The State Government after consulting the legal Remembrance have arrived at the following conclusions in regard to the question of the legal implication of the clause in the standard form of the public Works Department agreements (Clause 25 in B&R in

B&R forms f.1 and f.2 and clause 14 and 16 in the Irrigation Branches forms A.B. respectively which constitutes the Superintending Engineer the final authority in regard to the settlement of disputes arising out of the contract:-

(1) This clause is an arbitration clause and should be treated as such viz. any award made by a Superintending Engineer under this clause on a dispute concerning any matter referred to in the clause is a legal award, and as such, is subject to the absence of certain legal defects, final and binding on both parties to the dispute, irrespective of any executive or financial restrictions that may be imposed upon the Superintending Engineer as a departmental officer of Government.

(2) The Superintending Engineer as arbitrator has to interpret the contract and this clause does not give him authority to go outside the contract and to award payments not provided for in the contract. He should not make an award on any matter which does not fall within the terms of the contract, and on claims to which Government has not already agreed, e.g. claims of an extra ordinary nature such as claims for a bonus, for extra labour employed in completing a work before the contractual period at the request of the Engineer – in – Charge of the work or claims for compensation when the work has been brought to a stand still through no fault of the contractor. In such cases the claimant should be merely directed to submit his claim to the proper authority for consideration of Government as a claim falls outside the Arbitrator's Jurisdiction.

(3) In regard to claims other than those included in and so capable of being settled under the arbitration clause, the Superintending Engineer will function as an Agent of Government and as such as will be bound by any instructions or delegation of powers issued by the higher authority.

In this connection the following procedure will be followed:-

a) Before action is taken under the arbitration clause the aggrieved party should give a formal notice to the S.E. of all the points in dispute on which his arbitration is desired and which must be such as are described in the clause.

b) The Superintending Engineer would then act not as a departmental Officer subordinate to Government but as an arbitrator adjudicating between the conflicting claims of the contractor on the one side and of the Government's case represented by the Executive Engineers on the other and should announce an award with the full realization of its legal consequences.

c) The award should cover all the points submitted in the formal notice and no others.

d) If the question were at any time to be raised as to whether an award had or had not been made under the arbitration clause, the Superintending Engineer should be prepared to swear that he made a particular award in his capacity as an arbitrator with the full realization of the legal consequences of his act.

e) In all cases of arbitration in which the amount of award exceeds Rs. 2000 a copy of the award should be forwarded to the Haryana Government for information.

f) Superintending Engineers have instructions to send in all such cases intimations regarding the awards made by them to the audit officer for audit purposes. The award made by a arbitrator is binding on both parties and there can be no question of the Audit Department or of Government criticizing the action of the arbitrator unless misfeasance or malfeasance is so clearly apparent as to render it imperative for Government to take legal action to have the award made by the arbitrator set aside. As, however, it is desirable that the Audit Department should be in a position to ascertain whether the arbitration proceedings resulted from the failure of the departmental officers concerned to carry out their duties properly, it is necessary to acquaint the Accountant General (Audit) Haryana with the entire circumstances necessitating a reference to arbitration. To enable this to be done, the department in which a case is referred to arbitration should prepare a memorandum showing the full facts dealing with the circumstances leading up to arbitration and stressing whether or not there has been any failure on the part of any departmental officer concerned, which has contributed to the need for arbitration. The memorandum should be prepared as soon as the arbitration proceedings are complete and sent to the finance Department for consideration and then on receipt of the letter's observations, forwarded to the Accountant General (Audit) Haryana to enable him to decide whether or not the case is fit one for report to the Legislative Assembly through his Appropriation Accounts.

(Endt. BY the F.D. Punjab No. 776-F.P.W. 40/75, (FPW.) dated 8th March, 1940 , in Irrigation . B&R and E.B. No. 200/FA, dated 2nd August, 1933 filed in B&R file No. 35-5(2).

(Letter No. 4174/FPW.39/260 (F in P.W.) dated the 20th September , 1939 from the F.D. PB., in W.M. 14-31 of 1939-40).

136. Under clause 2 of contract agreement, forms F.1 and F.2 a Superintending Engineer can in his official capacity hear an appeal from a contractor against the orders of an Executive Engineers for payment of compensation by the contractor. If the Superintending Engineer thinks fit, he can reduce the rate of compensation to be paid by the contractor but he cannot waive payment of compensation "in toto". The contractor's request that payment of compensation be waived altogether does not debar his case for being heard by the superintending Engineer as Superintending Engineer but he (Superintending Engineer) must observe the formalities laid down.

(Chief Engineer, Punjab. P.W.D B&R Branch 's letter No. 286/26/904 dated the 2nd may, 1941 received with Resident Audit Officer's endst. No. RA/LT/121-A, dated the 14th August, 1950 filed in case W.M. 14 Misc. Na al-I of 1950-51).

NOTE:-

Punjab Government in the B&R Branch after examining a case of levy of a penalty of a petty sum arbitrarily fixed by the Superintending Engineer which was observed by Audit as inadequate and ultra virus of the spirit underlying the provision of the above clause, instructed all S.Es/ Executive Engineers to avoid the abuse of powers vested in them under clause 2 of the agreement by levying token/petty amounts as penalty against the contractor for delay in the commencement or completion of the work.

The observance of these orders may be seen in Central/Local Audit.

137. At the time of the local inspection of the accounts of the B&R Divisions, it should be specially examined that when minor changes are made in specifications of work in respect of an item in the agreements of contractors, they are not paid at schedule rates, but at these rates less abatement. Any flagrant cases of abuse in the matter, when noticed, should be reported to the finance Department and the Chief Engineer, Buildings and Roads Branch.

(Endorsement from the Finance Department , Punjab to Accountant General, Punjab No., 6819 F.P.W./39, dated the 2nd February, 1940, case W.M. 14-31 of 1939-40)

138. The grant to contractors of remissions of abatement whether by way of compensations for alleged difficulties in the execution of work or by way of reward for good work should be challenged in audit. The Local Government consider them undesirable being liable to abuse and to induce, would be-contractors to tender low in the hopes of eventual partial and whole sale remission and so to undermine the utility of the system of public tender.

(Secretary to Government , Punjab, P.W.D B&R Branch Letter No. 81-G/05/1012G, dated the 26th March, 1925).

139. It was decided by Government that except with their previous sanctions, no payments should be made to contractors in respect of claims due to certain expenses having been omitted from a contract since if Government were to accept responsibility as a matter of course for expenses omitted from a contract, it would be impossible to foresee Government 's responsibility on any particular project and there would besides, be the risk of a tender being accepted, which may appear cheaper but prove to be more expensive than others in the end.

(Secretary to Govt. Pb., B&R Department's letter No. 27-N.L. 37/3210 dt. The 27th January, 1937 received with F.D. endt. No. 27/E.I/37/3210 dated the 27th January, 1937 filed in file No. R.E. and of 1935-36 (case M 35-5).

140 Contracts containing any unusual conditions or in which subsequent material variations may have been made should not be sanctioned without the approval of the Finance Department.

(Government of India orders on the recommendations of the public accounts committee on Appropriation Report, Central Govt. for 1923-24 para 49).

141. Payments of compensation to contractor, require the sanction of State Government in the finance Department and should be challenged in audit unless supported by such sanction.

(F.A. and joint Secy. To Govt. Pb., Finance Department U.O. No. 27-F.A., dated the 28th February, 1927).

142. The following check will be exercised in respect of the Register of Tenders in terms of paragraph 2.72 of the Punjab P.W.D Code.

a) A tenders other than the lowest may only be accepted after obtaining the approval of the officer immediate superior to the one who under the rules is competent to accept the tender. Reasons for rejecting the lowest tender or any should also be recorded on the register of tenders which should be treated as a confidential record.

The register should , however, be produced for inspection of the Audit Officer, if he so desires.

(Para 7.32 (ii) of the B&R Manual of Orders).

Note:- The tender which does not fulfill the conditions laid down in the notice inviting tender should be considered to have constituted a breach of the rules and should not taken into consideration even though it may be the lowest tender and hence likely to benefit Government.

b) The only reasons for not accepting the lowest tender are the inability of the contractor to execute the work due to his being either too petty or too busy with the other works. If a Sub Divisional officer or Divisional Officer does not propose to accept the lowest tender, he must get permission from his immediate superior, and give reasons why an approved contractor's lowest tender should not be accepted. Such reasons should also be recorded confidentially in the register of tenders.

c) All tenders received shall be entered in the register of tenders, Stereo I.B. 418 by the Officer receiving the tenders together with a not of his decision thereon. This register into be maintained as a confidential document.

(Article 4.1 of the I.M.O)

Note:- When bringing to notice cases of acceptance without adequate reasons of tenders other than the lowest in the Inspection document, the Inspecting Officer may inter-alia indicate whether their ratio to the ratio to the total number of cases examined, pointed to the conclusion that they are merely individual lapses or indicative of a most wide spread general tendency.

(Letter form the Comptroller and Auditor General of India No. T-1123-Rep/K.W..38-32 dated the 7th September 1934 (Filed in case W.M. 15-17 Genl.)

d) Tender register maintained should be examined to see that it is kept in the proper form and is written and handled as per orders of the Government issued from time to time. While examining the tender Register, it should be seen that there is a fair competition among the contractors and that there is no evidence of a ring or pool having been formed by the contractors to deprive the Department of the benefits of fair competition among them. In addition the Inspecting Party should collect the number of works let out on single/ two tenders in the following proforma and send it along with the inspection Report to enable the Central Office to gauge the extent to which the competition among the contractors is lacking.

Sr. No.	Name of work	Amount of estimate	Date on which tenders were received	No. of tenders received	No. of contractors working in the division	Remarks
1	2	3	4	5	6	7

Cases of the above type may also be examined to see however the rates paid in such cases compare with those in case of similar works let out on the basis of more tenders.

e) No subsequent quotations should be obtained after public opening of a tender by the Officer concerned. In case a subsequent quotation is found to be to Government advantage , then fresh tenders be called to enable all concerned to compete on equal footing.

(Chief Engineer, Irrigation Works, Punjab, endorsement No. Q 28377-79/WG/1091/45, dated the 10th December , 1952, filed in W.M. 14/31 (2) and CAG's letter No.E B&R Branch No. 2128-G, dated 20th April, 1953 filed in WM 14-31(2) 438/12-5).

143. See that notices to contractors under clause 14 of the Contract Agreement forms No. F.1 and F.2 are invariably issued under the signature of the "Engineer in

charge” which term means, vide clause 6 of the forms, either the Sub-Divisional Officer or the Executive Engineer where the Sub Divisional Officer or the Executive Engineer, is a party to the contracts. In the case of contracts executed by higher authorities the notice to contractor, under clause 14, should be issued by the Executive Engineer unless specifically mentioned in the contract to the contrary.

144. Stipulation for supply of stores to Contractors:-

Issue of materials to contractors for execution of completed item or work is generally permissible when it is considered necessary to retain the supply of certain material in hand of Government. All Such materials should be specifically mentioned in the Notice Inviting Tenders and their-issue rates indicated therein. In this, connection the provisions of Rules, 7.43 to 7.49 of the Departmental Financial Rules may be carefully studied and observance watched at the time of local audit.

145. Advances to Contractors:-

Normally payments to contractors should be made for works actually done and no advance payments are allowed except secured advances in which case payment is allowed on security of materials brought to site where contract is for finished work, including both labour and material. Grant of secured advances should be examined to see that these are granted according to Rule 7.34 of D.F.R.

Other types of advance payments should be reviewed to see that these were admissible under the Rules or orders in force, receipt, the payment will be treated as advance payment. It should be seen that the payment made in such cases confirm to the Rules or orders in force and that suitable arrangements exist for adjustment of the advance as soon as the supplies are received and measured, counted, weighed or surveyed. Delay in adjustment should be examined and commented upon, if necessary.

147. Sale of Tender Forms:-

The following instructions shall be observed by all the P.W.D Branches in connection with the sale of tender forms and keeping accounts thereof-

- i) These forms are to be bound in books of 100 forms each and machine numbered.
- ii) The forms are to be issued to the contractor/Labour and construction cooperative society, as the case may be, on payment as under:-

a	For works costing up to Rs. 5 lacs	Rs.250/-
b	For works costing between Rs.5lacs to Rs. 20 lacs	Rs. 500/-
c	For works costing between Rs. 20 lacs to Rs. 50 lacs	Rs. 1000/-
d	For works costing between Rs. 50 lacs to Rs. 1.00 crore	Rs. 2000/-
e	For works costing above Rs 1.00 crore where prequalification is required	Rs. 3000/-
f	For works of global tenders (World Bank Works)	Rs. 15000/-

(Authority: Memo No. 4103-4198/General dated Chandigarh, 27th March 1997.

(iii) The tender forms used for preparing contract agreement (in which case the Department and the contractors are parties) and those used for keeping copies as records in the Divisional Offices should be issued gratis. These forms should bear remarks "for official use"

(Finance Department endstt. No. 2556-FCW-58/13718, dated the 9/10th September, 1958 filed in WMI/ 1-2/58-59).

(iii) An account of the receipts and issue should be kept in a register in the following form:-

Receipts date	Opening Balance	Receipt	Total
(1)	(2)	(3)	(4)
Form issued	To whom issued	Value	Balance

Whenever a fresh stock of these forms is received from the Controller of Of Printing and Stationery, Haryana an entry will be made in the register as below:-

"Receivedforms from the Controller of Printing and Stationery , Haryana vide his no..... dated"

This entry will be countersigned by the SDO or the Divisional Officer in token of verification.

(v) Daily totals of the sale proceeds should be entered in the cash book and verified daily as soon as possible with the cash book by the S.D.O or the Divisional Officer and entries in both these documents initialed by him in token of this check.

The sale proceeds should be credited to the General Receipts of P.W.D Branch concerned.

(vi) At the end of the month, the register of Receipts and Issues should be properly closed and certificates recorded as under:-

Value of Forms sold during the month has been verified and entries in the cash book duly initialed by me.

Signature

S.D.O

D.O

(Punjab Government Finance Department's endorsement No. 1567-ECW-57/2256 dated 23rd April, 1957/8th May, 1957 filed W.M. I/1-2/56-57-58).

148. (a) Tender Notice (a) It is not necessary to call for tenders for works, the full estimated cost of which including labour and material is less than Rs. 1000.

(b) Tenders must be called for in the case of all estimates (except the annual Maintenance and Repairs estimates) amounting to Rs.1000 or over in Stereo I.B. Form No.417.

In case of the Annual Maintenance and Repair estimates tenders must be called for if an individual work executed on contract costs Rs.1000 or over.

Tenders may only be invited from contractors whose names are included in Circle list of approved contractors.

© In the case of estimates amounting to Rs.2000 or under, the Sub Divisional officer shall invite the tenders and make the awards. For estimates over Rs.2000 tenders shall be invited by the Divisional Officers.

(d) In order to prescribe the uniform procedure to be adopted by the various P.W.D Branches , in respect of keeping the offer for a specified period by the tenders , the Punjab Government (Finance Department) has decided that in all such cases a time limit of 90 days may be provided in the tender note and necessary clause introduced therein.

(2) Building and Roads; (a) Normally tenders must be called for the execution of all works and repairs intended to be given out on contract, in accordance with the procedure laid down in paragraphs 2.64 to 2.69 of the Punjab PWD Code 2nd Edition. Should, however, special circumstances render it impossible to invite tenders in any particular case, the officer concerned should record the reasons and obtain the written approval of his immediate superior before taking further action, a note of the orders authorizing the execution of the work without the formality of inviting tenders should be attached to the agreement concerned. The record of reasons for not calling tenders should be made available to Inspecting Audit Officers if called for.

(Para 7.25 of the B&R Manual of Orders)

(b) for B&R only:- In regard to works to be given out on work order basis, quotations must be given invited for all works and repairs costing between Rs.1000 and Rs.10000. The calling of quotations for works and repairs costing less than Rs.1000 is not compulsory and is left to the discretion of the Sub Divisional Offices.)

(Para 7.25 of the B&R Manual of Orders)

149. To ensure adequate publicity to tenderers the following instructions have been issued by the Chief Engineer, Punjab PWD B&R Branch, Patiala for careful observance by all concerned.

(i) In the case of works costing over Rs.50000 the tender notices should be advertised in the press both in the Vernacular and English. Besides , letters should be addressed to individual contractors falling in the category to which the advertised work relates, inviting them to peruse the tender notice exhibited by the Executive Engineer concerned at his own office or offices of other Divisions and Submit their tenders. Such tender notices should be issued under postal certificates . A copy of the tender notice should also be circulated to all divisions for being exhibited on their notice boards.

(ii) In the case of works costing over Rs.20000 but less than Rs.50000 the procedure to be adopted should be the one suggested in (i) above with the exception that the tender notices should be advertised in the press and that the letters should in the case of 2nd class contractor, be only issued to the contractor working in the particular division to which the work relates.

(iii) For works costing Rs.10000 but less than Rs.20000 the tender notice should be exhibited in all the Divisional and Sub Divisional Offices of the circle concerned.

(iv) As regards the works costing less than Rs.10000 the tender notices should be exhibited in the Divisional Office concerned as also in the Sub Divisional Offices of that Division.

The period of notice should be as follows:-

(a) For works costing Rs.50000 or above 'Three Weeks' clear notice.

To ensure the publication of the notices well in time, the Executive Engineer should forward the brief notices to the Director of Public Relations, Haryana a further week in the advance , thus the date of the Notices be about 4 weeks before the date of the receipts of tenders.

(b) For works costing less than Rs.20000:- Ten days clear notice. In this case the notices should be issued 2 days earlier.

To prevent unauthorized removal of such notices, the Executive Engineers should see that the Notices Boards are provided with chicken wire netting having locking arrangements.

149. Scrutiny of Tenders:-

The above instructions are being observed in P.W.D Public Health Branch also.

To prevent overwriting and interpolation of rates indicated in tenders the following instructions may be followed strictly.

(i) Each page of tenders should bear dated signatures (With time) of the officer opening the tender as well as of the Head Clerk and the Divisional Accountant.

(ii) In case of any overwriting etc., the instructions contained in sub para(B) of para 7.30 of PWD B&R Manual of orders should be strictly observed and the attestation of corrections/overwriting of rates etc., and noting of rates in words(if these not already stand indicated in words in the tender) should be attested, by officers responsible for opening tenders, immediately after opening of tenders. His signatures should bear date with time and such attestation should be countersigned by the Head Clerk and Divisional Accountant.

(iii) The entries made in the tender should be countersigned by the Head Clerk as well as his Divisional Accountant alongwith recording of certificate by them to the effect that entries made in the tender register are exactly the same as existed in original tender at the time of opening or as corrected by the Divisional Officer in their Presence.

(letter No. 167-G-83/1485-1551/ic-2 dated 13.5.85 from. EIC Haryana PWD B&R Branch, Chandigarh.

150 Contract Securities:-

The Buildings and Roads Branch have decided that when the Divisional Officers find it convenient to do so, the requirements of note below Article 80 of the Account Code, Vol. III should be followed in the case of earnest money received from and returned to contractors on the same day the tenders are opened, when, however, it is not convenient the ordinary procedure laid down in note below PFR. 12.5(7) and STR. 4.12(b) should be followed. The Irrigation Branch has adopted the latter procedure.

(Correspondence ending the letter No. 87A/29.129/G.S. dated the 17th August, 1933 from the Secretary to C.P.P.W.D B&R, Branch, file W.M. 14-Misc. of 1933-34).

151. The Director General of Posts and Telegraphs, New Delhi, has decided in his letter No.IM-547/34/S.B. dated the 17th February, 1936 that the earnest money, which a tenderer for a contract is called upon to furnish along with his tender for the contract, is not security deposit within the meaning of Rule, 45 of the saving Bank Rules for Depositors and Rule 5 of the Rules relating to the post Office Five-Year Cash Certificates. He has therefore, instructed all the Post Offices under him that no account should be allowed to be opened for the deposit of such deposit money in the Post Office Saving Bank nor should any cash certificates be allowed to be issued towards the investment of such money.

152. Cash Certificates issued by a bank cannot be accepted as security under Rule 3.6(b) of the Subsidiary Treasury Rules, and Government, Punjab, Finance Deptt. Letter No.22599 (Fin.Genl..) dated the 30th August, 1933 both of which treat the fixed deposit receipts only as the recognized form of interest bearing security.

(This office letter no. WAD/CT-634-35605 dated the 25th October, 1934, to the Reclamation officer and D.C. Criminal Tribes, Punjab).

153. Fixed deposit receipts of any bank may in future be accepted as security in cases falling under rule 3.6(b) of the Sub-Treasury Rules. It is left to the authority demanding the security to decide whether the bank concerned is a reputable firm engaged in regular banking business [Pb. F.D. Letter No. 22599 (Finance-Genl.) dated the 30th August 1933 file No. W.M. 35-21(b)]

154. Government paper tendered as security should be taken for purposes of furnishing security at its market value at the time of deposit subject to the following conditions:-

(1) The amount of Government paper should be such that its market value at the time of acceptance is not less than the amount for which security is required.

(2) When owing to depreciation in the market value of the Government paper, its market value is less than the amount of the security required by more than Rs.100/- further security should be taken to cover the difference.

(3) When owing to appreciation in the market value of Government paper, its market value exceeds the amount of the security required by more than Rs.100/- further security should be taken to cover the difference.

(4) It should be seen that the principles underlying the foregoing orders of Government are also observed in connection with other permissible forms of paper securities, such as Municipal Debentures, Port Trust Bonds, etc.

(Pb. Govt. F.D. endst. No. 34603-F dated the 23th November, 1926, note 1 below para, 2.73 of the Pb. P.W.D. Code and note under rule 3.6 (b) of the Subsidiary Treasury Rules).

155. The following principle laid down by the Comptroller and Auditor General of India, in connection with the local Audit of the contracts, purchase orders and connected documents of the organization of agencies in States dealing with large scale purchases of stores etc. may also kept in view.

- (i) The local audit of the store purchase organization or the Central Purchasing Agency should be done at least once a year, the periodicity being increased at the discretion of Accountant General.
- (ii) All contracts and purchase orders above Rs.50000 should be audited and reviewed in detail in local audit and a percentage of others test checked according to the quantum of audit and review laid by Accountant General taking into account the local conditions and circumstances. All important and unusual contracts should invariably be reviewed.
- (iii) Rates and Running contracts should be audited and reviewed in full.
- (iv) Para 53(i) of the Memorandum of Instructions regarding the extent of Audit should be followed strictly and the Inspecting Officer should review all regular contracts executed by the store purchase organization or the Central Purchasing Agency, and test check other agreements made since last inspection.
- (v) There should be a Proper co-ordination between the audit in the Headquarters Office of payment made by the department concerned and the audit of contracts, purchase orders etc., of store purchase organization or the Central Purchasing Agency.

Comptroller and Auditor General of India letter No. 2478/ Admn. II/18458 dated the 9th October , 1958 copy received with T.M. Section endorsement No. T.M./2/58-59/1784 dated 24th January, 1959 filed in file No. W.M.-I/14-Misc.

- (vi) The audit thrust should inter-alia be in the following directions:-
 - (a) Assessing the efficiency and effectiveness of purchases function and system .
 - (b) Whether conversion of money into materials has been done merely to prevent surrenders in the grants.
 - (c) Whether the inventories in the different departments are commons surate with their normal requirements. Specific cases of inventories where the balances are much higher than the normal consumption may be examined to find out the reasons for the flabbiness of the inventories; and.
 - (d) Particular purchase decision should be examined to see whether purchases were justified keeping in view then existing stock and the future trends of consumption.

(Authority: CAG's letter No. 1204-REP.(S)/7682dated 30.07.82).

156. Negotiated Tenders a) With a view to ensuring speeding up the Implementation of building construction programme, Government have delegated the following powers in regard to the awarding of works by negotiations with the lowest tenderer to the Engineering Officers of the PWD B&R . These powers are also exerisable by Engineering Officers in the

Public Health Branch also so far as building works such as water supply estate services and air conditioning are concerned.

Sr.No.	Designation	Powers delegated
(i)	Assistant Engineer	Rs.5000
(ii)	Executive Engineer	Rs.1,00,000
(iii)	Superintending Engineer	Rs.5,00,000
(iv)	Chief Engineer	A Rs. 15,00,000 without the prior approval of Govt. B Full powers with the prior approval of Government.

(b) The following detailed procedure has been laid down for acceptance of negotiated tender:-

1 Regular tender should be invited after giving due publicity. If the rates tendered are found to be high or pooling of tenders is suspected by the officer receiving tenders, he will refer the matter to his next higher authority and get his permission for recall of tenders. The period of notice for recall of tenders may be suitably reduced. Say a period of fortnight, so that undue time is not wasted in allotment of works. In urgent cases, the Executive Engineer may recall tenders by reducing the period of notice but he must inform the Superintending Engineer simultaneously.

2 After the tenders are opened, and no reasonable tender is received even on the second call negotiations with the lowest tenders for a reasonable rate should be entered and finalized in 4 days at the latest. In case the lowest tenderer is not prepared to accept a reasonable rate, the Executive Engineer, should negotiate with the second lowest tenderer and finalize his negotiations within a couple of days. he should submit the results of his negotiations within a week to Superintending Engineer. The S.E. and if the acceptance of tender is not within his powers, the Chief Engineer is authorized to decide the case within a week/ fortnight respectively.

(iii) In case of very urgent works such negotiations may be even undertaken without inviting fresh tenders second time.

(iv) Negotiations as described above may be:-

(i) With respect to reduction of the overall tendered rate, or.

- (ii) In regard to conditions which either:-
 - a) Have assessable financial consequences or
 - b) Whose financial consequences cannot be assessed or
 - c) Which do not have financial consequences on the tendered rate.

Further the Engineering Officers are empowered to sanction the negotiated tender in regard to:-

- (i) the overall tendered rate;
- (ii) conditions

Provided the modifications are to the advantage of the government.

© In case such negotiations do not result in reasonable rate for allotment of work, Chief Engineer, should arrange to get the work done departmentally.

The undertaking of work departmentally is to be reviewed after one year.

(Authority:- Memo No. 5649-BRIII (2)-63.21469m 12th July , 1963 from the Govt. Punjab, P.W.D B&R/ Public Health Branch and letter No. 3974-BRIII(2)/65/11043, dated 29th April, 1965 from the same authority).

(d) The cases relating to acceptance of negotiated in respect of those "Deposit works" which are directly or indirectly financed by State Government, should be decided according to the delegations above.

In other cases where no financial assistance is afforded by the State Government in any shape the Chief Engineer or the client Department/Organisation can accept the negotiated tenders making a reference to the Finance Department.

(Authority :- Government , Punjab PWD., B&R/PH Branches Memo No. 10484-BRIII(2)-65/37488, dated 18th November, 1965).

157. Deleted.

(xiv) Contractor's Ledgers

158. The contractor's ledger is maintained in the divisions to keep a record of the sums due to and from the contractor . The contractors ledger should be subjected to cent per cent check in respect o f one selected month from the vouchers, transfer entries and stock accounts. In addition , a general review of the ledgers may be conducted to see that these are

correctly written up, in accordance with Rules 7.90, 7.91, 7.92 and 7.93 of the DFR., are balanced and reconciled vide Rule 7.94 *ibid*.

It should also be seen that the review of the ledger as laid down in Rule 7.96 *ibid* has been conducted. Cases of balances outstanding for over 6 months should be particularly scrutinized.

(xv) Work Accounts and Analysis of Work.

159. The points to be generally looked into in the examination of these account are enumerated in paragraphs 44 and 45 of the Secret Memorandum”.

160 I. In addition to these, the following should also receive attention from the higher Audit point of view:-

(i) Ex-gratia payments to contractors for importing labour, for rapid execution of works, for damages sustained by floods or fires, etc.

(ii) Compensation to contractors for delay in starting a work or its abandonment, or for variation from the estimates.

(iii) Payments for clearance of site, water required for construction when these are not specifically provided in the contract;

(iv) Any extraordinary charges to works.

The amounts show in the register of works and under the sub-head ‘suspense accounts relating to contractors , Labourers”, and advances to workmen should be analysed to trace out the details.

a) In the work abstracts concerned and the contractor ledger as regards arrears due to or from contractors.

b) In the work abstracts muster rolls, acquittance rolls and the connected record of unpaid wages of labourers and work – charged establishment as regards balances shown under the suspense column “Labourers”.

c) In the Broad-sheet concerned, as regards the advances granted to the work-charged establishment in the Central Public Divisions on the eve of important festivals.

(Comptroller and Auditor General’s letter no. 357-Admn.II/118.57, dated 18th February , 1958, filed in W.M.-14-Misc. 1957-58).

II. In the course of analysis of a work or works to be done under paragraph 31 of “Secret Memorandum of Instructions”, the following points may be particularly looked into-

- a) The estimate of the work concerned should be studied together with the relevant correspondence and all charges carefully examined to see whether any of these do not fall beyond the scope of sanction . Quantities should be compared with the quantities of work actually done with a view to verifying that savings due to abandonment or otherwise have not been utilized for additional work or that there have been no material alterations or modifications in the sanctioned design without the sanction of the competent authority.

See paras, 2.93 to 2.96 of the Pb. P.W.D Code.

- b) All payments and supplies of materials etc. should be made strictly in accordance with the contract agreement indicating no laxity in any of the terms. The rates provided in these contracts should be specially scrutinized with reference to the sanctioned estimate and the schedule of rates to see that they do not allow any concessions detrimental to the financial interests of Government.
- c) Quantities of the materials required for the work actually done should be worked out on the basis of the analysis given in the estimate or other established formula and compared with the actual issues both in the case of direct issued to works or issued to contractors to investigate the differences if substantial.
- d) Examine the profile and the rates on significant points received from Audit Office containing details of quantum of expenditure results of scrutiny of contracts, extra, items, deleted items, variation in contracted quantities, delay in completion of work, unadjusted items, recovery of materials etc.

(Authority:- C.A.G's letter No. 1063-TA II/222-82 dated 7.9.82 file WM/ Inspections/82-83).

161. Surplus Materials at Site of Completed Works:-

Ascertain, if possible, whether there are any surplus materials at site of completed works, and any balances due to or from contractors, etc; if so, these should be brought to notice.

(xvi)- Work-Charged Establishment

162. The record (Register of fixed charges, form D.F.R. (P.W.4) showing the W.C. Estt. Employed in the Division, should be examined to see that the sanctions and charges relating to it are in order. The genuineness of entries in these registers may be test-checked by comparison, with the paid acquittance roll of W.C. Establishment.

Members of work-charged establishment who are generally paid at monthly fixed rates of pay should not be paid as daily labourers with a view to infringe the rules governing the pay of such establishment.

(D.A.G's orders on the E.E. Jhalum, Provincial Division Letter No. 501-A dated 24th March 1930, filed in WAD-10 case W.M. No. 35-27 of 1922-23-1930-31).

163. T.A. to Work-charged Establishment- The Punjab government in Irrigation Department have decided that with effect from the 1st March, 1953, halting allowance should be allowed to work-charged establishment at the same rates as are admissible to his counter-part in the regular establishment when a person spends the night away for his headquarters.

For journey by rail he should be allowed actual expenses.

No daily allowance will be admissible in case the person returns to the headquarters and does not spend the night out.

(F.D. endorsement No. Q-8976-78/WG/110/18, dated 17th April, 1953 and 155547/WG/110/18, dated 27th July, filed in W.M. 14-22)

164. (i) The Punjab Government in the B&R has sanctioned the grant of daily allowance to work-charged establishment at the same rates as are admissible to their counter-parts in their regular establishment when a person spends the night away from headquarters.

(ii) No daily allowance will be admissible in case the person returns to the headquarters and does not spend night out.

(finance department endorsement no. 287 , dated 22nd January,1954, filed in W.m. 14-33)

165. from para, 2.26 (3) of the P.W.D code it will be seen that the provision for W.C. Establishment in an estimate should be made, at a percentage rate on the cost of work to be done. It should therefore, be particularly seen that the prescribed percentage is not exceeded without the sanction of the competent authority and that no estimate consists merely of W.C. Establishment without the detail and quantities of work done being given therein.

In cases where any item of work is proposed to be done departmentally , labour for this purpose should be treated as daily labour (though preferably be paid on monthly wages) and not as W.C. Estt. Defined in para 1.131 of the P.W.D Code.

Similarly, it should be seen that for petty works which fall within the duties (as defined in the manual of the respective Departments) of regular road gang in the B&R Branch , and canal parties in the S.B employed on W.C Estt. Payments are not made to contractor. All such payments should be challenged in audit and brought to the notice of the controlling authorities.

166. (a) The Punjab Government have decided that work charged men who are discharged from service owing to work being slacked without any fault on their part, should be given on re-employment the same rate of pay which they were getting at the time of their discharge.

(Finance Department endorsement No. 10052-GSC-110/18, dated 18th June, 1952 filed in W.M 14-Misc 52-53).

(c) It has been decided by the Governor in council that the W.C. Establishment employed in connection with the maintenance of ferry service at certain stations in western jamuna canal circle should continue to be maintained and charged to the Annual Maintenance and repairs of the Canal.

Secy. To Pb. Govt. P.W.D 2B No. 3093 Accounts, dated 5th March, 1937 copy received with F.D. No. 3094 Accounts of the same date filed in file No.2 of karnal Division WJC of 1935-36 case W.M 35.27).

167. Advance of pay given to the work charged establishment of C.P.W.D on the eve of important festivals.

It has been desired by the Comptroller and Auditor General of India, with the concurrence of the Ministry of finance (Budget) Division that the amount of the advance given to the work charged establishment in C.P.W.D. should be debited to a new suspense head 'Advances to workmen' in the account of the work concerned and that the recoveries should also be credited to the same head. As a safeguard the Divisional Officers should also maintain a Register and Broad sheet of these advances in form No. A.T.M 37 to provide a link with the amount outstanding in the works account. During inspection of the Divisions it should be examined whether the Broad sheet is properly maintained and that recoveries are effected promptly and that the dues are not allowed to accumulate without effective action.

(C.A.G's letter No. 357-Admn. II/118-57, dated 18th February, 1958, file W.M.I./14-Misc/57-58).

168. It has been decided that recoveries of Loan/Advances granted to Work-charged Establishment in C.P.W. Divisions should be checked at the time of local inspections. Recoveries in respect of these advances may be checked for two or four months at the time of each half-yearly or yearly inspection respectively. Necessary selection for the purpose be got approved at the time of selection of work, month and Sub-Division, etc. The month selected for detailed audit will also form a part of the above selection. Omissions/Irregularities noticed may be suitably commented upon in the Inspection Report.

(D.A.G.(W)' s Orders, dated 11th February, 1965 on page 47N).

169. Weekly rest to work-charged establishment

All workers of work-charged establishment except casual labour in the Irrigation Branch will be allowed weekly rest.

(F.A. to Govt., Punjab, Irrigation and Agriculture Deptt. Endt. No. 5654-IW-II(2)-61, dated 28th September , 1961, filed on page 19 in file No. WM.I/14-3/1961-62).

(xvii) Contingencies.

170. (a) The propriety of all contingent charges should be carefully examined with a view to finding the possibilities of any further economies.

(b) The State Government I the Finance Department have ordered that with effect from 1st July, 1952, the expenditure on Kerosene oil used by the touring officials staying in the rest houses, where electricity is not provided should not be charged either in whole or in part to office contingencies.

It should met by the touring themselves as personal expenditure.

(Punjab Government , Finance Department letter to all Heads of Departments etc. No. 3969-FR-52/4553, dated 21th june, 1952 and No. 554-FR-52/9542, dated the 4th October , 1952, filed in W.M. 14-130,

(xviii) Audit of the Accounts Stores and Stock Registers.

171. (a) General principles and procedure with regard to the audit of the accounts of stores and stocks are laid down in paragraphs 2.5 of the Comptroller and Auditor General's Manual of Standing orders (Audit) and para 41 of the Memorandum of Instructions regarding the Extent of Audit. These should be carefully followed.

(b) Half-yearly stock returns are to be audited at the time of local inspection. In each return the Register of stock in forms 4;5 and 6 will be subjected to cent per cent check in respect of one selected Engineer.

172. (a) All instances of Materials lying in stock un-utilized for a long time should be included in the Inspection Report with a view to bring them to the notice of Superintending Engineer.

(b) It should be seen whether adequate steps have been taken by the Executive Engineers regarding disposal of surplus stores. The surplus stores should be traced to their source and in cases the surplus are found to be due to purchases in excess of actual requirements the facts should be suitably commented upon in the report.

(D.A.G's Order, dated the 18th September, 1936, Chief Engineer, Irrigation works Letter No. 2992-s-Con, dated the 18th August, 1946 filed in case Islam 2 of 1935-36).

172. (A) During the course of scrutiny of surplus stores, the Inspecting Officer should examine the case on the following lines:-

(i) The quantity and cost of surplus stores.

(ii) Since when lying un-utilised.

(iii) Whether declared surplus, quoting reference to orders.

(iv) Special attention is to be paid to stores, of higher value (Cement, steel, wooden sleepers, slack coal, ceiling fans fluorescent tubes etc.)

(v) Opening balance, receipts and issue, closing balance during the last three years.

(vi) Whether the acquisition of store was indudicious.

(vii) Items which deteriorate in quality by rains and weather may get special attention. (Slack coal, cement and iron may fall in such categories).

(viii) Action taken to dispose off the stores after these were declared surplus.

(Authority; Letter No. W.M.I/4(i)/Special instructions/ 4128, dated 25-1176).

173. With the decentralization of P.W. Audit W.E.F. 1st April 1962, in addition to the checks which are already being, applied on the stock returns, the following points may also be kept in view during local inspections.

(1) Rules 6.28 and 6.29 of the Departmental Financial Rules, lay down that there should be only one consolidated Register of stock for each division, transactions of each Sub-division being separately recorded therein. This point should invariably be looked into at the time of audit of stock returns.

(2) P.W. Divisional (Audited) Register of preceding year alongwith the current half-yearly register, register of stock may be called for. It should be scrutinized to ensure that it is complete in all respects and that no entries in it have been compared with. Besides, the following safe-guards should also be adopted in audit:-

(b) The pages of the current register on its presentation to the Inspection Party should be numbered before audit is commence so that on its presentation to the audit party again by the divisional office with the register for the next half year, the serial numbers can be referred to for purposes of verification of its completeness.

(c) Each page of the current register should be initiated by the audit before return to the Divisional Office after audit, to guard against the possibility of fresh pages being substituted.

(d) IT should be seen that there are no erasures or un-authorized correction and that the dates against initials to corrections are not subsequent to the date of audit.

(e) Should any corrections have been made with ink different from that with which their other corrections, if any, have been made, this point should be specially scrutinized and orders taken, if considered necessary.

(f) It should be seen that all items of the previous returns bear the usual tick mark of the auditor.

(g) On presentation of the current half-yearly return, the previous return, which accompanies it should be compared with the audit note sent by the main office to the party in order to see that there are no alterations other than those necessitated by the remarks made by this office. The old audit notes on stock returns should be returned to the Division after necessary disposal of objections. The objections of current stock return audited by the Inspection party should be incorporated in the Test Audit Note/ Inspection Report as the case may be.

(h) These returns should be scrutinized from the higher audit point of view. Special attention should be paid to the following points.

(i) Unnecessary additions to existing balances of stock materials; and

(ii) Accumulations or surplus materials.

As regards (i) a comparison may be made between (a) the quantity in hand at the commencement of the Half-year, and (b) the total during the year in the half-yearly register under audit and that for the previous half-year in the half-yearly register received there with. If the quantity as at (b) the necessity for the further addition during the half-year's in excess of the average issued of the Half-year may be considered and, if necessary, questioned in the Test Audit Note or Inspection Report. Important cases involving large amount should, however, be specially brought to the notice of the Inspecting Officer for special consideration and report to higher authorities, if necessary.

As regards (ii) important items which have not been operated upon at all or only to a very small extent during the year, should be specially scrutinized with a view to ascertaining the action taken to dispose them of.

(3) With reference to the orders in the general letter from the Chief Engineer, Irrigation Works, Punjab to the Superintending Engineers, Open Canals, No. 01326-35-A-it dated the 9th August, 1930, it should be seen:-

(i) That items of temporary "Reserve Stock" and "Surplus Stock" are grouped separately in the Stock half-yearly Returns of Irrigation Divisions and the totals of the closing balances under each of these categories agree with those mentioned in form P.W. A.29 Part I.

(ii) that any balance under sub-head "metals" and "Painter Stores", "Small Stores" and "House Fittings" are shown under "Surplus Stocks" only and that no further purchases are made under these sub-heads.

(D.A.G's orders dated 5th April, 1963 on page 25-N of the WM.I/14-Misc/Calender of Returns/62-63).

Note:- The check of issue Rates of at least half a dozen items should be undertaken in terms of Rules 6.21 of D.F.Rs and with para 118 of C.P.W.A. Code to see that these rates have been revised periodically and that all the items of expenditure effecting the issue rates have been taken into account. This may, as far as possible cover major items of stores like "Cement, steel timber , bricks etc".

(Authority:- A.G's orders dated 2nd December, 1963 filed at page of WM.I/14-Misc Cell.)

1. See that the previous register is submitted with it and is found to be complete in all respect, and that no entries in it have been tampered with.
2. See that the future issue rates (Col.22) are comparable with the "Market rates" as shown in col. 24 and that the amounts and adjusting entries (See instruction No. 5 on form DFR.(PW_II) noted in col. 23 under "Value at Future Issue Rates "are correctly worked out.
3. See that the aggregate of value balances in col. 19 of part I is correctly carried over to the column "Book value" in part II (Summary) of the register and that the "Book value" noted in the "General abstract" of part II is correct and agrees with the closing balances against items 1,2,3 and 5 of part I of the Stock account form P.W.A 29 for the last months of the half year.
4. See that there is record of stock having been taken within the previous 12 months by some responsible officials whose names and designations are specified.
5. See that no defect or irregularity in mode of keeping the detailed value accounts of stocks is indicated either by any of the important discrepancies in the rates for individuals articles, or by the surplus and deficits under the total value of the sub-heads stock . For this purpose the Future Issue Rates of articles, should be compared not only with the current Issue Rates but also with the "Market Rates".
6. See that the balances under the sub-head "storage" which are finally adjusted in the accounts of each year do not indicate any defect or irregularity in the system of calculating storage charges, vide Rule 6.24 of the Departmental financial rules.
7. See that the shortages (if any) are not large and there is no undue delay in their adjustment.
8. See that the orders passed by the Divisional Officer in part III (The Review) of the Register are adequate and in accordance with relevant rules.
9. (D) any abnormal variations in price noticed in periodical valuations of stock should be specially investigated.
10. (e) The foils of used up indent books, form DFR 26, should be called back examined and recorded in the Divisional Offices with a view to seeing that the indent books are properly used according to the rules.

(Finance Department U.O. No. 450-F.P.W.-54, dated the 2nd February 1954, file in W.M 14-Misc/N-6(a)

174. (a) According to rule 6.21 of the Departmental Financial Rules and Article 98 of the Account Code, Volume III, carriage and other incidental charges actually incurred on the acquisition and delivery of the stores at the godown should not be debited to the Stock S.H. "Storage" but to individual articles of stock. Any charges incurred after the acquisition of 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., should be debited to the sub head "Storage " of the stock account. It should be seen that these charges are being correctly classified in accounts.

(b) As regards maintenance charges of stores, godowns and store yards, the buildings of which are being used in connection with stores may be grouped into 4 classes:-

- 1) Government buildings used both for offices and stores.
- 2) Government buildings used exclusively for stores.
- 3) Hired building used exclusively for stores.
- 4) Hired buildings used exclusively for office and store.

It should be seen that maintenance charges on account of item (1) above and rent of item (3) above are charged to S.H. "Storage" . As regards items (2) and (4) maintenance charges and rent of such buildings and distributed between the two heads "Storage and " office contingencies" according to the plinth area of the structure occupied by stores and office respectively.

175. It should be seen that purchases of stores for the public service have been made in accordance with the rules laid down in Appendix VIII to the Punjab P.W.D Code and Appendix 14 to the Punjab financial Rules.

(See also rule 15.21 of the P.F. Rules)

176. Inspection staff should make it a point to investigate cases of serious loss to Government due to depreciation or otherwise of stock articles or materials at site, and to bring home the responsibility for any inadequate arrangements for storage of the articles.

Note:- 1. The Chief Engineer, Irrigation Works, Punjab has decided that local officers are strictly prohibited from sanctioning estimates for :-

- a) Losses on stock.
- b) Issue of stock.

In case materials actually used in works, but borne on stock until the Superintending Engineer concerned has issued orders on an enquiry which must be held to fix the responsibility on officer, for the use and continued use of works of stock materials without their formal issue from stock.

(C.E's endorsement No. 13933-W. Est, dt. The 26th October , 1938 case (W.A.D. IV) sulemanki- I 1938-39).

Note: 2 To avoid losses on stock the following instructions have been laid down:-

- (1) No Special materials or manufactured articles should be ordered or purchased for a work until the latter has been definitely sanctioned and funds allotted.
- (2) An officer ordering materials or manufactured articles whether for a work or for "stock " will be held personally responsible that the quantity is really needed and is not excessive for the object in view.
- (3) Materials and manufactured articles found surplus on the completion of a work should be sold by public auction and their value credited to the work (vide Rule 7.58 of the Departmental Financial Rules).
Only materials of a generally useful nature, likely to be required in the near future and not liable to deterioration may be brought on stock, and that only with the written permission of the Divisional Officer, who will be responsible that the articles in question are worth keeping at the value booked.
- (4) On account should anything be brought on to stock with a view to affecting a paper saving on an estimate.
(Para 10-60 of the B&R Manual of orders).

176-A. Verification of Receipt of Material

Public Works Inspection parties conducting local audit of stores divisions should prepare a check list division-wise in respect of issue of stock materials during selected month indicating particulars of division receiving the stores, indent number, total value of indent and brief description of the major items of stores issued. It will be the responsibility of WM Section to sort out these check lists division-wise and to forward the same to the Inspecting Officers for detailed verification during the course of local audit of Public Works Divisions Concerned. It should be specifically verified by the Inspection Parties that the stores stated to have been issued by the store division as per indent from the receiving division have actually been accounted for by the recipient division in the account of stock or work. The irregularities/discrepancies, if any, noticed on this account should be promptly brought to the notice of the Chief Engineer or Head of Department for taking suitable action. Such cases may also be mentioned in the Inspection Reports.

(Authority:- C.A.G's letter No. 764-TA-II/178-82, dated 5.7.82).

Para 176-B. Freight Charges

Conditions 12 (iii) of schedule B attached to the tender form relating to the procurement of stores by the controller of stores lays down that "contractor shall dispatch material 'freight paid' in all cases where their offer is F.O.R. destination. In the event of their failure to do so a

penalty of 5% will be charged on the amount paid as freight by the Indenting Officer on their behalf'.

All such cases where Railway freight was paid by the Divisional Officer initially but penalty of 5% was not deducted may be examined and commented upon the Inspection Report and the copies of the supply orders attached.

(Authority: letter No. W.M.1/4(ii)/special instructions / 4128 dated 25.11.76).

177. The necessity for exercising a physical verification of stores such as stock, tools and plant, Roads Metals, during inspection should be rare. The Inspecting Officer will exercise his discretion as to whether such verification should be undertaken or not.

Ordinarily, discrepancies in the stores accounts if they are not settled during the inspection period, should be noted in the Test Audit Note, or in the Inspection Report if sufficiently important. More serious cases should be marked for report to the Superintending Engineer in advance. Recourse should be had to physical verification only in very urgent and insistent cases involving important and big discrepancies.

As verification is likely to cause inconvenience to all, as well as as additional expenses to government the Inspecting Officer will be assuming responsibility for which he will be held personally, but he should not hesitate to assume it when really necessary, reporting his action at the same time to the Superintending Engineer, and the Deputy Accountant General with a full explanation of the circumstances influencing his decision in the matter.

Note:1 These orders do not apply to materials issued to works in progress which do not form part of general stores, and therefore, do not come within the purview of the physical verification of stores. In the case of minor works such issues cannot be large, while in the case of major works, an effective control over the issue of stores from stock etc., is exercised through the medium of D.F.R (PW) 30 which compares monthly the estimated quantities and value of store required for works with those of the total issues up to and of the months and through form D.F.R. (PW) 31 which compares periodically the quantity and value of materials issued to the work with those used in construction, worked out on the basis of standard formula and bring out the difference between the paper and actual balances. Materials used in excess of the estimated quantities, and serious differences, between the paper and actual balances should be specially brought to notice.

(Secretary to Govt. Punjab PWD. B&R Branch endorsement No. 1716-A.I, dated the 8th April, 1931, filed in case W.M. 1-16 of 1929-30/32).

Note 2. Divisional Offices have been issued instructions by the local government to afford all possible facilities to Inspecting Officers in cases where the latter decide to make physical verification of stores.

(Secretary to Govt. Punjab PWD. B&R Branch letter No. 77-A/483-A, dated the 2nd may, 1931 field in case No. W.M. L-16)

178. Materials borne on the stock return should on account be used in making temporary purdah walls to any residential buildings except by debiting the value of such stores to the capital account of the building concerned under proper sanction .

(Secretary to Govt. Punjab P.W.D Irrigation Branch No. 99/121 AI, dated 6th January, 1930)

179. Empty Cement Bags- It has been decided by the State Government, that in order to ensure the return of serviceable second hand jute bags to the maximum extent, the following provision may be made in the future contract Agreements-

“The rate for cement is exclusive of the cost of cement bags which shall be returned by contractors, in good condition to the Central Stores Divisions or the Engineer – in – Charge as directed. In case of default the contractors shall pay for each bag which is Rs.2.00 short delivered. Bags which are unserviceable will not be accepted. The Executive Engineer will be sole deciding authority as to whether a bag is serviceable or not”.

(Authority: Govt. of India letter No. SMH-5/RC-4116 Cement-19/Spenon, dated 28th May, 1963 issued with Director food and supplies Punjab Government, Endst. No. 5910-A.63/3 7856, dated 22nd June, 1963 addressed to Chief Engineer, Punjab Government PWD. B&R PH Branch, Patiala.).

180.(a) Empty cement bags should be taken on stock (without value). All sums received from sales should be treated as Recoveries of expenditure.

(b) Empty cement bags are required to be returned to suppliers as the Government of India have allowed the suppliers to refill cement in old bags. It should be seen that adequate arrangements exist for the quick and prompt return of the empty cement bags to the suppliers of cement or to their authorized agents at the price fixed by the Director of supplies and Disposals from time to time.

181. Return of Serviceable second Hand Jute bags to the Bag Collecting Agents of the Cement Factories; Introduction of a clause in the Central PWD. Contracts:- The recovery rate of cement is inclusive of cost of Jute or paper bags.

The contractor shall have to return at least 90 per cent of the cement jute bags in serviceable condition to the bag collecting agents. The payments for the cost of the empty hags will be made to the contractor by the bag collecting agents at the prevailing rates as fixed by D.G.S. &D. The contractor shall get the name of the bag collecting agents from the engineer I charge in writing. The contractor must produce the certificate on the printed letter head from the authorized bag collecting agents as proof for the number of bags returned by him. This certificate must be produced by him while claiming payment against each running bill. In case, the number of serviceable bags returned is less than 90 per cent of bags issued,

compensation of a the rate Rs. 2.00 per bags returned short of the minimum number shall be recovered from the contractor.”

2. This sanction issues with the concurrence of the Ministry of finance (Department of Expenditure) vide their U.O. note no. 4595-W &E/65, dated the 7th December 1985.

(Authority:- Letter No. 21(15)65-W II, dated the 14th December, 1965, from the Government of India, Ministry of Works and Housing (Works Division) New Delhi to Chief Engineer, Central PWD. New Delhi and copy to all Accountants General),

182. Verification of stock:-

Para 4.31 and 4.32 of the Punjab P.W.D Code enjoins that the Superintending Engineer will be responsible for arranging a verification of all stock, including those lying at sites once in a year by an officer other than the one who maintains the accounts of the stock. Reports of the physical verification may be persued and shortages, mistakes and surplus commented upon in the report where necessary. In case such a verification has not been conducted the necessity there of may be pointed out suitably. It should be seen that charge reports of the subordinates handling stores transferred during the period embraced by the inspection are on record, these should be seen to find out if they reveal any shortage or unserviceable stores.

182 –A In the paras pointing out shortage of material the Inspecting Officer should extend his examination / scrutiny to the aspects such as:

- a) Whether the instructions regarding physical verification of stores were being followed during the last 3-4 years. Dates on which the physical verification of stores/ T&P articles was conducting during last 3-4 years and results of such physical verification.
- b) Reasons for not conducting physical verification/initiating action for shortages noticed needs to be ascertained and incorporated in the I.R.
- c) Whether adequate arrangements for avoiding pilferage/misappropriation of stores were made in the divisional stores? If not, reasons for not doing so may be investigated and incorporated in the I.R.
- d) System for receipt and issued of stores be studied and deviation from the codal provisions be brought out in the para.
- e) Whether any departmental enquiry for fixing the responsibility was conducted? If so, the results of such enquiry should be incorporated and copy of such report attached. Otherwise detailed reasons for not conducting the departmental enquiry may be obtained and included in the para.
- f) Whether any action against the defaulter has been initiated. If so, details of such action duly supported by documents may be sent alongwith the I.R. If, no action has been taken reasons thereof be ascertained and incorporated.

- g) Period of stay of the concerned J.E./S.D.O in the division be ascertained and incorporated alongwith copies of the relevant orders.
- h) Copies of the charge reports where-in the short material was handed over may be obtained.
- i) In case the shortage is due to not handing over the charge by a junior Engineer at the time of his transfer , reasons for relieving the concerned official without ensuring handing over complete charge need to be investigated and incorporated duly supported by documents.
- j) In the event of abnormal delay in finalizing the disciplinary case of the defaulting official, reasons for delay be investigated and brought out in the para.

(Authority: W.M. section Letter No. 86-87/2376, dated 31.3.87).

(XIX) Road Metal Return.

183. a) A numerical account of the receipts, issues and balances of Road Metal is kept in the Sub Division in from DFRPW. 16 Road Metal Return is prepared in respect of the metal. The Audit procedure prescribed for the Stock Returns and Stock registers apply mutandis, mutandis in this case.

(B) Abnormal expenditure on maintenance of canal roads should be enquired into and brought to notice, if necessary.

(DAG's orders , dated 13th February, 1931 on the note put up in connection with S.E. Upper Chinab Canal Letter No. 1068/70-G, dated 9th February, 1931, filed in W.A.D. IV in file No. Range 2, for 1929-30).

(XX) Acquisition of land and payment of interest over and above the amount of land compensation.

184(i) For execution of works in the Public Works Department land has to be acquired in a number of cases and payments made to the owners of the lands. The detailed procedure for acquiring lands and payments therefore is laid down in the land Acquisition Act, 1894. The land acquisition proceedings pass through the following three stages:-

- a) Issuing a notification for acquiring land either before or after taking possession of land.
- b) Determination of the amount of compensation payable by the land Acquisition Officer.
- c) Payment of compensation to land owners after the award is announced by the land Acquisition Officer.

The delay that might take place at A and C above is avoidable. Abnormal delays in such cases is deemed as laxity and dereliction of duty, by the state Government, on the part of the officials concerned.

The stage at (B) above is quasi-judicial in character, interest, however, is payable for delay in payment after the announcement of award as also for delay in issue of notification , under the Act, after taking over the possession.

As the payment of interest is financially irregular the Inspecting Officer should collect the information in respect of interest paid in the Divisions in a proforma indicating the following details:-

1. Date of possession of land.
2. Date of notification.
3. Interest owing to delay in notification.
4. No and date of award.
5. Amount of award.
6. Date of actual payment.'
7. Interest due to belated payment.
8. Remarks.

(ii) During local inspection it should be verified that a proper departmental record has been maintained for the land acquired and there is no duplicate payment.

(Authority: Articles 3.4 and 3.5 of I.M.O and paras 8.130 and 8.131 of the B&R Manual)

(XXI) leases for petrol Pumps

185. In the Buildings and Roads, Divisions leases are entered for petrol pumps-sites for pumps and approach roads-on Government lands. The orders on the subject are contained in paras 7.59 to 7.63 of B&R Manual of Orders. In this connection it should be seen that:-

- (a) The leases are promptly finalized or renewed as the case may be, got registered, if need be, and entered in the Leases or Properties Registers.
- (b) The recoveries for the rent of the site are correctly assessed, and promptly made.
- (c) There are no arrears on this account.

If there be any arrears on this account or any other irregularities come to notice in this respect, these should be suitably commented upon in the Inspection Report.

(XXII) Encroachments

186. A register of encroachments on public lands is required to be maintained in B&R Divisions so as to keep a watch on the progress and disposal of cases of encroachments vide para 7.66 of B&R Manual of orders. This register may be reviewed to see that where encroachments are regularized , the rents etc., are properly and promptly assessed and recovered. Agreements relating to encroachment of State Lands executed under para 7.64 ibid should be examined to see that these are in order and that recoveries of rents are effected on due dates after being correctly assessed.

Where encroachments are got vacated it should be seen that the rents for the period of encroachment is assessed and recovered.

(XXIII) Licenses in Irrigation Branch

187. In the Irrigation Branch Licenses are issued for the Following Purposes:-

(a) For Grazing:- Licenses for grazing of cattle on canal banks are issued in terms of para 1.38 of the I.M.O. The lease money, in such cases, is to be recovered in advance.

(b) For disposal of fruit trees in Canal Rest House:- Where fruit trees are available in the Canal Rest Houses these are to be leaved vide para 1.39 of I.JM.O. It should be seen that the trees available are auctioned at the advent of the seasons for respective fruit to derive maximum revenues. Arrangements for the entering of leases and their registration as also for recovery of lease money should be examined.

(c) Fishing in Haryana Rivers and Canals:- Licenses for fishing in the Canals and Rivers , in the Proximity of head works are issued in accordance with the Provisions in the Punjab Fisheries Act, 1914.

The Executive Engineers are authorized to issue licenses as laid down in para 2.23 of the I.M.O. In this respect it may be examined that auctions are held in due time, licenses are issued and the auction money realized as laid down in the said para.

The accounts maintained in this respect may be examined to see that these are complete. Arrears, if any, on this account may be commented upon in the inspection Report.

(XXIV) Register of Tools and Plant and Machinery

188. The yearly returns of the T&P are checked locally. In respect of each return one month's transactions in forms P.W.A 13 & 14 should be checked cent per cent.

In this respect the party should.

1. See that the previous audited register is received back with it and is found to be complete in all respects and that no entries in it have been tampered with.
2. See that the Closing balances are correct.
3. See that there is record of stock having been taken within the previous twelve months, by some responsible officials, whose names and designations are specified.
4. See that there is a certificate by responsible official, not below the rank of Sub-Divisional Officer, that the balances in part II actually represent articles lent or sent out for repairs
5. See that the shortages (If any) noted in part III are not large and that there is no undue delay in their adjustment.

189. It should be seen that the Sub-Divisional registers of tools and plant are posted to date and that the monthly accounts of receipts and issues, form Nos. DFR (PW) 12 and 13 are received from the Sub-Divisional Officers on due date.

It should also be seen that the supplement to the balance return of Tools and Plant, viz. the detailed list of S&M instruments in stereo No. 42-E Stores I.B 5 in the case of Irrigation Branch and in stereo form No. B&R 199 in the case of Buildings and Roads Branch is properly maintained.

190. Distribution lists attached to the yearly register of Tools and Plants should be carefully scrutinized during inspection to see that office furniture is not provided for use at the residence of officers and subordinates who are not entitled to the privilege on the ground that they have to receive visitors as well as to do a certain amount of office work at their homes. The provision of furniture is restricted to such accommodation only as is covered by para 3.5 to 3.7 of the Punjab P.W.D Code.

(Government Punjab Finance Department letter No. 30850 (Fin-General), dated the 29th September, 1935, File W.M. Local Government circular).

191. The Chief Engineer, Irrigation Works, Punjab has decided that fans are essential articles of Tools and Plant and their receipt and issue accounts must of necessity follow the procedure outlined in rules 6.44 to 6.48 of the Departmental Financial Rules requiring the use of Forms No. D.F.R. (P.W) 12, 13 and 14 and that all fans should be brought on to Tools and Plants returns.

(Chief Engineer's Irrigation Works, Punjab, endorsements No 6834-S, Accts. Dated 24th September, 1938 and No. 14556-Accts. Dated 3rd November, 1938 filed W.M 14-3 (WO-2) of 1936-39).

192. It should be seen whether for the purpose of working out depreciation charges etc. the register of plant and machinery is properly maintained with all details and up to date in accordance with the instructions contained in para. 2.13 of the I.M.O.

(XXV) Miscellaneous P.W. Advances

193. (I) Under the decentralize system of P.W Audit the schedule of P.W. Advances submitted with the monthly account details only the items effected during the month. The Schedules for September and March are also required to be accompanied by list of items outstanding for more than six months. The completeness and correctness of this list will be checked during local audit when examining the Divisional suspense Register relating to Misc. P.W. Advances.

193 (ii) A detailed analysis of items placed in Misc. P.W. Advances involving Rs. 25000/- or more should be conducted during local inspection and the information may be tabulated as follows:-

- 1) The items may be grouped under three categories.
- 2) Items outstanding for more than 10 years.
- 3) Between 5 and 10 years
- 4) More than 1.5 years but less than 5 years.

(ii) Whether shortages/Losses were due to non-maintenance of proper accounts records, infringement or rules or laxity of control on the part of departmental officers.

(iii) Case of abnormal delays in investigating the shortages / losses etc. leading to delays in effecting the recovery may be examined.

(XXVI) Schedule of Public Works Deposits

194. The Register of Deposits (P.W. Form 17) may be subjected to cent per cent check in respect of one selected month's transactions.

(XXVII) Miscellaneous

195. Deduction of voids from Supplies of Stone

In order to adopt a uniform practice the following procedure should be adopted for the receipt and issue of stone from stock:

- a) The gross cubical contents of stone should be reduced by deducting voids as per orders and the net quantity so worked out for which payment is actually made, may be taken on stock.
- b) The issuing officers should record on the indent, while issuing the stone the gross cubical contents of the stone issued, show a deduction for voids as per orders and issue from his stock the net quantity worked out thereon.

The field officers should follow this procedure rigidly.

(Chief Engineer (A), Irrigation Works, Punjab Endst. No. 46816-17, dated 25th September, 1962-filed in File No. W.M.I/4-1-Irri-98).

196. Record on Count and Measurement of Materials received in the Dragline Division:-
The Comptroller and Auditor General has approved of the introduction of the following rules framed by the local Government for record on count, measurement, check and payment for materials received in the Dragline Divisions on "Goods Receipt Forms" in place of Measurement Book:-

- 1) 'Goods Receipt Forms' in the form given below will be used in the Dragline Division for detailed count or measurement of stores purchased from various firms. Entries of such stores need not be made in the M.B.
- 2) These forms will be supplied to the Store Keeper in bound books of 100 sheets each, in duplicate, properly machine numbered. The books will be numbered serially and a register of these will be maintained in the Divisional Office showing the S.No. of each book, the name of the Store-Keeper to whom issued, the date of issue and the date of its return. Its eventual return to the Divisional Office will be watched. The counterfoils when received in the Divisional Office will be checked before record to ensure that these have been properly written and maintained.
- 3) All stores received by the Store-Keeper will be examined, counted and measured by him as the case may be and entered in the Goods Receipt Form and compared with the invoices. Dated initials of the stores Keeper in the appropriate column of Goods Receipts Form will be an indication of the fact that the goods have been received by him correct in quantity and undamaged. Shortage in quantity or damage on route, if any, will be clearly stated by him against each item in the form. The total No. or he will simultaneously enter quantity received in Form 8.
- 4) The Goods Receipts Forms will be prepared in duplicate by means of a carbon paper. The original together with the invoices will be submitted by the Store-Keeper to the Divisional Officer and the duplicate retained by him in the book.
- 5) The Xen will inspect, check and measure the stores as early as he can arrange to visit the site and will record certificate on the Form in token of his having verified the quantity and quality. When, however, this is not practicable storekeeper's certificate of check and verification on the Goods Receipt Forms in case of supplies of stores not exceeding Rs.

200 in value at any one time where any individual item does not exceed Rs. 100 in value, would be sufficient.

6) The Goods Receipt Forms after these have been checked and certified by the X.E.N. will be recorded in the Divisional Office in their serial order in separate portfolios for each book.

7) The bills of the firms when received will be compared with the Goods Receipts Forms by the X.E.N. and, if found correct, will be endorsed for payment.

8) The Divisional Accounts Clerk will check the bill arithmetically and compare the rate with the purchase/work orders and after noting thereon any previous payments will put up the bills to the X.E.N. (along with G.R. Form) for final orders and payment.

9) On payment of the bills the relative Goods Receipt Forms will be diagonally crossed in red ink by affixing a payment voucher stamp thereon under X.E.N.'s dated initials. The duplicate copy of the bill will be attached to the relative G.R. Form and filed in the portfolio which should be kept with all the precautions provided for Measurement Books.

(Secy. to Govt. Punjab, F.D. No. 164-F.P.W. dated 11th May, 1935 and C.A.G.'s letter No.T-1310-Admn. II/169-35, dated 27th September, 1935, file W.A. IV No.2, Inspection Report of Dragline for 1/84.

DRAGLINE DIVISION

Original
Duplicate

No. _____

GOODS RECEIPT SHEET

Railway

Receipt

No. _____ dated _____

Supplier's Name

Invoice No. and date

Description of Goods

Railway Receipt weight

Actual weight

Page of Stores, Register (P.W.A. Forms) in which entered

Dated initial of Storekeeper in finding the material correct in quantity and undamaged.

Purchase Order No. and date

Rate

Amount

Remarks by the Xen. Regarding his check and verification of the quantity and quality of Stores received.

197. Measurements and Check-Measurements of Silt Clearance

The C.E., Irrigation Branch issued the following instructions regarding measurement and check-measurements of silt clearance:-

- 1) The Sub Divisional Officer should make the entire measurements of silt clearance of channels themselves.
- 2) The Executive Engineers should check-measure a portion of silt clearance measurements recorded by the Sub Divisional Officer to the extent considered necessary by them in accordance with Article 1.12 of the I.M.O.

(Chief Engineer, I.B.Q.-13508-28/6/13/07, dated 30th July, 1952 to all S.Es.)

198. Road Tables- The Road Tables maintained in the Divisions of Buildings and Roads Branch vide Appendix 8-F of the B&R Manual of Orders may be examined at the time of local inspection from a higher audit point of view to see that with a systematic improvement and tarring of roads, the maintenance expenditure on them is proportionately decreasing from year to year. This comparison may not be limited to expenditure on the same road in different years, but may also be extended to the rate of maintenance of different roads in the same division and, if possible, in different divisions as well.

(A.G's orders, dated 25th June, 1942, filed in W.M. 6-4 of 1940-41-43).

199. It has been decided that railway freight charges should not be accepted without the production of Railways Receipts as required under Rules. Non-production of Railway Receipts should be the exception and not the rule in admitting such charges in audit.

200. Distance Marks- In the Irrigation Branch, it should be seen that early in April each year all the distance marks in a sub-division are corrected and the results reported to the Divisional Officer. If these reports indicate substantial losses these may be commented upon in the Inspection report. In this connection the compliance of para 1.48 of the I.M.O. may also be watched.

201. Log Books- Log Books in respect of all vehicle, whether running/ functioning or not should be subjected to review at the time of local inspection. These should be compared with the Register of Log Books maintained in the Division.

202. Account of Motor-Lorries, Launches, Boats and Trollies used-for Works or Touring Purposes- In order to exercise effective control over the working of motor lorries, coverable boats, Canal Railways and trollies for carriage of materials for works or otherwise under the rules, suitable accounts and log books, should be maintained for them. In the examination of these accounts among other points, it should be particularly seen that the consumption of stores and other maintenance charges are reasonable and the recoveries in connection with them wherever necessary are correctly made and are in accordance with provisions of paras 1.32 and 1.33 and 4.11 of I.M.O.

203. Loss of Log Books:- Para, 4.8(2) OF THE Punjab, P.W.D. Code lays down that in case of loss of Measurement Books, an immediate report has to be made and this report has to be promptly forwarded to Government together with the explanation of all the parties responsible for the loss. The Government have decided that Log Books have to be given the same importance and be treated at par with Measurement Books. The loss of Log Books has to be investigated and reported to the Government as has hitherto been done in the case of Measurement Books.

(Government of Punjab P.W.D. B&R Brach, letter No. I-GA/5046-52 dated the 21st August, 1956).

204. Working of Government Vehicles:- Rules for the working of the Government vehicles in the P.W.D. are given in Appendix J to Chapter VIII of B&R Manual. In the check of the accounts of Government vehicles is should be seen that:-

i) Estimates for the maintenance of the vehicles are prepared correctly and are sanctioned promptly;

- ii) Log Books are maintained in proper form and the rates of cost of working the vehicles is abstracted from month to month and the rate compares favourably with that provided in the estimate at (i) above;
- iii) The rates for Government works and private use of vehicles are correctly charged;
- iv) Duty slips issued to authorize journeys are maintained properly;
- v) Petrol and other stores required for the running of vehicles are noted in the Log Books.

Entries for the month selected for detailed audit should be checked in details with reference to the Measurement Books. Stores accounts and Transfer Entries, etc.

205. Road Rollers:- Rules regarding working of the Road Rollers are contained in Appendix G to Chapter VIII of the Manual of Orders of the P.W.D. B&R Branch (Revised, 1962). In the public works offices where road rollers are maintained it should be seen that:-

- i) the Log Books is being maintained in the proper form, and
- ii) a copy of the weekly Log Books is submitted by the Sub-Divisional Officer to the Divisional Office and action as provided in para 8.97 of the B&R Manual of Orders is taken in the latter office.

206. (a) The terms of hire of the rollers to the Local Bodies and Govt. Deptts. As also to the contractors are given in paras 8.98 *ibid*. In checking the log book of the rollers it should be seen that the charges and rents are recovered in accordance with the codal provisions.

(b) Compliance of under noted codal requirements may also be watched:-

The contractor shall be responsible for the wages of driver, fireman or cleaner and chowkidar employed on the road rollar as well as for all fuel, water and stores required from the time, the roller is handed over to him to the time of its return, irrespective of the number of days that the roller has worked. If the roller has not been worked for reasons beyond the control of the contractor, he shall be responsible for the wages of the staff employed on the roller. If the roller remains idle for any time due to the fault of the contractor, or should the daily output of the roller fall short of the proper progress, the contractor shall pay the hire charges, amounting to Rs.25 per day or any other sum specified in the contract over the above the working expenses detailed above for such periods as the roller remains idle due to his fault.

207. Ferries:- In the Public Works Division where boat bridges and ferries are being maintained, it should be seen that the terms and conditions governing the constructions, repairs and maintenance thereof as contained in Appendix II to Chapter VIII of B&R Manual of Orders are complied with.

208. Visitors Books of Rest Houses:- A number of Rest Houses, Inspection Bungalows and Circuit Houses are under the charge of various Divisions in the Haryana. A visitor Books to record the names, etc. of the officials and non-officials staying therein is maintained. Where subordinate Rest Houses, are attached thereto, separate Visitor Books are maintained for these also. A list of these Rest Houses, etc. should be obtained from the Divisional Officer and the Visitor Books checked to see that the rents and other charges are recovered as per the rates applicable to the particular Rest Houses and particular types of visitors. It should also be seen that the Chowkidar of the Rest House deposits the amounts collected promptly and the large sums are not allowed to be kept by the chowkidar for a long time.

The correctness of charges pertaining to the months selected for detailed audit should be checked in detail and the entries of amounts stated to have been deposited in the said month with the Sub-Division or the Division traced in the cash book.

209.(a) Rest Houses and their occupation:- It has been decided by Government that where an officer locks up his furniture or other house-hold effects in Rest House or a portion thereof, he should pay rent for the period he uses the accommodation at the rates at which he would be charged if he occupies the Rest House or a portion thereof for his residential purposes when not on tour or on duty.

(Endst. No. 6420-W, dated 26th August, 1952 by the Punjab Finance Department on letter from the B&R Branch to all S.E.'s B&R and P.H. circular, field in case W.M. 14-13/52-53).

(b) The State Government have accorded sanction to the occupation of Irrigation Branch, Rest Houses by members of both the Houses of the Punjab State Legislature Assembly to perform a particular Government work as admissible to the Departmental Officers of the Punjab Irrigation Branch.

(Finance Department letter No. 16854-G-124/02, dated 31st August, 1952 on letter from the Irrigation Branch to all S.E.'s Irrigation : field in case W.M. 14-13/52-53).

210. Check Against Double Payment:- See that—

(a) The rates in bills are duly checked in the Divisional Office with work orders and agreements under the supervision of the Divisional Accountant.

(b) A note of all payments whether running or final is recorded on the copy of the work order or agreement in the divisional office.

(c) A note of all payments whether running or final is made on the sub-divisional copy of the work order vide last sub-para to para 4 of para 1.12 of the I.M.O. and Sub-paragraph 3 to paragraph 10.3B of the B&R Manual of Order.

(Circular letter from A.G. No. WM-2/433, dated 2nd December, 1915 to all Divisional Officers, P.W.D. field in the file NO. WM 1-2).

211. Service Labels:- (1) Verify balance of service labels in hand.

(2) See whether purchases of stamps as per requisition for service labels are correctly brought to account in the stamp account register.

(3) See that the payment for telegrams by service labels are supported by the telegraph receipts.

(4) See that the Divisional and Sub-Divisional Officers check and sign the stamp account register not less than once a month and certify correctness of the balance in hand on the date of inspection.

(5) See that the rules for the audit and better control of the expenditure on service postage, labels issued with Punjab Government, Finance Department letter No. 28437 (Fin. Genl.) dated the 8th September, 1931 are duly observed.

212. Stationery Forms:- It should be seen that a proper account of receipt issues and balances of articles of stationery and form is kept, their stock is verified annually and the certificate of verification is recorded in the register of stationery over the signature of gazette or other responsible officer (Para 1.156 of the Punjab P.W.D. Code).

213. Books of Reference:- See that the office copies of the following codes circulars, etc. are in order and kept corrected or completed to date- -

1. Public Works Department Code.
2. Civil Service Regulations.
3. Fundamental Rules.
4. Departmental Finance Rules and Account Code, Vol.III

5. Local Government Circulars
6. Accountant General's Circular
7. Financial Hand Books
8. Manual of Government Orders.

214. From PWA 26-Schedule of Settlement with Treasuries

The period upto which From P.W.A. 26 "Schedule of Settlement with Treasuries" has been submitted to the main office should be verified from the Divisional Office. In respect of the latest schedule submitted it should be seen that adequate steps to reconcile and adjusted the differences between the figures of the treasuries and the divisional Officers in para I and II of the form have been taken.

It should be seen that the wanting schedules of settlement with treasuries pertaining to the preceding ½ year/year are obtained from the Division and sent to the Central Office and that the differences in parts I and II of these schedules are reconciled.

A specific para detailing the position of the form and adequacy of the action taken to reconcile/ settle the differences should be included in the Inspection Report.

214-A. While attempting paras regarding embezzlement of Government money by submitting challans containing fake acknowledgements of the Bank, the following information/ documents may invariably be enclosed by the Inspecting Officers with the Para in the Inspection Report:-

- (i) Whether the persons allowed to handle the cash and ultimately facilitating the embezzlement was entrusted with the charge of cash in accordance with the provision contained in codes (See para 2.7 of I.M.O).
- (ii) Whether the details of the difference in part I of the schedule of settlement with treasury were worked out in the form PWA-26 and were also available in the register of remittances. In case the embezzlement was facilitated by this type of omission, it should be clearly brought out in the para.
- (iii) Whether the F.I.R. was lodged with the Police. If so, a copy of the F.I.R. may be obtained and if not detailed justification for not doing the same should be scrutinized.
- (iv) Manner in which the recovery of the amount is proposed to be made by the department may be ascertained by the I.O. and suitably commented upon.

(v) Whether any enquiry was conducted by the competent authority, if so, the copy of the report may be furnished with the para.

(Authority:- WM Section Letter No. 86-87/2376 dated 31.3.87).

215. **Disposal of waste papers salvaged from Government Offices:-** As a sizeable income is like to accrue to the Government from the sale of torn out paper, wrappers, envelops, etc., swept away in the morning and evening in the offices, arrangements should be made to collect and stock this type of waste paper in bags etc. for being sold to the dealers in waste paste paper approved by the Printing and Stationery Department from time to time.

(Punjab Government, Printing and Stationery Department letter No. 851-P and S.6.O/4632, dated 26th February, 1960).

(Reference to in paragraph 39)

List of documents required at an inspection of a Divisional Office.

Register of Incumbents.

Cash Book

Cash book Reports

Subsidiary Cash Book

Acquittance Rolls and Receipts

Office copies of Salary and traveling Allowance Bills

Cheque Books

Receipt Books

Pass Books, Saving Book

Remittance Book

Transfer Entry Books

Transfer Entry Order Books (All since last inspection and from the date of their commencement for the work selected for complete analysis).

Imprest Accounts

Vouchers Daily Reports. Muster Rolls	All since last inspection and from the date of their Commencement for the work selected for complete analysis.
--	--

Registers of Measurement Books. (Divisional and Sub-Divisional). All Measurement Books and all M.Bs. pertaining to the work selected for complete analysis (Nos. Must be produced on any case.)

Books of Standard Measurements.

Works Abstracts. (All since last inspection and from the date of their commencement for the works selected for complete analysis).

Registers of works

Works Slips

Contractors Ledger

Schedule of Rates

File of Agreement

Register of Securities

Register of Transfers awaited.

Register of sanctions to Estimates

Register of Appropriations

Register of Requisitions

Register of Land

Rent Statement sanctioned by the Superintending Engineer.

Register of Buildings.

Register of Lands.

Capital and Revenue-Accounts of Buildings

Stock Accounts and the indent books (P.F.R. Form 26)

(All since last inspection and form the date of their commencement for the works selected for complete analysis).

Register of Stock

Road Metal Returns

Road Metal Rate Book

Tools and Plant Returns

Service Labels Book

Codes and other Books of Reference

Circular Files

Register of properties other than Government buildings

Owned by Government, which can be leased

Register of tenders received and accepted

Progress Registers showing receipts of the Sub-Divisional

Cash Books, Monthly Accounts Audit Notes by the Divisional.

Office on the same and for divisional Monthly Accounts, disposal of A.G's Audit Notes, Salary and Travelling Allowance objection and Corrections, Statement, etc.

Work Order Books

Certificated of verifications of materials at site

Contractors Bill Books for the year.

Register of Miscellaneous Revenue

Files of applications relating to above

Warrant Books for the Collection of Miscellaneous Revenue

Bank Register

Kiln Registers

Register showing the details of fees paid to Lambardars.

Register of Sanctions to and expenditure on local purchase or imported stores Register of Divisional Accountants' Audit objection

Visitors Registers of Rest Houses

Register for watching the punctual revision of rent of residential buildings for which Capital and Revenue Accounts are not prepared.

Register of rents of Buildings and Lands

Mill Register alongwith connected papers

Files of Applications relating to above

Credit Notes (counterfoils).

Statements of cashed cheques on loose sheets.

File of Inspection of the Sub Divisional Officer by Divisional Officer and Divisional Accountant.

Register of sanctions to Fixed Charges

Account of Frad Drakhw

st Kharaba from books

Account showing the annual special maintenance, provision for all the buildings costing less than Rs. 6,000 and the amount sanctioned and utilized each year.

Register of miscellaneous recoveries (From D.F.R. (P.W.-43).

Register of Encroachments

Account of Receipts, issue and balance of Stationery

Account of Forms

Indentures for secured advances (From D.F.R. (P.W.-28).

Detailed statement of materials compared with estimated requirements (From D.F.R.)(P.W.—48).

Register of Miscellaneous Sanctions (From D.F.R. (P.W-42)

Register of manufacture

Register of check measurements

Register showing receipts and issues, etc. of tender forms (Stores Irrigation Branch No. 417 and Stores Irrigation Branch Special Nos. 96 and 97).

Zilladars and Singnallers cash books

Register of cheques received from private individuals in payment of Government dues.

Half-yearly stock returns

Register of Tools and Plant

Register showing the clearance of suspense head “|Materials” in the accounts of work

Suspense/ Deposit Registers

Register of Endowment Receipts

Road tables maintained in the Divisions of B&R Branch

Annual reports of check of distance marks, received from the Divisional Officer (Irrigation Branch)

Stamp Account of custodian.

Log Books of Power House, Locomotives, Motor Lorries, Launches, boats and Trolleys and other Machinery.

Register of Indent Books

Register of Log Books

Register of sale of Tender Forms

Accounts of paid messages of Canal Telegraph Offices open to public.

File of Inspection of Divisional Office by the Finance Inspection party.

