

# **AUDIT MANUAL**

## **PART I**

### **GENERAL**

#### **CHAPTER I – GENERAL INSTRUCTIONS REGARDING PROCEDURE AND EXTENT OF AUDIT**

##### **Introductory**

1. The general principles and rules of audit applicable to different classes of transactions pertaining to the accounts of the Central and Provincial Governments are laid down in the Audit Code. The instructions contained in this Manual prescribe the procedure and extent of audit to be applied to those transactions and are primarily intended for application in the office of Civil Accountants General. They should, however, be taken as a guide in other Audit offices though in matters of detail the rules contained in the respective codes or manuals of these offices will apply.

2. Subject to the relevant provisions of the Audit and Accounts Order, and save where otherwise provided in the instructions contained in this Manual, the Accountant General is responsible to the Auditor General for the audit of all transactions which are brought to account in the accounts kept by him.

If the Accountant General be requested by Government or any other authority to undertake audit which does not pertain to his office or regarding which the Auditor General has issued no orders, he should refer the matter to the Auditor General for orders.

*Note – As regards the arrangements for the audit of expenditure of Audit Offices see paragraph 30 of the Manual of Standing Orders.*

3. As a rule, heads of offices and other Government servants who are called upon to make disbursements on behalf of Government servants who are called upon to make disbursements on behalf of Government, draw money for the purpose from treasuries in accordance with the provisions of the Treasury Rules made under Article 38 of the Constitution and the audit conducted in respect of these transactions is post-audit in character. Pre-audit or audit before payment is exercised only in respect of such transactions which take place at the station where the Audit office is located and an arrangement has been made between the Government and the Auditor General that claims against Government at such stations shall be submitted to the Audit office. The necessary instructions for the audit and payment of such claims will be found in Chapter 16 (see also Article 213 of the Audit Code).

4. Central audit conducted in an Accountant General's office may be supplemented by local audit and inspections to such an extent as may be prescribed by the Auditor General. The system of local audit should not, however, take the place of Central audit, as the main accounts are submitted periodically to the Audit office and only the initial accounts and some subsidiary account records are required to be examined locally.

4.A Notwithstanding various provisions in the Audit Manual regarding the duties to be performed by the gazetted and non-gazetted staff of the Pakistan Audit Department, they may be required to perform any duties which may be considered necessary at any time in the interest of public service as the Accountant General may deem necessary. The Accountant General will send a report to the Auditor General, giving his reasons for the departure from the normal rules whenever he issues any such general or particular order under this para.

### **Commencement and Completion of Audit**

5. The audit conducted by an Accountant General will be concurrent and the check of accounts and vouchers pertaining to a month should, as a general rule, precede their entry in the relevant Classified Abstract or in the Detail Book. In order to obviate delay in the closing of the Monthly Accounts on the dates prescribed, the compilation of account may commence before audit in the case of second schedule of treasury payments and of Public Works, Forests, Exchange and Settlement Accounts. With this exception, the general instruction indicated above may be departed from only in special circumstances and with the express sanction of the Accountant General.

The several dates on which the audit of each of the accounts, for which an auditor is responsible, may be completed by all concerned, should be fixed, and, as far as possible, the programme of work, which should be clearly set out in the office Manual, should be followed. No Audit office can be considered free from arrears unless the establishment is able to complete both posting and audit within the allotted time.

### **Examination of Accounts**

6. On receipt, the Monthly Account and the Lists of Payments should be examined to see that the account and the supporting schedules and other documents, as detailed in the Lists of Accounts, which should invariably accompany the account, have been received in a complete state. If any documents are missing they should at once be called for. The several schedules, lists, etc., received in support of the Monthly Account, should be examined for verification that they are in all respects properly prepared in accordance with rules applicable to each case, and that the totals of the schedules agree with the entries in the Cash Account and Lists of Payments.

7. A list of vouchers, which should have accompanied the Monthly Account, but are not received upto the time of completing the audit of the Account, should be prepared for inclusion in the Objection Book and the Objection Memorandum.

*NOTE – If it is found that the Monthly Accounts or a substantial percentage of the vouchers are habitually received late, a special enquiry should be made to ascertain the reasons for the delay, and the cooperation of the Collector or the Divisional officer, as the case may be, should be sought in applying the remedies which the Audit office may consider advisable. It should particularly be seen in the case of a Public Works Division that the delay is not indicative of dilatory habits of work, on the part of the Divisional Accountant, in applying the necessary check to the vouchers of Sub-divisional Officers.*

8. The following instructions should be followed in the detailed audit of vouchers in support of payments.

- a) See that the vouchers are in the prescribed form, and that they are duly receipted by the payees and are in original; that a brief abstract is given in English, signed by the drawing officer, on all vouchers prepared in modern Pakistani languages; that signatures if not in English are translated; and that sub-vouchers contain notes of dates of payment.
- b) See that they are numbered with reference to the number in the List of Payments, Schedule Docket or other account, as the case may be.
- c) See that the details work upto the totals and that the totals are in words as well as in figures.
- d) See that they bear a Pay Order signed by the Treasury Officer in the case of vouchers cashed at treasuries or by the responsible disbursing officer in the case of other vouchers. In the case of vouchers paid at the Bank it should be seen in particular that they bear the Pay Order of the Collector in all cases in which it is required under the rules.
- e) See that they are stamped "paid".
- f) See that there are no erasures, and that any alterations in the totals are attested by the officer concerned as many times as they are made.
- g) See that, unless otherwise provided in the rules of Government, stamps are affixed to all vouchers for sums in excess of Rs.20, and that they are punched; but see also Rule 1 under paragraph 330 of this Manual.

- h) See that no payment is made on a voucher or order signed by a subordinate instead of the drawing officer himself or on a voucher or order signed with a stamp, and that copies of sanctions are certified by the sanctioning officer or by an authorized gazetted Government servant.

*Note – In the case of charges for which special sanction is necessary under rule [See paragraph 135(a)], no separate sanction need be insisted on if the bill or voucher on which the money is drawn is signed, or countersigned (whether before or after the money is drawn) by the authority competent to sanction the expenditure; but charges of the kind in question may not be included in the same bill with other non-special items. This does not apply to the case of temporary establishments, the sanction for which should always be called for and noted in the Audit Register and the audit conducted against such sanction in accordance with paragraph 124.*

- i) In cases in which it is prescribed that agreement should be effected between two different documents, the fact of the agreement should be noted on both the documents and the note initialed by the auditor who makes the agreement.
- j) See that if a treasury voucher be paid by transfer, it is stamped as having been so paid; that the head to which the amount is credited is noted on it; and that the credit is traced in the Cash Account when possible.
- k) See that Fund and Income Tax deductions have been correctly made.

*NOTE: In respect of the pay bills of his own establishment and of pay bills of gazetted Government servants and pension bills paid by him after pre-audit, the Audit Officer acts as the officer responsible for paying income chargeable under the head “Salaries” and is, therefore, under a statutory obligation to deduct, at the time of payment, income-tax, on the amount payable at the rate applicable to the estimated income of the assessee under the head “Salaries” – vide Income-tax Act XI of 1922. In respect of other establishment, pay and pension bills, the Audit Officer is not responsible for checking the corrections of the income-tax deductions but whenever such bills come under his scrutiny in the course of audit, he should always see that deductions of income-tax are not omitted in cases where such deductions should clearly be made.*

- l) See that no bills for any pay or allowance not claimed within six months of its becoming due have been paid without the sanction of the Accountant General.
  - m) See that stores are purchased through the agency of the Department of Investment, Promotion and Supplies when this is required by the orders of Government and that payment for such stores is made by the Audit Officer, Department of Investment, Promotion and Supplies except when the amount is less than one rupee.
1. Note 3 under Article 64 and the Note under Article 65 of the Audit Code apply also to vouchers declared to be secret or confidential.

NOTE: 2. – Cash memoranda issued by tradesmen for sales against cash payment should not be regarded as sub-vouchers unless they contain an acknowledgement of the receipt of money from the purchaser as named therein for the price of the articles sold.

9. Vouchers and other documents which were not received with the Monthly Account should, on receipt subsequently, be examined in detail in the same way as they should have been examined if received at the proper time; and a member of the Superintending staff should see that the necessary scrutiny has been exercised before reference to such documents is removed from the Objection Book or the Objection Memorandum, as the case may be.

*NOTE. – Here and elsewhere the term “Superintending staff” should be held to mean members of the Subordinate Accounts Service or Accountants.*

10. After check, every voucher or account should be enfacéd in red ink with the word “Audited” over the initials of the auditor, and, in the case of vouchers, if the calculations have also been tested arithmetically, the clerk who checked them should certify the fact by writing the word “Computed” over his initials.

*1. The Accountant General may authorize the use of perforating or endorsing stamps, impressing distinguishing marks or numbers, which would indicate the persons who are responsible for the auditor or arithmetical check, as the case may be. Where this system is in force, a register should be kept showing the distribution of these stamps (with the acknowledgments of the auditors and clerks concerned), and the latter should take care that the stamps are kept with care and are used not to obliterate or destroy any important writings on vouchers.*

11. If any observation is taken in audit to a voucher, or to any item in a schedule or other account, a note of the observation should be recorded thereon in red ink in sufficient fullness to make it readily understood.

## Extent of Audit

12. Whilst it is desirable that auditors and other employed on audit duties should not be at liberty to make any relaxation in audit, of their own motion, it is of considerable importance that the prescribed checks should be observed in spirit and not in the letter as opposed to the spirit.

13. IN the following cases cent per cent audit is unnecessary and relaxation of post-audit is authorised to the extent indicated (see Article 90 of the Audit Code):

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Serial No.	Class of Vouchers	Percentage of vouchers to be audited	Remarks
	<b>A. Universal</b>		
1.	Pay bills of gazetted Government servants and of non-gazetted Government servants who similarly draw their pay on separate bills.	50	This percentage may be increased at the Accountant General's discretion when it is felt necessary for particular classes of Government servants whose pay conditions are complicated or where other conditions suggested the desirability of an increase.
2.	Travelling allowance bills of gazetted Government servants.	50	
*3.	Pay bills of those establishments the normal monthly cost of which is less than Rs.500.	50	
4.	Travelling allowance bills of non-		

\* Note. – Pay bills of those establishments, or sections of establishments on time scale of pay the numerical strength of which is ten or less and the normal monthly cost less than Rs.500 should be audited 50 per cent., provided that the audit is conducted by numbers and against the entries of names in the fly-leaf of the Audit Register in Form 30.

	gazetted Government servants of the –		
	a) second grade	50	
	b) third and fourth grades	25	
5.	Bills amounting to not more than Rs.500 on account of contingencies, of Heads of Departments and other officers, not requiring countersignature.	25	
6.	Bills amounting to not more than Rs.500 on account of countersigned contingencies.	12-1/2	
7.	Bills amounting to not more than Rs.1,000 on account of contingencies, other than those covered by Serial Nos. 5 and 6 above.	50	
8.	Pension bills (other than those relating to anticipatory pensions, gratuities, or lump sum payment of any kind) including those which are not sent in support of the Remittance Account vide paragraph 18.	16-2/3	The selection of vouchers to be audited should be so made that all the vouchers received from a treasury during a month are audited at the same time, and that the vouchers of each treasury are audited at intervals of not more than six months.
9.	All treasury vouchers (as regards arithmetical calculations).	25	
10.	Arithmetical calculations in vouchers received with the Monthly Account of Divisional Officers of the Public Works Department, excluding final running account bills which	10	

	should be checked cent per cent.		
11.	Deposit Repayment Vouchers	25	
12.	Interest Payment Vouchers	5	
13.	Refunds Vouchers (other than those which are required to be noted in the Audit office against original credit shown in the detailed statements).	10	
14.	Discount Vouchers.	10	
15.	Grants-in-aid bills under Rs.1,000.	25	
16.	Scholarship bills under Rs.1,000.	16-2/3	
17.	Cheques including Personal Deposit chalans and estate cheques.	About 5	These classes of vouchers need not be examined in detail by auditors but about 5 per cent, should be examined by the superintending staff.
18.	Posts and Telegraphs Department Vouchers.	About 5	
19.	Cash Orders.	About 5	
20.	Vouchers for Salt and Customs remittances (simple receipts).	About 5	
21.	Vouchers in support payments relating to (1) Revenue Survey Advances, (2) Cost of Survey marks, (3) Abkari Advances, (4) Loans under the Land Improvements and Agriculturists Loans Acts.		
	<b>B. At the discretion of the Accountant General</b>		
1.	Miscellaneous payments of the Forest Department not covered by the classes mentioned above.	50	

*NOTE 1. – In the case of Serial Nos. (1) to (10) in the group, A – Universal – the vouchers to be audited should be selected by a Gazetted Officer. In all other cases, the selection should be done by the Superintendent.*



*NOTE 2. – In the case of item NO.18, the following points should receive special attention: -*

- a) that the voucher has been signed by a responsible departmental officer;*
- b) that the amount of the voucher as shown in words agrees with that shown in figures;*
- c) that the amount of the voucher agrees with that shown in the covering schedules; and*
- d) that the voucher bears a Pay Order by the Treasury Officer or the Bank Agent in case of direct payments and the paid stamp of the treasury or the Bank according as it is paid at the treasury or at the Bank.*

*NOTE 3. – The percentage of railway warrants subjected to scrutiny in the adjusting office, is determined by the Accountant General.*

*NOTE 4. – Orders of the Auditor General regarding relaxation of audit which are not of universal application may be included in the Manuals of the Audit offices concerned.*

14. In cases where relaxation of post-audit is authorised the following instructions relating to vouchers not selected for audit should be observed: -

- a) The classification recorded on all vouchers should be checked in full and completed where necessary, and the attention of drawing office3rs should be drawn to instances of incorrect or incomplete classification.
- b) The receipt of monthly detailed countersigned bills in support of abstract bills should be watched. The receipt of sub-vouchers required to be submitted to Audit along with contingent bills should also be watched; this check need not be exercised in every case but should be applied frequently at the discretion of the Gazetted Officer in charge of the Section.
- c) If increment certificates are attached to the bills, the date on which the increment is actually drawn should be noted under the due date of increment of the person concerned in the column provided for this purpose in the fly-leaf of the Audit Register (see paragraph 119).
- d) The entries in the Establishment bills and Absentee Statements received with them should be scrutinised in respect of permanent changes, e.g., retirement, transfer, deaths and consequent new appointments and for any increases or decreases of scales and requisite entries made in the fly-leaf of the Audit Register.

- e) Transactions relating to “Objection Book Advances” should be noted in the relevant objection books and those relating to any of the broadsheets of advances should be incorporated in the respective broadsheets.
- f) A general examination of these bills should be carried out when the classification is checked [see clause(a) above] in order to see that there is nothing irregular or peculiar on the face of them.
- g) The vouchers should be posted in the Audit Register where one is maintained, unless it is otherwise provided elsewhere in this Manual.
- h) Subject to the provisions of paragraph 141, charges on account of special contingencies and periodical charges should be recorded in the register maintained for the purpose.

15. A record of the vouchers selected for percentage audit should be maintained in a register in suitable form, the order of selection being written by the Gazetted Officer or the Superintendent, as prescribed in Note 1 to paragraph 13. The auditor concerned should certify and report to the selecting officer that he has audited all the vouchers selected. The selection must be made personally by the Gazetted Officer in charge or the Superintendent and this duty of selection may not be delegated. In all cases the selection should be made in such a way that the bills and vouchers of every drawing (or account rendering) officer should come under audit during the year according to the proportions as the prescribed percentage may admit. But, whenever it is apparent from their state, or otherwise, that certain accounts require more detailed audit than the percentage prescribed, the orders of the Accountant General should be taken to increase, for the time being, the percentage of the bills or vouchers to be audited.

15-A. Proposals may sometimes be made by Government for waiving of audit due to loss of relevant documents, etc. The points to be looked into by Audit when proposals for waiving of audit for any reason are referred to it by Government for concurrence, are detailed in Article 90A of the Audit Code. In all cases of doubt and of importance, from any points of view, the local Accountants General, Comptrollers, etc., should freely consult Auditor General for guidance.

### **REVIEW OF AUDIT**

16. After the accounts and vouchers have been audited by the auditors in accordance with the prescribed principles and rules they should be subjected to the concurrent and the post review according to the rule prescribed in this Manual.

## AUDIT OF TRANSACTIONS INCLUDED IN THE REMITTANCE ACCOUNTS

17. In regard to vouchers relating to Remittance Accounts (Exchange and Settlement Accounts) the Audit Officer of the adjusting department is responsible for auditing the charge to ensure (1) that it is a proper charge against a work, office, or other expenditure unit under his audit, and (2) that it has been duly sanctioned. It is not necessary for him to check the arithmetical calculations of the vouchers. See also Article 70 of the Account Code, Volume IV.

*NOTE. – If, as in the case supplies received from another department, the admissibility of the item depends upon the authority possessed by the officer at whose instance the supplies have been received to order the supplies, the charge, may be adjusted against its proper service head as one which has actually occurred, but it should be examined with reference to the authority or sanctioned required and, if necessary, placed under objection in the same way as if the charge had been met by an actual payment by the officer concerned.*

18. As an exception to the general instructions contained in the preceding paragraph, the audit of charges in the following cases is conducted by an Audit Officer other than the one responsible for the adjustment of the charge: -

Serial No.	Particulars of transactions	Audit Officer	Adjusting Officer
1.	Charges incurred in the Navy, Civil Public Works, Railway, Posts and Telegraphs and other Departments on account of a Field Service Force.	Audit Officers of the respective Departments.	Defence Accounts Officers.
2.	Revenue and expenditure transactions connected with works of the following Departments of the Central Government, the execution of which is entrusted to the Public Works Department as a standing arrangement: -	Audit Officer who audits the accounts of the Public Works Department concerned (as sub-Audit Officer of the Departmental Audit Officers).	Account Officers of the respective departments.
	Military Engineer Services;		
	Pakistan Air Force;		

	Railway Department;		
	Posts and Telegraphs Department; and		
	Archaeological Department.		
3.	Payment of commuted value of pension on behalf of other Governments	Accountant General in whose circle the payment is made.	Accountant General of the Government concerned.
4.	Payments on account of pensionary charges on behalf of other Governments, debits for which are passed through the Remittance Accounts without supporting vouchers and details under mutual agreement between Governments concerned.	Accountant General in whose circle the payment is made.	Accountant General of the Government concerned.
5.	Transit Pay of a Government servant lent to another Government on reversion to the lending Government.	Accountant General of the lending Government.	Accountant General of the borrowing Government.
6.	Cost of printing work (including the cost of stationery used in printing) done by the following presses of the Central Government for Provincial Governments, Commercial Departments and other paying Departments of the Central Government: -		
7.	The charges on account of pay, travelling allowance, etc., in cases in which a Government requisitions from another Government the services of a Government servant of a commercial department as a witness or of any other Government servant as a technical or expert witness provided the arrangement exists	Accountant General in whose jurisdiction the Government servant serves.	Accountant Officer of the requisitioning Government.

	under a mutual agreement between the two Governments.		
8.	Expenditure against grants at the disposal of the Home Department, and the Department of Education Health and Lands of the Central Government placed at the disposal of Provincial Governments.	Provincial Accountant General.	Accountant General, Pakistan Revenues.
9.	Receipts and charges pertaining to works executed by Provincial Governments in connection with the Ancient Monuments, vide Article 151 of the Account Code, Volume IV>	Provincial Accountant General.	Accountant General Pakistan Revenues.
10.	Charges for loss on withdrawal of Bronze (Copper) and nickel coins paid on behalf of the Central Government (without supporting vouchers but with an audit certificate).	Accountant General in whose circle of audit the transaction originates.	Accountant General, Pakistan Revenues.
11.	Charges on account of leave salaries and pensions paid by the Civil or the Post Office Department and Telegraphs and Telephones Department in respect of leave and pension earned by service in the Defence Department (with a certificate prescribed in Article 170 of the Account code, volume IV).	Paying Civil or Posts and Telegraphs Accountant General.	Account Officer of the Defence Department.
12.	Interest charges on account of Railway Provident Fund, Depreciation Reserve Fund, Staff Benefit Fund, etc.	Account Officers of the Railway Department.	Accountant General, Pakistan Revenues.

*NOTE 1. – As regards audit of cheques, debits in respect of which are passed through the Exchange Account, see Article 71 of the Account Code, Volume IV.*

*NOTE 2. – In the case of leave salaries, debits on account of which are raised against other Governments and departments under the rules of Section II in Appendix 3 to the Account code volume I, the audit is carried out by the Audit Officer of the apying Government or department and not by the Audit Officer of the adjusting Government or department.*

## **Filling of Vouchers**

19. After the Classified Abstracts and Detail Books have been posted and the audit of vouchers and post review completed, the vouchers should be filed, a separate file being maintained for all classes of vouchers which have the same period prescribed for their retention (see paragraph 343 of the Manual of Standing Orders), so that there may be no difficulty in destroying them after the prescribed time. Within each file, the vouchers appertaining to each District (or other) schedule should be kept together, and the vouchers relating to a schedule should be arranged by minor and sub-heads and units of appropriation.

## **CHAPTER 2 – APPROPRIATION AUDIT**

### **General**

21. The audit against Grants and Appropriations specified in the Authenticated Schedule or Schedules of Authorised Expenditure will be conducted by the Accountant General according to the general principles and rules laid down in the Audit Code.

The procedure relating to the preparation of Demands for Grants and Appropriations, to the allotment of funds and their re-appropriations and to budget matters generally is laid down in the financial rules made by Government. The powers of the various executive authorities to authorise transfer of funds from one unit to another within the same Grant or Appropriation are also set out in these rules.

### **Audit of Allotments**

22. As laid down in Article 163 of the Audit Code the audit of orders of allotment of funds and re-appropriations consists in seeing : -

- a) that an authority making allotments under a Grant or Appropriation does not allot amounts in excess of those available under the Grant or Appropriation.
- b) that the amount appropriated is available under the unit from which it is allotted, and
- (c) that the order is issued by competent authority

In respect of the Grants and Appropriations for civil expenditure of the Central Government which are spread over more than one audit circle; the following officers should conduct the audit referred to in this paragraph: -

- i) The Accountant General, Pakistan Revenues, should conduct the audit under clause (a) in all cases, and that under clause (b) only in cases in which the expenditure is finally adjustable on his books.
- ii) The Accountant General concerned will be responsible for auditing the sanctions in respect of clause (c) in all cases and in respect of clause (b) only in cases not falling under (I) above.

*NOTE. – In the case of allotment of funds out of “Contingency Item” it should be seen that the expenditure for which the funds have been sanctioned out of “Contingency Item” satisfies the criteria of being un-expected and non-existent.*

### **Audit of Expenditure against Grants or Appropriations**

23. For working out month by month, the progressive expenditure against each Grant or Appropriation and each unit of appropriation a Register in Form 1 should be maintained. Each Grant or Appropriation should be assigned page or set of pages. Under each Grant or Appropriation the several sub-heads and units of appropriation should be detailed showing against each the authorised provision and progressive expenditure month by month. The accuracy of the figures posted in the Register should be tested in a separate abstract, and the Register submitted to the Gazetted Officer for review.

24. If a Grant or Appropriation for Civil expenditure of the Central Government is spread over more than one Audit Circle and the expenditure in each circle is passed on to the Accountant General, Pakistan Revenues, for adjustment in his books, the Accountant General, Pakistan Revenues, should conduct the appropriation audit against the Grant or Appropriation as a whole as well as against the authorised provision under each sub-head and unit of appropriation as modified by orders of re-appropriation passed by competent authority. If, however, the expenditure against such Grants or Appropriations in each circle is adjusted finally in the local books, each Accountant General should conduct the appropriation audit against the portion of the Grant or Appropriation assigned to his circle.

25. Certain Central Civil and Irrigation Works have been placed under the audit control of certain Defence Account Officers who submit, in respect of such works, compiled accounts to the Civil Accounts General concerned for incorporation in their books. IN such cases the Defence Account Officer concerned will conduct the appropriation audit in respect of the expenditure against the units of appropriation as well as that against the total of that portion of the Grant which has been assigned to his circle. The Civil Accountant General should, however, audit the total expenditure against the Grant as a whole.



## PART II

### TREASURY AUDIT

#### CHAPTER 3. – GENERAL ARRANGEMENTS OF TREASURY AUDIT DEPARTMENT

##### Introductory

26. The Treasury Audit Department is divided into small sections each with a member of the Subordinate Accounts Service in charge. A section or group which is called the Central Treasury Section or group, receives the district accounts of all treasury transactions whether pertaining to the Central or to the Provincial Government. Another group or section may be formed to deal with the work of issuing advice to the Bank for adjustments to be made between the balances of the Central and Provincial Governments and of maintaining the Register of Inter-Governmental adjustments. The remaining sections, which are called the Treasury Departmental Sections are constituted on a departmental basis so that all transactions relating to a particular department may, as far as possible, be dealt with in one section.

*NOTE. – The Central Treasury Group may conveniently be attached as a subsection to the Book Department or to another Treasury Audit Department section.*

27. To facilitate understanding of the detailed arrangements for work done in the Treasury Audit Department, the contents of this chapter have been arranged so as to show exactly how the accounts received from treasury are dealt with in that Department. First are described the general duties of the District Auditor who first receives the Treasury Accounts. He retains these accounts and such of the connected documents as are to be disposed of by him finally and passes on the schedules, vouchers, etc., relating to departmental receipts and payments to the Departmental Auditor concerned, a brief description of whose duties is given next. Thereafter, the procedure for the audit of accounts schedules and vouchers and for making the inter-departmental and inter-governmental adjustments is prescribed. This procedure is to be followed both by the District and the Departmental Auditors. The work of both the auditors is then to be reviewed by a Gazetted Officer or by a member of the Superintending staff according to the rules laid down for the current review of audit. After audit the treasury transactions are to be posted in the Detail Book and Departmental Classified Abstracts in accordance with the prescribed accounting procedure as indicated in subsequent paragraphs. The work of the Treasury Audit Department completed up to this stage is further subjected to a test check by a Gazetted Officer independently according to the rules laid down for the post review by Gazetted Officers. For the purpose of this Chapter this is the last stage of the work done in the Treasury Audit Department.

## **District Auditor**

28. In the Central Treasury Section one clerk known as the district auditor is responsible for the adjustment of the entire treasury accounts of a district relating to Central and Provincial transactions.

The Accountant General may, however, arrange at his discretion that the accounts of the Central transactions are adjusted by one district auditor while those of the Provincial transactions by another. The district auditor is also responsible for the audit of the accounts entrusted to him with the exception of departmental receipts and payments which are entered by the treasury in separate schedules and provisionally adjusted by the district auditor under the suspense head "Departmental Adjusting Account". The audit of these departmental receipts and payments and their final adjustment under the proper heads of accounts are entrusted to clerks known as departmental auditors attached to Treasury Departmental Sections. Every schedule of departmental receipts and every second schedule of departmental payments which from part of the month's accounts working upto the general Cash Accounts should pass through the hands of the district auditor; who, before passing on the schedule to the departmental auditor, must test its total against the entry in the Cash Account or the list of payments and must mark the total of the schedules, as well as the corresponding entry in the Cash Account or the list of payments, as "agreed" and initial them.

*1. The detail check of deposits may be entrusted to a separate clerk, but the district auditor is responsible for seeing that the lists of receipts and payments agree with the Cash Account and the lists of payments and also, if the arrangement is that he shall check the vouchers before making over the list of deposits paid, that there is a voucher complete and in due form for every recorded payment, or, if a voucher be lacking, that observation is made and explanation demanded.*

*2. Income-tax schedules when they are attached to the pay and establishment bills received from the treasuries and other disbursing officers should be checked with the respective bills and transmitted to the Income-tax Officers concerned. This check may be entrusted to the district auditor or departmental auditor as may be found convenient.*

## **Departmental Auditor**

29. The departmental auditor is responsible for the audit and adjustment of all transactions which are entered by treasuries in the departmental schedules of receipts and payments as relating to a particular department or to a particular major head of account not affecting a particular department. The bills of Gazetted Officers will, as an exception to this rule, be audited by a separate group and, in the case of larger departments specified, classes of bills or the bills relating to certain divisions may similarly be entrusted to separate auditors in the section but the departmental auditor is still responsible for seeing that the bills or vouchers which he transfers to the separate group agree with the entries in the departmental schedules, that they are recovered after audit and that, unless separate Objection Books are kept by the group concerned, any observation

made by the auditors is duly recorded in the Objection Book and notified to the Treasury Officer of other officer concerned.

1. *Personal advances made to a gazetted officer should be passed on for audit in the same way as gazetted officer's pay bills.*

2. *The statement of rents recoverable showing recoveries of rents from Gazetted Officers in respect of Government residences borne on the books of the Public Works Department, received with the monthly accounts from not less than ten per cent of the treasuries, selected at random by a Gazetted Officer, should be checked every month with the relevant vouchers. The selection should be so made that each treasury should come within the cycle of audit at least once a year. In checking the statements it should specifically be seen that the rates of emoluments as noted therein are correct. These statements after verifications should be forwarded to the Divisional Officer concerned, through the Works Audit Section in offices where the accounts of rents are audited in the Audit office. The divisional office compares these statements with the corresponding entries in the Register of Rents of Buildings and Lands to verify that the Audit office has not omitted to send any statement pertaining to that treasury and takes steps to revise the assessment of rent of Government servants whose rates of emoluments have been altered by the Audit office.*

*NOTE. – The test check of statements in respect of non-gazetted Government servants of selected offices may similarly be conducted at the discretion of the Accountant General.*

3. *Statements received from disbursing officers of other audit circles and submitted to the Accountant General along with the divisional accounts should be sent periodically to the Audit Officers concerned for verification, and the procedure indicated in Rule 2 above should then be followed in respect of the verified statements.*

4. *In the case of subscribers to the General Provident Fund, the rate of pay, as entered in the "Schedule of General Provident Fund, Deductions" attached to the pay bills for June paid in July, should be checked by the Audit Sections concerned before the schedules are made over to the Fund Section.*

5. *The departmental auditor is responsible for pre-audit of bills payable by the Pre-audit Pay Department (Chapter 16) and for such audit against allotments as conducted at the special request of the Executive.*

6. *The audit and adjustment of both Central and Provincial transactions relating to Public Works and to pensions may with advantage be entrusted to one and the same departmental section.*

30. The Departmental Auditor should be an experienced clerk and should be assisted, if necessary, by one or more junior clerks as sub-auditors according to the heaviness of his charge. The sub-auditors should work under the direct supervision of the auditor and should be employed chiefly on work which is more or less of a mechanical nature, such as referencing, the arranging of vouchers, the checking of totals and of fund deductions, the posting and totaling of the Departmental Abstracts, etc. In order that they may be trained for more important duties, they should also be entrusted with the audit of some of the less important bills, such as establishment bills, to which neither leave statement nor increment certificate is attached and travelling allowance bills of inferior servants. The detailed distribution of work between the auditor and the sub-auditor is left to the discretion of the Accountant General, and should be set out clearly in the

Office Manual. A clerk should not ordinarily be employed as a departmental auditor until he has worked for some time as a sub-auditor.

31. On receipt of the schedule of receipts and payments, the departmental auditor should test the total of every schedule or list subsidiary to the general schedule, with the entries in the general schedule itself, and should mark the total of the subsidiary schedule or list as well as the corresponding entry in the general schedules, as "agreed" and initial them. The first duty of the person who has to dispose of the subsidiary schedule or list is to see that the detailed entries recorded on it work up to the total thus agreed. He should, therefore, add up the entries in the money column, and initial the total as "checked". Not until this is done is it permissible to proceed to the audit of the detailed entries.

### **Audit Procedure**

32. Audit should be conducted in accordance with (1) the general principles rules and supplementary regulations laid down in the Audit Code, and (2) the special procedure, applicable to each class of transactions, as set out in the relevant chapter of this Manual.

33. The auditor examining a voucher or schedule should record the necessary particulars in the proper audit register, if any, unless there is a rule to the contrary and should examine, tick off, or correct and complete in ink the classification on the voucher or schedule. The classification should indicate the amount to be taken to each detailed head in order that the Compilation Book or Classified Abstract may be posted directly from such enfacement. In the audit enfacement he should explain any objection taken to any item in sufficient fullness to make it readily understood. The following is an example of the type of note which should constitute the audit enfacement: -

	Rs.
Charge – Headquarters Office establishment	1,976
Tehsildars and establishment	<u>2,431</u>
Total amount of bill	<u>4,407</u>
Admitted	4,328
Objected to	25
as per details following: -	
AB, officiating for CD, officiating allowance overdrawn	25
Rs.18, pay of EF newly appointed, held under observation pending receipt of Health certificate.	

1. *The object of the instruction is to secure that every voucher or schedule shall be complete and intelligible in itself, and shall formally record its adjustment, so that a stranger may*

at a glance without doubt or delay, see exactly what detailed entries in the Compilation Book or Classified Abstract are covered by any given voucher or schedule.

2. The details of classification need not be noted in the audit encasement, (1) when the headings of the bill are printed and exactly correspond with those in the Classified Abstract, and (2) when the bill consists of one item only, in which case the heading, if in manuscript, should be examined and ticked off, or corrected when necessary.

3. In order to facilitate the work of auditors in classifying correctly the transactions, the complete classification should be noted prominently on each page of the several audit registers, and the Superintendent who is responsible for the correctness of the classification so noted should check and attest each entry.

34. The post audit of service payments and the examination of receipt schedules and Debt and Remittance transactions must be carried on simultaneously. No Audit office can be considered free from arrears, unless the establishment is ready to deal with statements as soon as they arrive. When the first schedule of payments is received, the audit should commence at once so that any error discovered may be notified to the office immediately concerned, or, through the Objection Statement, to the Treasury Officer, before the next month's payments are made. If this is delayed the same error may again be committed, the objections have again to be raised, and the work thus greatly increased.

1. See 'Note' under paragraph 562

#### Inter-departmental and Inter-governmental adjustments

35. When an item of receipt or expenditure which is properly adjustable in the Abstract of one department appears in the treasury schedule pertaining to another department or head of account, the auditor dealing with the schedule should classify the amount under the detailed suspense head opened in the accounts for the provisional adjustment of the treasury transactions of the department which must finally receive the credit or debit. The auditor should then send an intimation of the transaction on a suspense slip in Form 3, supported by the vouchers or extracts from vouchers, to the departmental auditor of the adjusting department. On receipt the latter should deal with the slips and the vouchers in the same way as if they had come to him with the departmental schedules of a treasury.

*NOTE. – In the case of vouchers transferred by the departmental auditor to the Gazetted Audit Department or other audit groups for audit (see paragraph 29), the auditor concerned in the Gazetted Audit Department or other audit group should, whenever necessary, prepare and send the suspense slip in Form 3, supported by the vouchers or extracts from vouchers to the departmental auditor, who should deal with it in the same way as if the suspense slip was prepared by him.*

36. The amount and other particulars of each suspense slip should be entered by the auditor preparing the slip in a Register of Suspense Slip (Form 4) by carbon process in duplicate. Separate registers or separate portions of a register bearing distinctive letters must be set apart for the suspense slips relating to

each detailed Suspense Ledger head of the "Departmental Adjusting Accounts" or for each section as may be found convenient. The entries in each register should be numbered in a separate consecutive series for the year, and the number of each entry, with the distinctive letter of the register, should be entered in the relevant suspense slip. On completion of the Departmental Abstract or the treasury portion of the Detailed Book the auditor concerned will detach the original list of suspense slips, being the top copies in the register, and forward it to the section maintaining the Abstract relating to the suspense head in order to secure the certificate prescribed on the form. When the list is received back with the prescribed certificate, it should be pasted on to the corresponding carbon copy in the register.

37. Whenever items relating to the Central Government appear in a Provincial Departmental Schedule or vice versa or when transactions pertaining to the Central/Provincial Government originate in Provincial/Central accounts, the auditor concerned should effect the necessary adjustment through the head "Adjusting Account between Central and Provincial Governments". He should prepare simultaneously a transfer entry for the clearance of this head in the same month's accounts by operating on the relevant account head either directly or through the Departmental Suspense head as may be suitable. In the latter case the procedure of issuing suspense slip as laid down in paragraphs 35 and 36 should be observed. The Central Treasury Section should watch the monthly clearance of the head "Adjusting Account between Central and Provincial Government".

### **Current Review of Audit**

38. The audit of the treasury accounts must be reviewed under the following instructions by a Gazetted Officer or by a member of the Superintending staff, who, as he passes each voucher, should place a distinctive mark (either his initials, or some shorter distinctive mark) under the enfacement of the voucher and against the entry, if any, in the audit register.

This review should be made immediately after audit and, wherever possible, consistently with paragraph 5, before the bills are posted in the Classified Abstract or in the Detail Book.

A very important part of this review is the check of the classification.

1. *In addition to the check of the classification of vouchers reviewed under paragraph 39, the Superintendent should be held responsible for the correct classification of items of over Rs.500 but not exceeding Rs.5,000 under any detailed head of account and the Gazetted Officer for the classification of similar items of over Rs.5,000.*

*The cent, per cent, check of classification by the Superintendent of bills of gazetted Government servants may at the Accountant General's discretion be reduced to 25 per cent, when circumstances permits.*

39. The minimum percentage of bills for Sterling Overseas Pay and of vouchers of each class to be reviewed concurrently and the agency by which such review is to be performed will be governed by the following instructions, the prescribed percentages being calculated on the number of vouchers subjected to audit, except in the case of items falling under (10), Unless it is otherwise expressly stated, the review will be carried out by some member of the Superintending staff as determined by local rules.

1) Pay bills of gazetted Government servants, including Bills for sterling Overseas Pay. – 15 per cent, by the Superintendent and 7½ per cent by the Gazetted Officer.

*NOTE 1. – With the permission of the Auditor General, Assistant Superintendents may be allowed to help Superintendents in the review of bills of gazetted Government servants.*

*NOTE 2. – In all cases in which the circumstances are special as they are in the case of many Government servants under the audit of the Accountant General, Pakistan Revenues, all joining time should be specially checked by the Superintendent or by the Gazetted Officer.*

2) Travelling allowance bills of gazetted Government servants – cent per cent.

3) Pay bills of non-gazetted Government servants which are treated in audit in the same way as pay bills of gazetted Government servants. – Twenty-five per cent; special percentages should be fixed by the Accountant General in the case of complicated bills, e.g., those of Sub-Assistant Surgeons.

4) Establishment pay bills. – Fifty per cent of bills with leave statements or increment certificates attached and 10 per cent of others.

5) Establishment travelling allowance bills. – Ten per cent.

6) Abstract and Contract contingent bills. – Ten per cent.

7) Fully vouched and detailed contingent bills. – Fifty per cent should be reviewed, and in addition every bill between Rs.1,000 and Rs.3,000 should be reviewed by a Superintendent.

8) Scholarships and grants-in-aid. – Ten per cent.

9) (a) Pension payments and deposit repayments. – Eight per cent, but 50 per cent of the gratuity vouchers should be reviewed by the Gazetted Officer in addition to the review of all such bills for more than Rs.3,000 under item (12).

(b) Refunds of revenue, refunds of fines, discounts on stamps and interest payments. – Ten per cent.

10) Miscellaneous payments. – To this class belong share of fees realized by Government paid to certain of its servants and other peculiar and exceptional payments. In these cases the extent to which the review is necessary is left to the Accountant General to decide with reference to the circumstances of each case.

1. See items (17) to (21) of the table under paragraph 13.

11) Cash Accounts Lists of Payments, Schedules, Plus and Minus memoranda, Deposit registers, etc. – These should be examined in full.

12) All bills and vouchers for more than Rs.3,000, other than Abstract Contingent bills, Advance bills, Public Works Department bills, and Deposits vouchers, should be reviewed by a Gazetted Officer, unless they relate to regular monthly payments such as pay bills.

40. The Accountant General should increase the limits prescribed in the preceding paragraph, in individual cases, when necessary, either on account of the inexperience or untrustworthiness of the auditor or the habitual slackness of the accounts of any district, or for any other reason. The Accountant General may delegate this power to the Gazetted Officers in charge of sections subject to the general control of the Deputy Accountant General.

In arranging for the percentage review it will not ordinarily be necessary to count the bills of each kind received with each schedule of payments, but registers may be marked off as each representing a certain percentage of the whole, and all the bills in certain of the registers should be reviewed each month; only in the case of bills which are not entered in an audit register would an actual count be necessary. The method of selecting the registers or bills for review is left to the discretion of the Accountant General, but care should be taken to ensure, as far as possible, that the auditor shall not know what bills are likely to be left un-reviewed. A record of the bills and registers actually reviewed may, at the discretion of the Accountant General, be kept up in such form as may be considered convenient.

The result of reviews by the Superintending staff should be reported to the Deputy Accountant General through the Gazetted Officer concerned, but only important errors and serious omissions and irregularities; should be brought to notice. The report should be recorded in a separate book for each Department, and should be passed finally by the Deputy Accountant General unless he considers it necessary to bring any point to the notice of the Accountant General.

41. The Gazetted Officer in charge of a section should scrutinize carefully every audit observation whether entered in an Objection Statement or half-margin before he passes it, cancelling or submitting for orders any to which in his opinion the provisions of Articles 248 and 254 of the Audit Code could suitably be applied. In the case of bills of the Gazetted Audit section, if the observation is not perfectly clear and intelligible, or if, the Gazetted Officer has any doubt as to the accuracy of the observation or the desirability of its issue, he should call for the relevant bills and audit register, so that he may assure himself of the validity of the observation before he allows it to issue. In the case of other bills the scrutiny should in the main consist in seeing whether the observation is a reasonable one and whether it is worded in intelligible and unexceptionable language; it is not intended that the Gazetted Officer should check the facts by a comparison of the vouchers, except in those cases in which he has reason to think that the facts implied by the observation are not correct, or in which the observation itself is not intelligible without the vouchers. It should be borne in mind that unnecessary, meticulous or badly expressed observations not only bring discredit on audit and give rise to reasonable irritation, but also cause an



increase of work both in the audit and the executive offices. Observations raised on half margins or audit memoranda should not be treated as routine correspondence which may be issued by Superintendents. No such observation should issue over the signature of a non-gazetted officer unless the case is clearly met by one of the printed and numbered standard observations; if any manuscript addition of any kind has to be made in the printed form it should be signed by the Gazetted Officer in charge. The more important observations which are likely to lead eventually to a reference to the Head of a Department or superior administrative authority should not ordinarily be issued without the approval of the Deputy Accountant General.

*NOTE. – In scrutinizing observations, it should be borne in mind that the discretion vested in Audit Officers by Article 248 of the Audit Code should be freely exercised.*

### **Accountant Procedure**

42. The district auditor, when he has completed the audit of vouchers of a list of payments with which he himself deals, should recover from the sections concerned all the bills and vouchers which were made over to them, other than those relating to the departmental schedules which are provisionally adjusted under the suspense head "Departmental Adjusting Account" (see paragraph 28). He should see that the vouchers so recovered have been audited, compare them again with the list and ascertain that none are missing. He should then examine the Cash Account and the list of payments as to correctness of form, method of entry and verification of cash balance. The necessary notes of classification should be entered in the remarks column of these documents.

*NOTE 1. – This procedure will be suitably modified by the Accountant General in the case of those vouchers the audit of which is permissible after incorporation in the Detail Book.*

*NOTE 2. – The Accountant General may at his discretion authorize that the bills and vouchers, other than those relating to the departmental schedule, made over to other sections for audit need not be recovered from them and may be filed in those sections.*

43. On completion of the examination by the district auditor the Cash Account, list of payments, vouchers and all supporting documents for the audit of which he is responsible should be made over to the Superintendent of the section, who should check carefully the classification of receipts and expenditure before submitting it to the Gazetted officer in charge. After it is passed by the latter, the Cash Account and list of payments should be made over to the poster of the Detail Book.

1. *For the purpose of this paragraph, the classification entered on the vouchers and schedule which the Superintendent and the Gazetted Officer have checked as part of their concurrent review may be treated as checked for the purpose of this review.*

a). *Separate Cash Accounts and lists of payments are received from the treasuries in respect of Provincial and Central transactions. Receipts and payments shown against a particular department in the Provincial Cash Account and list of payments will be taken in the first instance in the Provincial Detail Book under the minor head "Departmental Adjusting Accounts"*

*under the Major head "suspense Account" in Section "P – Deposits and Advances". Similarly the Central transactions will be taken to these heads in the Central Detail Book. Under this minor head a separate detailed head for receipts and another for payments will be provided for each Department and for each major head not relating to a particular Department. All Central transactions under the audit of a provincial Accountant General except transactions relating to Public Works and Pensions may, however, be treated as relating to a single Department.*

*NOTE. – In the case of small departments or major heads under which the transactions are few, two or more such departments or major heads may, at the discretion of the Accountant General be treated as relating to a single department.*

*b) The credits and debits which are posted under the above suspense heads in the Detail Book will be cleared by deduct entries under the same heads in the Departmental Abstracts where the transactions are finally brought to account (see Article 8 and 10 of the Account Code Vol. IV).*

#### Post Review by Gazetted Officer

44. The Accountant General or his Deputy should keep a register in Form 5 of the treasury and departmental accounts with 24 months columns, and should in every month, as soon as the accounts are posted and audit completed, enter against each selected unit or units the name or designation of the Gazetted Officer by whom the review of the month's account is to be made, in such a way as to ensure that the accounts of every treasury or department are reviewed by a Gazetted Officer not less than once in two years. This review should be carried out as far as possible by senior officers of the Department, and should not be entrusted to very junior officers. It should in no case be entrusted to probationers, unless for purposes of training, in which case the account reviewed should not be included in the prescribed number.

The Reviewing Officer should call for all the documents relating to the particular unit or units allotted to him and subject them to a careful test audit. The scale fixed for the check by the Reviewing Officer of each class of bills should be the same as that fixed for check by the Superintendent, and half of his review work should be devoted to a recheck of the review which has already been done by the Superintending staff. The pension vouchers of each treasury are audited only twice in a year and the post review should be so arranged that a few audited vouchers come under review. The Reviewing Officer should take up the vouchers, check them with the entries in the schedules and re-audit them, should see whether the schedules have been properly dealt with by the auditors (paragraph 31), should subject the Cash Account to such audit as may be possible (e.g., the fine statements, discounts on stamps, etc.), should look into the Deposit Registers, and should check the Plus and Minus memoranda with the accounts. Having thus generally reviewed the accounts, he will have the vouchers selected for review put up in the audit registers, see that they have been properly audited and due observations made, and initial bills and registers. The most important part of the Gazetted Officer's review should be audited of the establishment, travelling allowance and contingent bills, so as to see that no charges have been improperly passed. He should examine the registers to

ascertain that they are properly kept in accordance with rules and that a sufficient check exists over both fixed and variable charges. He should see in particular that sanctions having a limited currency are noted in such a way as to secure that expenditure incurred against them will not be admitted in audit beyond the period of currency. Finally he will submit through the Deputy Accountant General a report of his audit to the Accountant General in a form to be prescribed by that officer. The report should be made in a bound book and should show only important errors and irregularities.

*NOTE 1. – Any portion of the check which is exercised by a Gazetted Officer in the course of his ordinary duties need not again be exercised by him or by any other officer in the course of his review. Detailed orders on this point should be inserted in the Office Manual.*

*NOTE 2. – If necessary, the Accountant General may select a Senior Accountant, who is not in charge of a section of the Treasury Audit Department and may regard him as a Gazetted Officer for purposes of the review prescribed in this paragraph.*

*NOTE 3. – Local arrangements should be made for the review of charges of establishment drawn against a lump Provincial grant.*

*NOTE 4. – Detailed contingent bills are of more importance than abstract bills and require more attention. The review must be of detailed bills received during the month, the accounts of which are being checked: and it is more important to see that no charges are improperly passed than to see that they are properly recorded when passed. It is not as a rule, necessary to total the items or examine the sub-vouchers except in the case of important bills. The Reviewing Officer should be careful to see that special and periodical charges are dealt with in the manner prescribed in Chapter 7.*

*NOTE 5. – The Reviewing Officer should also see that the vouchers reviewed have been correctly posted in the Classified Abstracts.*

*NOTE 6. – The entries in the Review of Audit Register indicating the completion of reviews should be verified with the Registers containing the remarks of the Reviewing Officers to ensure the correctness of the former.*

46. In conducting this review, the Reviewing Officer should bear in mind the requirements of audit against propriety as enunciated in Articles 84 and 85 of the Audit Code.

47. A period should be fixed by the Accountant General for the completion of a Gazetted Officer's review and its submission to him, and any failure to complete a review within this period will constitute an arrear for the purpose of the Monthly Report on arrears submitted to the Accountant General.

## **CHAPTER 4 – GAZETTED GOVERNMENT SERVANTS' AUDIT**

### **List of Registers**

48. For the audit of pay bills of gazetted Government servants (see Article 169 et seq of the Audit Code) the following records should be maintained in the Audit Office: -

- (i) Audit Registers,
- (ii) Leave Account,
- (iii) Scale Audit Register, and
- (iv) History of Services.

### **Audit Register (Form and Sub-divisions of Register)**

49. (a) The Audit Register is intended to be a record for six years. Two alternative forms are prescribed – Forms 6 7. The former, which provides space on each folio for three years entries and thus requires the reservation of two folios for each gazetted Government servant, is suitable for services, e.g., those not on a time-scale of pay, whose emoluments are liable to be changed very frequently. The latter, which requires a single folio for six years' entries relating to one Gazetted Government servant and provides space on each folio for frequent changes of emoluments, is more suitable for services wherein the changes are not very frequent. The Accountant General will decide which of the two forms should be used in respect of any particular service.

(b) The account of each gazetted Government servant in the Register should be assigned a number and, if the Register is maintained in Form 6 the audit number thus assigned should be entered on both the folios reserved for him.

50. One or more volumes of the Audit Register should be set apart for the Government servants of each department, one set of volumes being maintained for Government Servants of the Medical Department one for those of the Education Department, and so on. As an exception to this rule, it will be convenient to bring together in separate volumes, the names of all members of a service, such as the Civil Service of Pakistan, the members of which are liable to frequent transfers from one department to another.

*Note. – In the case of small departments containing a few gazetted Government servants (say not more than 10 in each department) a single Register may be maintained to record the names of Government servants of all such departments, a suitable number of blank pages being left between each initial letter and department for the record of future entries.*

1. *In some cases, as for instance when a Local Fund post paid for fixed allowances is held as a collateral charge by a gazetted Government servant, it may be convenient for purposes of audit that the posts, and not the names of the Government servants should be the heads of the Audit Register. The names of successive incumbents with dates may be entered in the space for orders.*

51. The names should be entered alphabetically, that is, either each Register will proceed from A to Z for all names of the class for which it is set apart, or, if classification is not adopted, each volume will take up a certain part of the alphabet. Some blank sheets should be left after each initial letter for further entries during the currency of the Register.

### **Opening of Register**

52. New Registers should be prepared shortly before the old Registers are completed; the current Registers should be examined by an intelligent person, the names to be omitted should be cancelled with a coloured pencil, and the remaining names re-numbered according to the corrected alphabetical order. At the foot of the page containing the last name of one initial letter should be noted the number of leaves to be left blank after it for future entries.

53. All orders still in force, any un-expired leave, any transfer ordered but not carried out, must be brought forward in the new Register, and should, therefore, be marked for the copyist's guidance by the person correcting the Register.

*Note. – To ensure and facilitate efficient audit, the procedure prescribed above should be adopted in respect of those orders also which sanction grants renewable at intervals of a fixed number of years, such as the periodical grants made to Police Officers for Uniforms and Saddlery.*

54. The auditor, when he passes the last month's bill, must mark any outstanding observation and see that it is brought forward in the new Register.

55. When the new Register has been prepared by the copyist, it should be laid with the old one before a Gazetted Officer who should see that the necessary particulars have been correctly transferred and set his initial against the "Total charge" in the first money column as authority for, and a guide to, the auditing clerk. In the column for "Monthly emoluments and deductions", blank lines should be utilized for charges and deductions for which there is no printed entry in the form.

56. In entering new names, or re-introducing old ones care must be taken that no pay is passed unless supported by a last-pay certificate or a leave-salary certificate (see Article 171 of the Audit Code) except in the case of a gazetted Government servant who is newly appointed in Pakistan to Government service when a health certificate is required (Article 167, *ibid*).

57. When a gazetted Government servant takes a last-pay certificate or a leave-salary certificate out of Pakistan a "nil" money column should be opened

and signed, and the fact, and the date of the grant of such a certificate, should be noted in the blank space on the right-hand page. This will prevent his pay being admitted until a fresh money column is opened for his in the Register. When a Government servant takes a leave-salary certificate for leave in Pakistan and draws his leave salary outside his own audit circle the same procedure should be followed in the Audit office which audits the pay of the Government servant, if the leave salary is adjustable finally on the books of the Accountant General in whose circle the payment is made. If, however, the leave salary paid in Pakistan has eventually to be passed on for adjustment to the original audit circle of the Government servant, a money column having at the top the name of the province of payment entered in red ink should be opened in the Audit Register of the Audit office to whose audit the Government servant belongs, for note of the payments of leave salaries passed on to it for adjustment. When an authority for drawing leave salary within his own audit circle is issued to a Gazetted Government servant the name of the District where payment has been authorized should all in red ink in the relevant money column in the Audit Register.

58. A "nil" money column should be opened whenever the nature of the post held by a gazetted Government servant known to be such that a careful watch has to be kept on the salary disbursed; as, for example, when a Government servant is appointed to officiate for another during the period of the latter's leave. If the period is extended, the date in the money column should be changed. In the case of sanctions to temporary appointments of gazetted Government servants as an additional precaution, the word "stop" should be written in pencil in the payment cage of the month in which the sanction expires. A new column should be opened in pencil for reduced pay and allowances as well as for 'nil' amounts.

#### **Alterations of Pay, etc.**

59. On receipt of each Issue of the Government Gazette, the Superintendent will circulate it to the auditors who will pick out the items concerning them. The auditors will post these items in their Registers and obtain the attestation of the Gazetted Officer to these entries. All entries in the column "Gazetted page" under "Particulars of leave and transfer posts" should be separately attested by the Branch Officer, and any omission should be specially brought to notice and investigated at the time of the periodical reviews of audit. At the time of attesting the entries the Gazetted Officer will tick off or initial the corresponding notifications, in the Gazette in token of his having attested the Registers. The Superintendent of the Section will review the Gazette carefully to see whether any items have not been entered in the Registers and obtain the orders of the Gazetted Officer before filing the Gazette. This work should be regarded as urgent.

When Government orders sanctioning alterations of pay, leave, transfers, etc., are issued in advance of the notifications in the Gazette, they should be handled in the same manner as the notifications themselves. The entries in the

Register should, however, be compared with the Gazetted notifications when the latter are received and the auditor should certify against the notifications concerned that he has made the necessary comparison.

After the entries have been attested by the Gazetted Officer and any new money columns initialed by him, a Pay Slip (form 9) will be issued to the Government servant whose emoluments are changed. The Pay Slip form may be used for fixed-pay posts as well as for those on a time-scale rate of pay, and it has been so worded that it may remain in force for a considerable time.

1. *The number and date of the slip should be entered in the space provided for the purpose in the Audit Register.*

2. *In cases where the change in the money column does not necessitate the issue of a Pay Slip the auditor who prepares and the Superintendent or Assistant Superintendent who examines the money column should put their initials in the space for "Advice No." below the cage of the money column.*

3. *An order appoints AB to act as Judge during the absence of CD; a single mark only wanted, as the order affects only AB. But if the same order grants leave to CD and appoints AB to act for him it has to be noted against both, and so two marks are necessary. In the case of any but a grade promotion, it should not be necessary in the note against AB to make any mention of CD whom he succeeds.*

4. *When a gazetted Government servant is appointed to a post for a limited time, the limitation should be stated in the note of the order; it can never be necessary to note that a Government servant is to act "till further orders", as a later order always cancels an earlier one.*

5. *After close of each year, red-ink lines should be drawn across the spaces provided for note of orders, objections, transfers and remarks to distinguish them from those affecting payment of subsequent years.*

6. *The pay Slip Form with suitable modifications will also be used for the authorities of leave salary in Pakistan.*

60. A fresh Pay Slip should be issued –

- (1) whenever any increment is stopped,
- (2) whenever an efficiency bar, or any other bar against the grant of a particular increment is removed, and
- (3) whenever there is a change of any kind in emoluments, otherwise than by accrual of an increment in the ordinary course, e.g.,
  - a) when a gazetted Government servant passes outside or beyond the time-scale, or
  - b) whenever he passes from one overlapping time-scale to another, or from one time-scale to another, or

- c) whenever he proceeds on leave of any kind or returns therefrom, or
  - d) whenever he is appointed to a temporary post or reverts therefrom.
- (4) Whenever the stage of the time-scale at which there is a pause is reached.
- (5) Whenever leave salary is to be authorized to a Gazette Government Servant proceeding on leave in Pakistan.

*NOTE 1. – In the case of time-scale of pay with efficiency bars at certain stages an Audit Officer will not authorize any Government servant to draw pay at rate above the stage at which an efficiency bar is fixed until he has received a declaration from the authority empowered to make the promotion that it has satisfied itself that the Government servant in question is fit to pass the efficiency bar.*

*NOTE 2. – When a Government servant is appointed for a limited period to another post, but the exact dates of taking charge and of reversion are not known, the Pay Slip should show two rates of pay, the one commencing from the date of taking charge and the other from the date of reversion. If, however, the exact dates are known, they should be entered in the Pay Slip.*

61. In the case of gazetted Government servants who are occupying or who generally occupy Government residences, the Pay Slips should be made out in triplicate, preferably by carbon, and one copy should be sent to the officer responsible for making recovery of rent, to enable him to revise the assessment of rent where necessary.

62. If the rates of deduction change for any reason, or if a gazetted Government servant reverts without a new order to his former scale of pay, a new money column should be filled up and initialled, but no slip notice need be issued. The date above the money column should be filled in at once only if the changed rate necessarily takes effect from the date of the orders; if a changed rate is consequent upon any previous transfer of charge, receipt of certificate of taking charge should first be awaited.

1. *If there is a change in one item of deduction without any alteration in emoluments or other deductions, correction may be made in red ink without transfer of all the particulars to another money column, the date from which the corrected amount is payable being noted against it.*

2. *Changes in the rates of subscription payable by members of the Civil service of Pakistan and Military Officers under the Family Pension Regulations of their respective services, and by subscribers to the Superior Services, Pakistan, Family Pension fund, should be communicated to the Treasury Officer concerned.*

63. If a temporary grade promotion for a term already expired is notified in the Gazette, a new money column need not be opened unless it is considered necessary. IF it is not opened, the pay and allowances claimable should be named in the Pay Slip, and neatly entered in detail in the space for note of



peculiar payments, etc., in the middle of the right-hand page of the Register, with a guide letter, which may be set also (1) in the money column temporarily affected by the order (2) against the note of the order, and (3) in the cages provided for the months for which pay and allowances may be drawn; on payment, the date of the voucher will be noted in the cages against the letter.

### **Leave and Transfer**

64. ON receipt of sanction to leave, either through a notification in the Gazette or Government order issued in advance of the notification, a comparison will be made of the leave sanctioned with that shown in the office copy of the leave report. The auditor will certify against the notification in the Gazette or on the Government order, as the case may be, that he has made the necessary comparison and this certificate of comparison should invariably be attested by either the Superintendent or the Branch Officer. The particulars of leave and transfer in the Audit Register will in part be filled up from the Gazette; the first two columns in every case, then the first two under "Leave" or the column under "Post". In the column "Rule under which leave is granted, and kind of leave" the nature of the leave taken should be denoted by appropriate letters, followed by the quotation of the rule under which the leave is granted; the period of absence can only be filled in after return. The date of taking or making over charge can only be entered from the report of transfer, and a blank in these columns will always give warning that some further information is required and must be called for. The column "Number and date of reference" is for the record of letters addressed to the gazetted Government servant regarding joining time, audit observations, etc.

65. In the case of periods of leave succeeding each other, the day which reckons as the first day of each will appear in the column headed "Begins" and that which reckons as the last of each in the column headed "ends": the column "Period of absence" then filled up will show whether or not the period granted has been overstayed.

66. In the case of transfer the joining time "admissible" and that "Taken" should be filled in when the certificate of taking over charge is received in order to check whether, and by how much, the proper joining time has been exceeded. In cases, however, where the transfer is from one station to another and the time taken in joining is less than the minimum admissible, the column "Joining time admissible" need not be filled in.

### **Charge Certificates**

67. Certificates of giving over and taking charge, or of going on and returning from leave, should be noted in the Audit Register immediately on receipt and after the entries have been checked by the Gazetted Officer, they should be given to the poster of the history of Services and, when necessary, to the poster

of the Register of Permanent Advances. After this they should be pasted in a separate file.

1. *In cases in which the transfer of charge takes one or more days, a suitable note should be made in the column for remarks, and if the time taken is treated as duty, the authority for this should also be noted.*

2. *In the case of transfer of charge of gazetted Government servants employed at the station of their Audit office in which the pre-audit system is in force, the relieved Government servant should be required to furnish to the Audit office specimen signatures of the relieving Government servant (see paragraph 328).*

## **Audit of Pay Bills**

### **General**

68. The audit will be recorded under the heading "Date of payment of Bills" in the cage of the month for which the pay is due and not of the month in which it is issue. The name of the treasury from which payment is taken should be entered in red ink above the date of payment, but the entry need not be repeated unless the treasury is changed. When a payment appears in an Exchange Account or a Settlement Account, the name of the account and the month of adjustment should similarly be noted in red ink. If the amount of the bills be the same as was passed for the last month, it is sufficient to note in the Register the date of payment: if any further payment be made afterwards under new orders, the new date would also be entered, with a letter guiding the eye to an explanatory note in the space provided for it in the form and to the note of the order. If there be any change in the rate of emoluments as compared with the last month, it will be better to enter the amount as well as the date. The amount noted should be the gross amount paid including the amounts deducted for funds and income-tax and overpayments recovered.

1. *Suppose that in the first money column the rate of pay is shown as Rs.400 under date 1st June 1937, and the second Rs.450, under date 15<sup>th</sup> February 1938. If then, for earlier month Rs.400 (gross) only be drawn, for latter ones Rs.450, and for February Rs.425, no note of amount is needed on the right-hand page in the cages for July to January; but in February's cage Rs.425 would be entered along with the date, and in March's Rs.450. Thus an entry without specification of amount will always be understood to be for the same amount as that last recorded.*

69. After the necessary enfacement of the voucher, the auditor should lay it with the Register before the Superintendent or the Gazetted Officer in charge, who will attest the enfacement and initial the Register. Particulars of any observation will be posted in the space provided in the Audit Register, and duly attested by the Reviewing Officer, and the voucher will be ready for surrender to the poster of the Classified Bastract. But if the ground of observation be only non-receipt of a complete certificate of transfer of charge where the transfer involved moving to another Station, no note of it need be made under "particulars of observation" as the absence of a certificate in such a case is shown in the form under the head "particulars of leave and transfer".

1. *When the review of bills is divided between the Superintendent and the Gazetted Officer, it should be so arranged, that every class of gazetted Government servants passes under the review of the latter at least once in every quarter. If two or more Audit Registers are used for one class of gazetted Government servants, the arrangements for review made under this rule should ensure that each of the registers will pass under the review of the Gazetted Officer at least once in four and eight months in the case of Government servants subject to the Special and Ordinary Leave Rules.*

### **Sterling Overseas Pay**

70. The presentation of bills for sterling overseas pay has been discontinued. Separate registers in Form 11 are maintained in which are recorded all relevant details in connection with authorisations issued in respect of sterling overseas pay, a separate page in the register being allotted to each Government servant entitled to such pay. (There may be separate registers for each audit group or each service according to local conveniences). All authorisations in respect of new claims and alterations in existing claims should be noted both in this register and the audit register in Form 6 or 7.

71. Based on the information contained in the register in Form 11, a consolidated statement of the sterling overseas pay due to each Government servant for each month of a quarter should be prepared in Form 10 and sent to the High Commission for Pakistan by the 20<sup>th</sup> of the month following the quarter to which the statement relates. As soon as this quarterly statement is ready (and before it is despatched) the amount of sterling admissible in each case and / or the date on which the statement was prepared should be recorded in red ink in the Audit Register in Form 6 or 7 in the column "Date of payment of bills below the entry for rupee pay, in the cage of the month for which the sterling overseas pay is due.

*NOTE. – The statement in respect of members of the Pakistan Audit and Accounts Service is sent to the Accountant General, Pakistan Revenue.*

72. All authorities in respect of new claims and all alterations in the amount of Sterling Overseas Pay, method of payment, incidence of charge, etc., should be communicated separately to the High Commission for Pakistan in Form 11, in duplicate, as they occur. Any reduction or cessation of Sterling Overseas Pay should, however, be communicated immediately by air mail letter so as to reach the High Commissioner not later than the penultimate day (other than a Saturday or a Sunday) of the month in which the reduction or cessation occurs. In all other cases including any in which it is doubtful whether a letter would arrive in time (that is not later than day indicated above) it is essential that the advice should be sent by cable.

*NOTE 1. – In no case should the quarterly statement be used as an original authority for payment or as the channel of communication for alterations, whether in the rate, in the method of payment or in account classification.*

*NOTE 2. – In case of a Government servant proceeding on leave out of Pakistan, his Leave Salary Authority will serve as a separate advice.*

73. In respect of a gazetted Government servant claiming Sterling Overseas pay for the first time, no authority for payment should be issued to the High Commissioner for Pakistan until the Audit Officer is satisfied of the validity of the claims (see Article 172 of the Audit Code). IN the case of a Government servant claiming under the Service rules applicable to him to draw overseas pay in sterling in England on the ground that he has either a wife or a legitimate child resident elsewhere than in Asia, he should be required to furnish the necessary evidence in support of his claim. The evidence should be forwarded to the High Commissioner along with the authority for payment, which should be marked "provisional" subject to the High Commissioner being satisfied about the claim under the relevant Service rules.

74. The High Commissioner for Pakistan, when once authorised to make payment at a certain rate, will continue to pay at that rate until he is advised to the contrary, and will verify the payments actually made against the amounts reported as due in the quarterly statement, any short or excess payment being settled, after correspondence, by subsequent payment or recovery.

75. The rules for the accounting for and audit of the Passage Concessions admissible to gazetted Government servants are laid down in Appendix 1.

#### **Advances to Gazetted Government servants**

76. Pay and allowances advanced under proper sanction to gazetted Government servants come under audit in the same way as payments on account of pay made on due date, and should be entered accordingly in the Audit Register. An advance made on transfer or at the port of arrival to enable a gazetted Government servant to join his post should be debited to "Advances Repayable or to the relevant Remittance head, as the circumstances may require. In the event of the Government servant being transferred to another circle of audit the amount of the advance should be reported through the last pay certificate to the Accountant General concerned to effect recovery. On receipt of the last pay certificate the Accountant General will note the advance in the Audit Register so that proper action may be taken (see also paragraph 282).

77. Advances for house-building and advances for purchase of conveyances should be recorded in the Audit Register, and in the event of a Government servant being transferred to another province or department the un-recovered balance should be noted in the last pay certificate.

78. The last-pay certificate brought by a Government servant returning from leave out of Pakistan shows the date up to which leave salary was issued to him. The sterling amount of any portion of the leave-salary issued out of Pakistan which falls due after disembarkation in Pakistan should be adjusted at the current rate of exchange.

79. Other advances made in England under the financial rules of Government to enable Government servants to return to duty in Pakistan are also shown in the last-pay certificate brought by them.

80. If a gazetted Government servant, against whom an advance made out of Pakistan is outstanding, returns to England or proceeds to a Colony or Dominion in account with the High Commissioner for Pakistan on leave or retirement, the outstanding balance should be reported on the last-pay or pension certificate as a demand for recovery. Such report is, however, not necessary in cases where recovery of the outstanding amount has been waived by competent authority while the Government servant is being paid in Pakistan.

81. The whole or any portion of the pay due to a deceased Government servant at the time of his death may be withheld in or towards liquidation of any unadjusted advance of pay made to him in England.

### **Rent Recoveries**

82. If a Government servant occupies, as a residence, a public building, whether residential or not, or a building hired by Government or a portion of any such building, the rent as specified by the Public Works Divisional Officer concerned in the "Statement of Rents recoverable from Pay Bills" is recoverable from the tenant without prior reference to him. The amount recovered should be credited to the head of account indicated in the statements.

*1. This rule applies also to additional rent recoverable for furniture or for electric, water supply, heating and sanitary installations in buildings occupied as residences. It also applies to amounts recoverable from a Government servant on account of the value of furniture or other government property for the loss of which or damage to which he may be found responsible and to any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him.*

### **Adjustment of Observations**

83. the auditor is responsible for watching the adjustment of observations raised on vouchers passed by him, and the Reviewing Officer when passing a new bill should see what observations are still outstanding. Ordinarily, recoveries will be made by short payment on a new bill, and record of such recovery should be made under "particulars of observation before the voucher is laid before the Reviewing Officer.

### **Leave Account**

84. Under Article 186 of the Audit Code, a leave account should be maintained by the Accountant General for every gazetted Government servant in the form prescribed therein. A similar account may also be maintained for any non-gazetted Government servant whose pay is audited like that of a gazetted Government servant.

## **Leave Procedure**

85. (a) The instructions issued by the Auditor-General in connection with leave procedure are laid down in Annexure B to Chapter 2, of Section IV of the Audit Code.

In the circumstances set forth in paragraph (21) of the annexure the Certificate of leave will be given in Form 12.

b) To enable him to comply with the provisions of paragraph (5) of that annexure, the Accountant General concerned will maintain a register in Form 12-A to record the particulars of Government servants lent or transferred to Foreign Service and Leave Salary contributions received.

### **Last Pay Certificates and Authorities for the drawal of leave Salary**

86. (1) Leave salary of a gazetted government servant who intends to draw his leave salary in Pakistan should be authorised in Form A.T.M.-9 which may be suitable modified for this purpose. The authority should be prepared in triplicate preferably in carbon.

(2) For the leave salary of a gazetted Government servant proceeding on leave out of Pakistan (in or ex-Asia) and entitled to draw leave salary outside Pakistan under the rules in force, an authority, the form of which may be adopted so as to suit each individual case, should be addressed to the Pakistan Mission concerned. If the leave is spent in country where Pakistan has no Mission, the leave salary authority should be addressed to the Pakistan Mission nearest to the country concerned.

87. Register of all the Last-pay Certificate drawn up in an office should be kept in Form similar to Form 19.

In case of Leave-salary Certificates for drawing leave salary in Pakistan, the office copy of form 13 will serve the purpose of the Register.

87-A. In the case of an attachment order issued by a Court in Pakistan against a Government servant on leave out of Pakistan, whose leave-salary is disbursed in the United Kingdom, the appropriate authority in Pakistan s responsible for drawing the amounts recoverable monthly in compliance with the attachment order and remitting them to the Court concerned [of. Rule 228 (2) of the Treasury Rules of the Central Government]. In order to enable the disbursing authority in the United Kingdom to make the corresponding reductions in the monthly bills presented to him for payment the amount that will have to be deducted from the leave-salary in compliance with the attachment order should be specified in the original or amended leave-salary authority. To ensure that the portion of the leave-salary required in Pakistan for compliance with the attachment order is not paid for any period beyond which it is due, timely intimation of the death of the Government servant or of any other event necessitating discontinuance of such

payment is sent to the office issuing the leave-salary authority by the disbursing authority in the United Kingdom.

*NOTE. – If an order of attachment is received in respect of the pay or allowances of military officer who is for the time being in civil employ but is not borne on the Supernumerary List, a presentation should promptly be made to the Court that the military officer continues eligible for exemption from attachment. The attached portion of the pay and allowances should, however, be withheld from the officer until the Court's order on the representation is received. If the Civil court still holds that its previous order of attachment is correct, a report should be made to the Government of Pakistan in the Defence Department. Where the order of attachment relates to the pay and allowances of a military officer borne on the Supernumerary List, the procedure laid down in this paragraph should be followed.*

88. In leave-salary authority or last-pay certificates granted to Government servants proceeding on leave out of Pakistan or retiring from the service, no entries may be made of Pakistan pay and allowances due to them. Unless there is authorisation otherwise by the rules or orders of Government, all pay, allowances, leave-salary and pensions, accruing to a Government servant while in Pakistan are payable in Pakistan.

#### **No-demand Certificates for Military Officers in Civil employ**

89. Besides the ordinary last-pay certificate, Military Officers in Civil employ, when about to retire from active service, are required by the Defence Department to produce a no-demand certificate from the Civil Accountant General under whose audit they are.

#### **Scale Audit Register**

90. A Scale Audit Register in Form 22 will be maintained in Audit offices for the purpose of verification that appointments are not made in any grade or class of Government servants in excess of the sanctioned scale and that no post is abolished or held in abeyance, except to the extent authorised, without the orders of the competent authority.

*NOTE. – The maintenance of Scale Audit Register is not necessary in respect of isolated or socialised posts which are independent of each other. When the number of posts in a general grade or class of Government servants is very small the maintenance of the Scale Register may be dispensed with by the Accountant General at his discretion, provided that adequate arrangements are made for a periodical scrutiny to ensure that no post is held in abeyance or abolished except under the orders of the competent authority.*

91. The number of sanctioned posts in a grade, class or other unit of classification is to be entered at the top of the page or pages assigned to it, and the column "Names of incumbents" will be opened by entry in order of seniority of the names of the incumbents of permanent posts in the grade on 1st July. Such a number of lines as experience may show to be necessary should be left blank for entry of permanent promotions during the year to which the Register refers: these promotions should be entered, and the names of Government servants permanently leaving the grade should be scored out in red ink.

*NOTE. – If in the case of any service the Accountant General considers that the posting of the Scale Audit Registers will be facilitated by entering names in alphabetical order, he may allow the posting of this Register in that manner.*

92. Below the space provided for permanent incumbents should be entered the names of officiating incumbents, beginning with those actually on duty on 1st July.

93. After the end of a month entries should be made in the columns for that month, showing which incumbents were on duty during any portion of the month. Against the names of those present throughout the month the figure 1 should be written in the first column, while against the names of those present for a part of the month only the dates from and to which they were on duty should be entered in the second column as shown in the Form, and in column 3 should be entered numbers beginning with 1, connecting the periods which form parts of the same chain, the same number being repeated against each part of such chain. The highest number in column 3 will thus show the number of posts accounted for by the broken periods. If this number added to the sum of the figures entered in column 1 does not exceed the number of sanctioned posts, it is clear that the scale has not been exceeded as a whole. To ensure that the scale has not been exceeded during any day of the month, the auditor should see while entering the connecting numbers in column 3, that the dates indicating the fractions of the same chain do not overlap each other. The dates 1–6, 7–20, and 21–31, indicate that the post was filled for the whole month: 1–6, 5–20, and 21–31, that for the 5<sup>th</sup> and 6<sup>th</sup> there were two individuals drawing pay for the same post and 1–6, 9–20, and 21–31, that the post was vacant for the 7<sup>th</sup> and 8<sup>th</sup>.

*NOTE 1. – To facilitate the completion of the account after the end of the month brief notes indicating the changes during the month may be made either at the foot of the columns for the month, or in a separate column to be added under each month. But it is left entirely to the option of each Audit office to decide whether notes should be made or not.*

*NOTE 2. – These instructions do not apply in their entirety to self-contained departments or services in which officiating appointments are not allowed. The Accountant General will modify the rules to suit the requirements of each case.*

*NOTE 3. – In the case of service which are self-contained and provide for leave reserves, it is left to the discretion of the Accountant General to close the Scale Audit Register only thrice a year, that is, once in January and twice again in the course of the year without prescribing definitely the months in which this is to be done.*

94. In the case of services in which the graded system has been abolished and which are not covered by Note 2 to paragraph 95, Governments and the Heads of Departments should to indicate always the vacancy in which any appointment or promotion is made and these vacancies should be noted in a simplified Scale Register in Form 23, the names of Government servants appointed or promoted being noted below the entries in the Scale Registers at the time of audit, as shown in the illustration below: -



Suppose it is desired to check that there is no excess in the Scale Register of superior posts in the Police Department and that the number of sanctioned posts is 40 and the number of officers actually holding superior posts at the time of opening a new Register (say 1st January 1938) is also 40. One of the gazetted Government servants proceeds on leave from 15<sup>th</sup> February 1938 and another begins to hold a superior charge from the 17<sup>th</sup> February 1938 in the same vacancy. The entries in the Scale Register would be as follows: -

	Number of Government servants holding superior posts
Sanctioned strength	40
From 1st January 1938	40
From 15 <sup>th</sup> February 1938 (Mr.....proceeds on leave)	39
From 17 <sup>th</sup> February 1938 (Mr.....assumes charge vice Mr.....on leave) and so on.	40

The sanctioned strength of the services in which scale audit is reduced as above should be checked twice a year with reference to the Audit Register.

95. The Accountant General, Pakistan Revenues, keeps scale Audit Registers of Government Servants belonging to the Civil Service of Pakistan, of officers of the Customs Service, the Pakistan Audit Department and of the Pakistan Medical Service Officers (Civil Branch) serving under the Central Government. Other Accountants General will furnish him with the necessary information regarding changes amongst the officers mentioned above, who are under their audit, in a monthly statement in Form 24 to be submitted by the 15<sup>th</sup> of the next month.

In respect of the Pakistan Medical Service Officers (Civil Branch) serving under Provincial Governments, the necessary scale audit should be conducted by the Provincial Accountants General.

*NOTE 1. – The Scale Registers maintained in the office of the Accountant General Pakistan Revenues are closed every six months on the 30<sup>th</sup> June and the 31<sup>st</sup> December.*

*NOTE 2. – In the case of those Central and other Services in regard to which statements of changes are furnished by other Accountants General to the Accountant General Pakistan Revenues under this paragraph, the other Accountants General should exercise scale check to see whether any post out of those allotted to their Provinces has been left unfilled so persistently as to suggest that the post has been practically abolished. Apart from this check, they need not regard the leaving vacant of a particular post as objectionable in itself.*

(15) On return from him, return vouchers without delay to the Treasury Audit Department.

107. On receipt of a Gazette with the notifications regarding gazetted Government servants ticked off, the Auditor will –

- (1) note all necessary details in the Audit registers, and History of Services, and also in the Scale Register;
- (2) issue the Pay-Slip for alterations in pay and allowances, where necessary, under paragraphs 59 to 63 filling in at the same time the money columns in the Register when necessary;
- (3) when leave has been sanctioned compare the amount of leave sanctioned with that shown in the office copy of the leave report, and prepare the prescribed letters, where necessary;
- (4) in the case of transfer, see that the report is received of making over as well as of receiving charge, note in the proper place in Audit Register, and check joining time; see also Rule 1 to paragraph 67;
- (5) in the case of a gazetted Government servant transferred from another province, call for a statement of his emoluments, and submit it with the Audit and Scale Registers, the History of Services, and the Pay-Slips to the Gazetted Officer for approval.

ANNEXURE A – Deleted.

ANNEXURE B – Deleted.

#### **CHAPTER 5. – ESTABLISHMENT AUDIT**

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108. *Deleted.*

109. *Deleted.*

110. *Deleted.*

## Audit Register

111. The Audit Register will be in Form 27, each page being divided by horizontal lines into four equal spaces for the record of four years' charges. A page should be set apart for the audit of each section of an establishment; the different sections will be entered consecutively, and a page for the total charge of the establishment should be left immediately after the page of the last section when the number of sections exceeds one. The sections in the Audit Register should correspond exactly with those in the establishment bill. The establishment should be arranged in the order of the major and minor heads of account, and a few pages should be left blank after each major head for the entry of any permanent establishments that may be sanctioned subsequently.

112. The Register is opened by bringing forward the detailed scale for each section, and the total sanctioned pay of the section as finally recorded in the past year's Audit Register. The details of the scale of establishment should be recorded in a fly-leaf in Form 28 inserted between the pages of the Register.

113. The "Minimum" and "Maximum" columns, both for the detailed scale as well as the sectional total, should be used only when the pay, or part of it is progressive, and in this case each increment, as it is admitted, will be added to the total of the "Actual" column, and the pay of the post affected altered in red ink, with a note, in each case, of the month with effect from which the increment is granted. Alterations of the scale and of the actual total payable at the time, due to orders passed during the currency of the Register, should similarly be noted with quotation of the orders. All entries of orders and the totals in the money columns must be initialed by a member of the Superintending staff although he should be held responsible for the correctness of the un-initialed entries relating to individuals. Each subsequent variation of pay in respect of an individual should also be attested similarly.

1. *The form of Audit Register prescribed for establishment may be adopted also for the audit of scholarships and similar allowances, but only the bills selected for percentage audit need be posted in the Audit Register.*

2. *In the column head "Orders of sanctioning authority" the last general order sanctioning the establishment as a whole, should be quoted against the first section only. Any order passed during the currency of the Register should be noted against the particular section affected and reproduced in subsequent registers.*

3. *Where Tehsildars and other Government servants, who held non-gazetted graded posts and are transferred from district to district draw pay in separate bills, their pay may be audited like that of gazetted Government servants and in such cases a scale register maintained. Where such Government servants draw their pay in the same bills with the other members of the establishment, their pay should be audited in the ordinary way by sections, but a scale register should be maintained to see that the total number of sanctioned posts for each grade is not exceeded.*

114. The first of the four divisions of the page serves for record of the audit for the first year, after which the entries of maximum, minimum, and actuals should

be made after the same examination as prescribed above in the second space, and the audit continued for the second year on the same page.

1. *In the case of some establishments, the number of partial bills, arrear bills, etc., among which one month's pay is divided is so large as to occupy, each month, more than a single space. In these case (to which the old Audit Registers give an easy clue) more than one page will be required for the four years' audit.*

### **Audit Procedure**

115. On receipt of an Establishment bill with the treasury account, its calculations should be checked arithmetically, vide paragraph 13, and reference should be made to the absentee statement in order to see that no absence on leaves causes a charge which the rules do not permit. But it will not be necessary to check the leave granted by earlier records, or the details of the bill by earlier bills, though, if any such leave appears prima facie to be contrary to rules, it should be examined. In posting the Audit Register, the amount shown in column "Total" for each section minus the amount of any fines shown in the appropriate column in the establishment bill form should be entered as the net charge for each section. Below this should be written in red ink any amount due, but not drawn by reason of absence, as a check, upon arrear bills (vide paragraph 120). The amount of fines shown in the establishment bill should be similarly noted in red ink to check bills preferred when fines are subsequently remitted. No subsequent claim not covered by the last two entries or by special authority to utilize savings should be admitted without full explanation of the circumstances in which it was omitted from the monthly bill, which is expected to exhibit the full claim for the month. The entries should always be begun from the top of the allotted space, in order that there may be space, for record of arrear bills, and also of sums refunded by short-drawal, which may be claimed again.

1. *Orders issued by Government or other authorities regarding the emoluments of any member of the establishment (e.g. orders regarding personal pay or withholding or postponing an increment) should be noted on the fly-leaf of the Audit Register.*

2. *If the amount of a bill is subjected to audit observation, it must still be entered in the Audit Register, and the observation clearly stated on the bill.*

3. *See also paragraph 85 (b).*

116. When the payments have been recorded against the sections, the amount posted should be totaled and agreed with the total of the bill. The audit encasement should then be written, and the bill and register together laid before the Reviewing Officer (paragraph 38), who should compare the totals, make such comparison of sectional charges as seems necessary, and initial both bill and Register. It is a matter of importance to remark that Establishment Audit registers run from July to June, and that pay is recorded under the month for which it is due, not that in which it is disbursed. To take an instance: - a clerk being absent on six weeks' leave from 25<sup>th</sup> June, his pay for June is not drawn in the bill for that month; but when it is claimed in August, it will be passed in the

Audit Register under the past year; or, to take a further instance, - from the pay bill for July paid in August is deducted the pay for June of a man who happened to be absent when it was drawn, and taking leave did not return in July to receive it; the refund will be noted in the earlier part of the Register under June and in the same place will be passed the bill on which the pay is afterwards drawn.

1. *The number and month of the voucher should be quoted in the entry as shortly as possible thus 34-7 would indicate voucher 34 of July.*

117. Audit of pay of non-gazetted Government servants on a provincial scale and others should be conducted by numbers. To prevent double payments a certificate in the following form should be obtained from Heads of Offices on the consolidated absentee statements –

Certificate that the following vacancies have been left unfilled during the month of ..... in the grades mentioned against each –

Grade of	No. of vacancies
Ditto	Ditto
Ditto	Ditto

*NOTE – The scale of posts in each grade will be reduced by the number of vacancies and Audit will proceed against the reduced scale.*

118. The audit of pay and allowances of non-gazetted Government servants of whom there are a large number in each district and who are paid in several batches during the same month should be conducted against both number and amount sanctioned for each district.

119. Increment certificates attached to establishment bills or submitted separately for pre-audit should be examined so that it may be verified that the increments claimed are according to rule and supported by fact stated and have actually accrued. The reasons why the increment is considered to be due as stated in the increment certificate should be examined with reference to the fly-leaf of the Audit Register (when names are shown there). At least one-fourth of the entries in an explanatory memorandum, stating the reasons why increment is due, taken at random must be checked with past bills; when periods of past officiating service are not susceptible of verification from the records of the audit office, such service may be verified from the service books. In the case of certificates submitted for pre-audit, if the increments are found to be admissible under the rules, the certificate should be returned duly passed, and the fact noted in the Audit Register.

### **Arrear and Advance Bills**

120. Arrear bills should be passed in the same manner against the sections concerned, after reference to the note of amounts due but not drawn (under

paragraph 115), the necessary addition being made to the total. For audit of advances of pay and allowances granted to non-gazetted Government servants under the financial rules made by Government see paragraph 282.

### **Time-scales of Pay**

121. In dealing with pay bills of establishments on a time-scale of pay the general instructions contained in the earlier paragraphs of this Chapter should be followed mutates mutandis. The succeeding Paragraph contains special instructions for dealing with such bills but these instructions are not intended to be followed in every minute detail; and the Accountant General may at his discretion vary the minor details to suit local circumstances. He may also exercise his discretion in selecting the form or forms which should be used in his office for the audit of establishment pay bills and make such modifications in them as he may consider necessary to suit local conditions, it being borne in mind that the form or forms should provide for all the requirements of audit.

122. (1) On the introduction of a time-scale of pay in an establishment it is of vital importance to scrutinize the calculations of the initial rate of pay and the date of next increment fixed for each Government servant borne on that establishment. On it depends the correctness of the pay to be drawn year after year until the Government servant is stopped at an efficiency bar or reaches the maximum of the time-scale. In such cases the Head of the Office should be required to submit to the Audit Office a detailed statement showing the calculation of initial pay of each member of the establishment in Form A annexed to the Chapter. Where the initial rates of pay are dependent to any extent on service, they can be checked only with the Service Books which are with the Head of the Office. This work can, therefore, be best done at local inspections, but when such inspections are not possible within a reasonable time after the date of the introduction of the time-scale, the Service Books should be called in to the Audit Office for the purpose of the necessary check. In any case the whole or a large percentage of the initial rates and the date of next increment must be checked.

(2) In the case of Government servants for whom records of Service are maintained in the Audit Office and in the case of those for whom service books are not required to be maintained, the audit will be by numbers only and no amount at all will be entered in the audit register.

When a sanctioned cadre contains its own leave reserve, the number to be entered is the sum of those drawing duty pay and of those drawing leave salary.

Where officiating arrangements in leave vacancies are permissible, it will be necessary to record, separately, the number (i) drawing substantive pay (ii) on leave, and (iii) drawing officiating pay. When the audit is not conducted in the

Provincial audit form, these can be recorded under one another with the letters S, L, O, respectively against them thus: -

118	S	6.25
Vr.	L	2.29
5	O	1.21

The Audit check will consist in seeing that S+LS+O are each within the sanctioned scale. Alternatively Form 29 may be used for the Audit Register.

The sums held over or refunded need not be noted in the Audit Register. The record of audit of supplementary claim should be made in the original monthly bill from which the claim was either omitted or in which it was shown as held over.

(3) The regular monthly audit in respect of all establishments will be by numbers only but, except in the case of Government servants referred to in the opening portion of sub paragraph (2) above, this must be supplemented by a nominal check twice a year at irregular intervals to be fixed by the Gazetted Officer in charge. The nominal check consists in comparing the rate of pay of each individual drawn in the bill with that recorded in the fly-leaf and should be done cent per cent. Subject to the further instructions below, the instructions in sub paragraph (2) above apply in this case also.

(4) In the audit of a bill it will first of all be necessary to check all the items in the bill corresponding to items in the absentee statement, and at this stage the admissibility of the leave salary and officiating pay of the men involved will come under audit. The auditor will next audit all items in the bill corresponding to the names entered in the increment certificate (vide paragraph 119) and make the necessary entries in the fly-leaf in Form 30. Then the remaining items in the bill against which there is something in the remarks column should be audited and any changes affecting the fly-leaf incorporated therein. None of the remaining items in the bill need be checked.

*NOTE 1. – The fly-leaf for July of each year should be carefully checked, written up with the sanctions for the creation of new posts and for extension of posts created originally for a specified period.*

*NOTE 2. – When the increment claimed operates to carry a Government servant over an efficiency bar it should be supported by a declaration from the authority empowered to allow the increment that it has satisfied itself that the Government servant in question is fit to pass the efficiency bar.*

*NOTE 3. – To facilitate the audit of leave salary of superior non-gazetted Government servants, the establishment pay bills will be supported by a statement duly attested by drawing officers showing the calculation by which the amounts drawn in the bills on account of leave salary have been deducted. An arithmetical check of these statements in the Audit office is ordinarily sufficient, reference to previous pay bills or other connected documents being made in doubtful cases only. The audit of the leave salary drawn for subsequent months in the same spell*

*of leave should be conducted with reference to the statement received with the first bill. In case where under the procedure laid down by the competent authority the names of Government servants are not shown in the pay bills and leave salary statements pertaining to them are not attached to the bills, the Audit office is expected to check the calculations, etc., of the leave salary prescribed above.*

(5) In case where only one name affecting a particular cadre appears in one bill, e.g., Sub-Assistant Surgeons who draw their pay on separate bills, Inspectors of Excise, etc., the simplest audit amounts practically to a normal audit and may be conducted in an Audit Register in Form 31.

Alterations of pay and allowances will be shown in column 2 as they arise. Under the audit month the initials of the auditor are sufficient if the payment is a regular one. If it is broken payment brief notes should be recorded.

(6) In the case of large establishments bills for which are drawn from more than one centre, arrangements should be made to obtain consolidated establishment lists and absentee statements for facility of audit under this scheme.

(7) As, under this scheme, the accrual of increments will be audited against a fly-leaf, a local check of increments, after the check of initial pay, which is most important, will not be necessary. In the case of Government servants whose names may be omitted from the pay bills under any rules made by Government, a percentage check in the course of local inspection may be exercised.

### **Passage Concessions**

123. The procedure for the maintenance of passage accounts and for the drawing of passages of non-gazetted Government servants of non-Asiatic domicile who have been declared eligible to passage concessions under the relevant Service rules will be similar to that prescribed in Appendix I for passages of gazetted Government servants with this change that the non-gazetted Government servant will apply for passage and will correspond further on the subject through the head of the office instead of directly. The certificate and receipt forms to be used will also be the same as those prescribed for gazetted Government servants.

### **Temporary Establishment**

124. When sanction is received for a temporary establishment, the requisite entries should be made in the first three columns of the Audit Register, the period for which the sanction holds good being distinctly specified in the second column below the details of the posts sanctioned, and lines should be drawn across the cages of the month previous and subsequent to such period so as to prevent admission by oversight of pay for a period in excess of sanction.



1. *Temporary establishments should be entered in the Audit Register after all the permanent establishments, and not mixed up with them or separate Audit Registers should be maintained for temporary establishments where this course is considered to be suitable by the Accountant General.*

*NOTE. – Where the power to vary details of a temporary establishment has been delegated to the head of the office, only the scale, as originally sanctioned by the sanctioning authority, should be entered in the Audit Register in order that it may be seen that the number of posts above the limit of sanction enjoined by the sanctioning authority or the number of those above the maximum limit fixed by superior authority, does not exceed the number of such posts originally sanctioned, in such cases audit may be conducted against the total sanctioned cost or the temporary establishment.*

*NOTE 2. – The procedure laid down in this Paragraph applies also in the case of changes in rates. The words 'change in rate' should be entered in pencil in the column for month of change.*

### **Auditors' Duties**

125. The chief points to be observed in auditing establishment bills, besides those mentioned in Article 176 of the Audit Code are to see: -

- 1) that the arithmetical calculations of the bills selected for this check are correct, vide paragraph 13;
- 2) that the absentee statement is filled in or the "no leave" certificate furnished;
- 3) that the enhanced pay of officiating incumbents is in accordance with rules;
- 4) that a last pay certificate is furnished for a Government servant transferred from another establishment; and
- 5) that the dates of making over and receiving charge are stated and joining time checked in accordance with the relevant Service rules.

126. The ordinary procedure prescribed in this Chapter may be relaxed by the Accountant General as indicated below, in the case of bills to be post-audited: -

- a) Only 50 per cent, of the bills of those establishments the normal monthly cost of which is less than Rs.500 should be audited, the selection of the bills for this check being made by a Gazetted Officer.
- b) "Sums held over" and "absentees' pay refunded" need not be recorded in the Audit Register, and if this plan is adopted arrear and supplementary bills will also not be posted therein, the necessary record of the payment being made against the entries in the original, bill.

Otherwise, all bills, whether audited or not, should be entered in the Audit Register.

### **Proposition Statement**

127. In verifying the "present scale" of a proposition statement received in connection with any proposal for alteration of establishment, it should also be seen that the entries regarding the "proposed scale" are within the powers of sanction of the authority to whom the statement is to be submitted, and if they are not, the authority whose sanction is necessary should be specified in the forwarding endorsement.

FORM A  
[(See Paragraph 122(I)]

Details statement showing the calculation of initial pay of the establishment of the  
(date of introduction of time-scale of pay) based on the orders contained in  
No. . . . .  
dated. . . . .

as fixed on the  
Government letter

Name of incumbent	*Date of appointment from which service in time-scale counts	*Total period of service rendered in the post which counts in the time-scale			Initial pay		Date of next increment	REMARKS
		Y	M	D	Rs.	Paisa		

\*These columns should be suitably modified if a different basis of calculating initial pay is adopted.

## CHAPTER 6. – TRAVELLING ALLOWANCE AUDIT

### **Audit Register**

128. The audit of travelling allowances of gazetted Government servants should be recorded in a Register in Form 32. As no details of camp stage need be given a single line is sufficient for each voucher. The object of the journey need not be entered except in the case of (a) transfers, when the names of stations to and from which the Government servant is transferred should be specified, and (b) journeys the cost of which is not to be debited to the same head as the pay of the Government servant.

No audit register should be maintained for the travelling allowances of non-gazetted Government servants.

### **Audit of Bills**

129. In auditing a bill, the pay shown should be checked with reference to pay bills in those cases where the amount of the allowance is dependent on pay, and the daily allowance should be passed according to the rate admissible. Claims for journeys by air, steamer and railway should be verified with reference to the relevant fare tables. In the majority of cases countersignature is necessary.

Countersignature does not dispense with the necessity for formal audit with reference to rates and general conditions. Ordinarily, the countersignature by the proper authority, or the signature of the drawing officer when a bill does not require countersignature, should be accepted as final evidence that the facts of the journey on which the claim is based are correct, and that the controlling or the drawing officer, as the case may be, has exercised the scrutiny entrusted to him under the rules of the Government. Occasionally a test check should be exercised to see that these officers scrutinize the bills properly. See Article 181 of the Audit Code.

*1. The arithmetical calculations should be checked only of the bills selected for the purpose vide paragraph 13.*

*2. The pay shown in the travelling allowances bills of non-gazetted Government servants in those cases where the allowance is dependent on pay, should be test checked to the extent prescribed by the Accountant General: in cases where names are not shown in pay bills the test check will be limited to seeing that the pay shown in the travelling allowance bill does not exceed the maximum pay of the grade of the post held.*

*3. See also Notes 1 and 2 under paragraph 135.*

130. After the bills have been checked, and entered in the Audit Register in the case of bills of gazetted Government servants, these should be submitted with the Audit Register to the officer responsible for final acceptance.

## **Appropriation Audit**

131. The appropriation audit will be conducted either through the Classified Abstract or the Appropriation Audit Register, Form 1. Where the appropriation audit is conducted through the Classified Abstract the Superintendent should satisfy himself that the check has been properly exercised before he passes the Classified Abstract every month. In either case prompt notice should be taken of any expenditure which may lead to the authorized allotment being exceeded at the end of the year and any actual excess should be placed under objection.

## **CHAPTER 7. – CONTINGENT (INCLUDING GRANT-IN-AID AUDIT)**

### **Application of the Instructions in the Chapter**

132. The instructions contained in this Chapter govern the audit not only of contingent charges proper, but also of other expenditure, which according to the rules of financial procedure made by Government is to be treated in the same way as contingencies. The term Contingent Charges or contingencies is used in this Chapter to cover all such charges. Certain other audit processes relating to expenditure which is sometimes treated as contingent Expenditure are described in Chapter 14. These processes, when applicable, are to be considered as supplementary to those noted below.

### **Audit of Contract Contingencies**

133. The rules governing contract contingencies differ in the sphere of different Governments, the principal variations being in the classes of expenditure brought under the contract system and in the departments to which the system has been extended. In some cases the contracts are made direct with the disbursing officers, while in others the contract grants are placed at the disposal of controlling officers, who distribute them annually among their subordinates reserving a small portion for subsequent allotments in case of need. In spite of these and other minor variations, the essential features of the system are common to all Governments. No details of the expenditure, beyond such totals of the various contract items as may be required for purposes of classification, need be furnished in the bills; and disbursing officers are held personally responsible for any expenditure in excess of the contract grant until the excess is sanctioned by competent authority.

### **Audit of Scale-regulated Contingencies**

134. Contingencies regulated by scale will include such charges as cost of liveries, rewards for destruction of wild animals, batta to witnesses and the like. The authority prescribing the scale will lay down the conditions precedent to its application in each case, making it clear whether special sanction of superior authority is necessary, whether bills must be countersigned before or after payment, and what certificates should support the bills. In accordance with the conditions to laid down, charges regulated by scale may become Special, Contract Countersigned or Fully-vouched Contingencies, and should be audited under the rules applicable to the particular class within which they fall. In addition, the Accountant General should satisfy himself that the charges incurred are in accordance with the scale which governs them.

### **Audit of Special Contingencies**

135. (a) In respect of Special Contingencies, the principal duty of the Accountant General is to watch the expenditure against the necessary sanction

of superior authority. For this purpose a Register should be opened in form 33, in which every order sanctioning special expenditure, including sanctions conveyed by the method permitted by the Note under paragraph 8(h), should be entered as soon as it is received and, as each charge comes up for audit, a note of the bill in which it is included, and of the fact that it has been audited, should be made in the final columns. Where expenditure against a lump sum sanction is incurred in installments, the progressive outlay must be watched against the sanctioned total.

To facilitate the watch of expenditure and liabilities against allotments, where such check is necessary, a note of the special charges should be made also in the relevant Contingent Audit Register (if any). When an order of sanction contains no indication of the amount or limit of expenditure sanctioned, inquiry should be made from the authority which issued it, and charges should not be passed in audit until complete sanction is received.

(b) In preparing the Register of Special Charges, the following instructions should be followed: -

- 1) Separate pages should be set apart for different classes of expenditure and if the entries are likely to be numerous, for different officers incurring expenditure.
- 2) Separate pages should be set apart for the record of payments authorized by other Audit Officer. The numbers and dates of the letter authorizing such payments and of the corresponding authorities issued to Treasury Officer should be entered in the opening columns, and when the charges appear in the treasury account they should be noted against the original entries in the Register before being passed on through the Exchange Accounts or the outward Settlement Account.
- 3) When opening a new Register, orders which are still in force should be carried forward into it from the old Register.

*NOTE 1. – The sanctions entered in the Register of Special Charges will not be confined to sanctions of contingent charges proper. Special sanctions of refunds, advances, travelling allowances and the like also will be recorded in this Register and the charge audited according to the method prescribed in this Paragraph.*

*NOTE 2. – The entries of payments made in the Register of Special Charges in respect of the vouchers reviewed by a member of the Superintending Staff should be attested by him.*

## **Audit of Countersigned Contingencies**

(Bills Countersigned after Payment)

136. In the case of bills countersigned after payment, the money is actually drawn on an abstract bill, and the approval of the superior authority as indicated by its countersignature, is subsequently received by Audit on the monthly detailed countersigned bill. Both the abstract bill and the detailed monthly bill require scrutiny in audit.

137. (a) On receipt of the abstract bill, scrutiny should be limited to seeing that it is signed by an officer authorized to sign such bills, that the summations are correct and that there is nothing extraordinary or unusual in it. Thereafter, the usual audit enforcement should be made upon the bill, and the amount paid at the treasury or the Bank or passed for payment in pre-audit, should be entered, in a Contingent Audit Register. Except in the case covered by clause (b) of this Paragraph, the Register will be in Form 34, and a separate folio will be assigned to each disbursing officer or department under the major head of account concerned, the folios being arranged in the serial order of major and minor heads. The total amount paid or passed for payment on each abstract bill should alone be taken into the Register, the object of which is to provide a record of the payment of each bill, and each entry should be initialed and dated by the auditor. Details, if required, will be available from the Compilation Sheets. After entry of each bill in the Audit Register, the items subjected to audit observation on their merits, should be entered in the Objection Book; see paragraph 574.

(b) In the following cases, Form 34 should not be used: -

- 1) Bills for contingent charges which have to be audited against the unit of appropriation for a whole circle of account need not be entered in an Audit Register. The expenditure as a whole will be watched against allotment through the Consolidated Abstract, and the receipt of each detailed bill and payees' receipts through the Objection Book or a separate subsidiary register, as the case may be. See Note under item 1 'General', paragraph 521.
- 2) Bills of the Forest Department should not be entered in an audit register; but, if they contain any special contingencies, the later should be treated as prescribed in paragraph 135 above.

*NOTE 1. The maintenance of the Audit Register in Form 34 is left to the discretion of each Accountant General who will be guided by local requirements.*



*NOTE 2. – When an amount drawn in a previous month of the current year is refunded in cash it should be shown in red ink as a minus entry in the Audit Register and the progressive total for the month should be adjusted accordingly. Repayment in cash or by short drawal in bills of amount drawn in previous year should not be taken in reduction of expenditure of the current year, but should be brought to account as prescribed in Article 22 of the Account Code, Vol. IV.*

138. (a) It is most undesirable to allow indefinite delay in the audit of contingent charges, and the Accountant General should, therefore, watch very carefully the submission of monthly detailed bills and direct the attention of countersigning officers to cases of undue delay.

(b) On receipt of the monthly detailed bill, it should be carefully checked on the principles laid down in Article 199 of the Audit Code. In addition, the auditor should satisfy himself: -

- 1) That the bill is duly countersigned;
- 2) that the charges included in it cover the amounts drawn from the treasury and classified as in the abstract bills:

difference or disallowances should be noted for recovery, and adjustments should be made, if necessary, on account of misclassification; and

- 3) that details of charges are given where necessary.

He should further apply the special procedure, prescribed elsewhere in this Chapter, to any Special or Scale-regulated Contingencies and nay periodical charges which may be included in the bill.

(c) Except on points covered by clause (b) of this paragraph, the Accountant General should not disallow any items included in a countersigned bill which are within the powers of sanction of the countersigning officer. He should, however, draw the attention of the latter to any expenditure which seems questionable or, in comparison with like charges elsewhere, excessive in respect of rate, price or amount and may, if he deems it advisable, specially address the Government on the subject.

(d) When the auditor has completed his audit, and has ticked off each item supported by a voucher in token of his having seen and passed the voucher, he should record his audit enfacement, passing the bill or objecting to it, upon the bill itself. He should then make the corresponding or partial adjustment both in the Audit Register and the Objection Book unless some item in the detailed bill itself is objectionable.

### **Bills Countersigned before Payment**

139. Where countersignature is required before payment, there will be no abstract bill, but payment will be made on a detailed bill. In that case, the first

entry should be made in the contingent Audit Register when the detailed bill is received. The audit should then be conducted, and the entries in the register completed, as prescribed in paragraphs 137 and 138. The auditor will, of course, make no entry in the Objection Book unless some item in the detailed bill itself is held under audit observation.

### **Audit of Fully-vouched Contingencies**

140. Payment of fully-vouched contingencies will be made on detailed bills. No audit registers need be maintained for the record of these bills except in cases where the Accountant General is requested by the Government to audit the charges of individual disbursing officers against a lump sum appropriation placed for the purpose at the disposal of a single higher authority. The actual audit should be conducted as in the case of bills countersigned before payment.

It is the Accountant General's duty to challenge extravagant rates, prices or amounts in charges not otherwise objectionable in character, and to refer for orders any item of expenditure which is positively objectionable or even of doubtful propriety. A charge should not, however, be held to require the special sanction of Government merely because it is unusual in the sense that it does not occur at frequent intervals. A clock in a Commissioner's office may be a necessary article of furniture, though the need of replacing it may not arise for years. When the need does arise, the expenditure may be readily passed on the Commissioner's signature if the price be, on the face of it, reasonable.

141. Sanction to recurring contingent charges are noted in the Register of periodical Charges in Form 35, each payment as it is audited being posted with the necessary references in appropriate monthly columns. Ordinarily the Register should be used only in cases in which sanctions other than those of the disbursing or countersigning authorities are involved.

Unless there are separate allotments for such charges, they should be posted in the contingent audit register (if any) also. The audit to be applied will be that prescribed for the particular class of contingent bill in which the charges appear.

*NOTE 1. – When the pay of Class IV servants is treated as contingent expenditure, it need not be entered in the Register of Periodical Charges.*

*NOTE 2. – Periodical charges such as water rates, conservancy taxes, etc., do not require the sanction of a higher authority when they are assessed by competent authority and the assessment is certified by a Public Works Divisional Officer or the Departmental Officer concerned according as the building are or are not borne on the books of the Public Works Department. Such charges should not, therefore, be entered in the Register.*

### **Charges for Supplies made by other Departments**

142. If the cost of supplies made by one department to another has to be adjusted by accounts adjustment in the accounts of the latter, it will be shown by

the officer supplied in the statement of account at the end of the contingent bill in which the charge is adjusted. It should then be entered separately in red ink in the Contingent Audit Register, where such registers are maintained, and particulars of the duplicate invoice, which will be attached to the bill, should be entered in the column for number of voucher. The progressive total in the Audit Register, if any, and in the Consolidated Abstract should include the cost of supplies. The adjustments for such supplies should be made in the Classified Abstract by the method prescribed in Article 13 of the Account Code, Vol. IV, either on the receipt of statements from supplying officer under its own audit or on the appearance of debits in Exchange Account or inward Settlement Account. In either case, the fact and the month of adjustment should be noted in the Audit Register, if any, against the entry of supply if the latter has already been posted from the contingent bill of the officer supplied. If it has not been so posted, a fresh entry should be made in the Register in the column for the current month, and the officer supplied should be asked to include the charge in the Statement of account of his next contingent bill.

### **Charge for Wages of Coolies**

143. In the case of offices the accounts of which are not audited locally, contingent charges on account of wages of coolies engaged on manual labour and paid at daily or monthly rates should be passed in audit on the authority of a certificate signed by the disbursing officer to the effect that coolies were actually entertained and paid.

A call should be made for some of the paid muster rolls in each quarter and they should be checked for verification that they were properly maintained. The Accountant General should lay down in his local manual how the selection should be made.

### **Bills for Articles purchased direct from Firms in the United Kingdom**

144. The following procedure should be followed for auditing and making payments in respect of articles required for public service, which are ordered direct from and supplied direct by firms in the United Kingdom: -

- 1) Every officer giving such an order is required to report it direct to the Accountant General with the necessary voucher for pre-audit. All such bills, vouchers or invoices of the supplying firm which are submitted for pre-audit to the Audit office by the department receiving the supplies should be recorded in a special Register in Form 36, which should be maintained in the "Treasury Miscellaneous" or other Central Section of the office. After the necessary particulars have been entered in columns 1 – 5 and 10 of this Register, the bills, with supporting vouchers and invoices, will be passed on for pre-audit to the Audit Section concerned through an ordinary transit register. The Audit Section will audit and classify the charges, make the necessary

audit enforcement on the vouchers, communicate objections, if any, to the parties concerned, inform them that the necessary bank drafts will be sent to the High Commissioner for Pakistan in due course, and then return the audited vouchers to the Treasury Miscellaneous Section, where the sterling amounts will be entered in column 6 of the Register and the classification in column 8.

At the end of the month, the Register will be closed by the totaling of column 6 and an application for a demand draft for the total amount in sterling will then be made to the Bank in Form 37, the necessary bills, invoices, etc., working up to the total of the demand draft being submitted to the Bank in original as enclosure to Form 37. The Bank will debit the cost of the sterling draft to the account heads as shown in column 8 on reverse of Form 37. On receipt of the demand draft, it should be forwarded to the Secretary to the High Commissioner for Pakistan under cover of special letter in Form 38, particular care being taken to fill in correctly and completely the statement of payments on the reverse of the Form. At the same time the necessary letters of authority, in Form 39, should be issued to the supplying firms, under the special seal of the office, a copy being endorsed to the respective officers in Pakistan who received or ordered the stores and at whose instance the payments are authorized. Column 9 of the Register will be filled in after the requisite letters of authority have been issued, and in the last page of the entries relating to each month will be recorded the number and date of (1) the requisition to the Bank for a demand draft, (2) the communication from the Bank forwarding the demand draft, (3) the letter to the High Commissioner in Form 38, and (4) the letter to the High Commissioner in Form 40, forwarding the Second of Exchange. The amount in Pakistan currency to be entered in column 7 will be filled in from the particulars recorded on the reverse of Form 37, when it is received with the Bank Account, and, to enable this to be done, the Audit Section dealing with the Bank Account will send all Forms 37 to the Treasury Miscellaneous Section as soon as they are received, for note in the Register and return. The Register thus completed will then be submitted for inspection to the Officer in charge of the Treasury Miscellaneous Section, who will place his dated initial in column 11.

In the case of urgent payments to be made in the United Kingdom, the Accountant General should authorize the High Commissioner by telegram to disburse the amount in question and should include it in his next monthly sterling draft, making a suitable note in the statement accompanying the draft. This portion of the remittance will then be taken by the High Commissioner against the payment already made by him on the telegraphic authority. This procedure should be followed in cases of real urgency only.

*NOTE – Form 38 forwarding the demand draft to the High Commissioner should, as far as possible be issued by the first mail of the month following that to which the transaction relates and in any case not later than by the second mail following. The Second of Exchange should be issued a week after the First of Exchange.*

- 2) In case of stores obtained by officers in Pakistan direct from firms abroad on f.o.b. basis subject to inspection by the Director General, Supplies and Development Department the payment may, if the purchasing officers so desire, be made by the High Commissioner for Pakistan on receipt of bills through the Director General, Supplies and Development Department. The amounts paid will be passed on to the Accountants General concerned through the Remittance Account supported by the suppliers' bills duly certified by the Director General, Supplies and Development Department. They will then be subjected to audit in the usual manner.

### **Grant-in-aid**

145. An audit register of grants-in-aid in Form 41 should be maintained in respect of each department. Immediately on receipt of a sanction to a grant, it should be audited as laid down in Chapter 3 of Section IV of the Audit Code. If admitted in audit, it should be entered in the relevant portion of the Audit Register and the entry attested by a member of the Superintending staff. An order of payment, if necessary, should then be issued in Form 42 and its number and date noted in the appropriate column of the Register.

*NOTE 1. – A new Register should ordinarily be opened every year, into which should be brought forward all entries in the old Register relating to recurring grants which are still in force. These entries should be attested in the new Register by a member of the Superintending staff.*

*NOTE 2. – For any department in which the number of grants-in-aid is small, the same Register may continue in use for a number of years, separate sets of pages being allotted for the transactions of each year. In this case also, entries relating to recurring grants should be brought forward at the beginning of each year to the new set of pages and attested as provided in Note 1.*

*NOTE 3. – Where local scrutiny of certain classes of grant-in-aid is conducted, a separate note of the sanctions relating to those classes should be kept for the information of the Inspecting staff.*

*NOTE 4. – For the record of the audit of periodical payments of grants-in-aid the procedures prescribed in paragraph 141 should be followed; but the Register should be kept in Form 41.*

*NOTE 5. – In cases where it is found difficult to summarise the conditions and limitations within the limits of column 10 of the form of the Register of grants-in-aid, as a matter of detailed procedure the conditions and limitations may be noted separately and reference made in column 10 of the form to such separate record.*

146. When a voucher comes up for audit, it should be audited against the relevant sanction, as recorded in the Audit Register, and a note of payment made in the Register, but see item (16) under paragraph 13. The audited bill should

then be submitted for review with the Register to the officer responsible for final acceptance.

147. If conditions are attached to a grant reference, to any documents furnishing information as to their fulfillment should be recorded in the appropriate column of the Register and attested by the dated initials of the auditor.

### **Appropriation Audit**

148. Contingent charges should be audited against allotment as prescribed in Chapter 1 of Section IV of the Audit Code. The Superintendent should review the charges, comparing the amounts expended with the allotment through the Contingent Audit Register or the Consolidated Abstract or the Appropriation Audit Register in Form 1, as the case may be. He should bring to notice any case in which the expenditure appears likely to exceed the provision and should place excess expenditure, if any, under objection.

*NOTE. – The Central Government have directed that, when a countersigning officer passes monthly bill in which the monthly proportion of the allotment is exceeded, he should report to the Accountant General that he is satisfied that the excess is rendered necessary by circumstances. It is open to the Provincial Governments to issue similar instructions.*

## CHAPTER 8. – PENSION AUDIT

### Verification of Services

(Civil service of Pakistan)

149. The necessary report upon the service and active service claimed by a retiring member of the Civil Service of Pakistan in his application for permission to resign and for an annuity or gratuity will be made by the Accountant General of the Government on whose cadre the Government servant is borne. If the Government servant is, when the application is made, under the audit of another Accountant General, the information necessary for the report will be obtained from that Accountant General.

#### Other Services

150. (a) On receipt of pension papers, the portion therein relating to the “calculation of qualifying service” should be checked with the entries in the service book: it is not necessary to refer to audit registers or vouchers in order to verify dates of alteration of pay or of appointments or dates of leave or of suspension. The dates stated for these in the service statement may be assumed to be correct if they agree with the entries in service books. The date of birth should also be checked with the service books. When the service books is not forthcoming, it should be seen that the particulars given in the “calculation of qualifying service: have been collected in the manner laid down in Article 915 of the Civil Service Regulations.

(b) The statement should show all periods of leave taken except privilege and casual leave, or a certificate should be given to the effect that no leave (other than privilege or casual) was ever taken. If, however, any period of leave is inadvertently omitted from the statement, the omission should be supplied by the Audit office by referring to the Service Book of the applicant for pension.

(c) It is not intended that at the time of pension verification a re-audit should be undertaken by the Audit office of the leave salary drawn by a retiring Government servant during his service or, that a check should be exercised as to the correctness of the leave granted to him.

1. *In this connection, see paragraph 672.*

(d) The Officer in charge should himself check the verification of one or two entries in each case, and the verifying clerk will note the fact of verification (with date) in the service books.

(e) For verifying the services of gazetted Government servants, the printed History of Services should be used. If part of the service be non-gazetted, such part should be verified from the entries in the service books.

(f) In the case of a Government servant who has been on Foreign Service, the period of service claimed for such employment should be verified from the record of pension contributions which should be maintained in form 12-A and it should be seen whether contribution for that period has been recovered.

### **Pension Reports**

151. Accountants General should arrange for the speedy disposal of verifications and reports required in connection with applications for pension and for gratuities, which are invariably to be treated as urgent.

A register of applications for pension should be kept in each Audit office showing date of receipt and of final disposal of each.

*NOTE. – In order to prevent the possibility of double claims, a note should be made in the Service Book by the Audit office to the effect that a pension of a certain amount was admitted on a certain date.*

152. To ensure the correct settlement of the accounts between Governments on account of each pension, the following procedure should be observed: -

- a) The pension report by the Accountant General should indicate invariably the apportionment of the charge according to the rules laid down in Section IV of Appendix 3 to the Account Code, Vol. I, so that the authority sanctioning the pension may notify it in the orders of sanction.
- b) When a pension is sanctioned and the Accountant General has to issue a last-pay certificate to enable the pensioner to draw his pension out of Pakistan or in another circle of audit in Pakistan, the last-pay certificate should similarly indicate the apportionment of the pensionary charge.
- c) In the case of pensions paid in Pakistan, if any part of the pension is payable by a Government other than the Government which sanctions it the Accountant General of the sanctioning Government should effect recovery of the amount due from the other Government in such manner as may be mutually agreed upon between the two Government concerned.
- d) Pension Payment Orders issued for payment of pensions at treasuries should specify whether the charge is debitable to the Provincial or to the Central Government, and this classifications should also be noted in the Audit Register.



153. Except under orders from Government the Accountant General should as a rule, decline to advise upon any questions connected with the claim of a Government servant to pension until he retires or is about to retire.

### **Preparation of Pension Payment Orders**

154. Except in cases for which other special arrangements may be sanctioned, periodical personal payments which do not come under the category of Pay and Allowances should be made only upon Pension Payment Orders issued from the Audit office in Form 43 and 43-A or Form 44 and 44-A, or in the case of payments made by the Pre-audit Pay Department in Form 45 or 46.

155. An order granting a pension should, on receipt, be checked with the final report submitted by the audit office, and posted in the proper register, which with the final report should be laid before a Gazetted Officer, together with the Government order and the Pension Payment Order, for his signature. He should certify the issue of the latter and the correctness of the entry by putting his initials in the column of date. See also article 205 and 206 of the Audit Code.

1. *The last-pay certificate received with the application for pension should be filed with the office copy of the report to Government or, when the pension is payable in another province, sent to the Accountant General concerned and reference must be made to it before the Pension Payment Order is issued. When a last-pay certificate is not furnished to the Accountant General he should note across the Pension Payment Order that no payment is to be made until a last-pay certificate is produced. Where the person retiring from the service has been paying premium or subscriptions to the Postal Insurance Fund by deduction from his pay bill, the amount of deduction to be made monthly should, in the case of pensions payable in another province be noted in the last-pay certificate before transmission to the Accountant General concerned.*

2. *On receipt of the Order sanctioning a pension, the Accountant General should issue the Pension Payment Order forthwith but not more than a fortnight in advance of the date on which the officer is due to retire. He should also watch the receipt of the report from the Head of the Office or Department [see Article 920(2) of the Civil Service Regulations of the Central Government] about any event occurring prior to officer's actual retirement which may necessitate the re-calculation of the amount of pension involving the issue of a revised Pension Payment Order, if necessary.*

### **Registers of Pensions Payment Orders**

156. (a) The Pension Payment Orders issued to pensioners should be recorded a Register in Form 47. Separate registers should be kept, where necessary, for "special Pensions" (vide paragraph 157) for "Assignments and compensations", "Charitable Allowances" and for pensions of Colonial governments and Pakistan States.

(b) Save as provided in rule 2 below when a pension is transferred to another treasury, it should be brought a new on the Register of Pension Payment Orders, and a fresh number assigned to the payment order. When both parts of an order are returned for cancellation, the fact and the cause must be recorded in this Register, with the date of death or transfer. Old cancelled orders may be

destroyed after issue of the new ones; so also may those of deceased pensioners after the heirs have been paid.

1. *In the case of pensions transferred from one treasury to another, it will be well, in cases of re-entry on transfer, to make the entry in red ink and to omit all the particulars in all the columns but those of No. and date of Pension Payment Order name of pensioner, monthly amount and place of payment, noting across the blank spaces "See No.                    above". In the case of a pension transferred from another province the entry should be made in red ink, but all the columns should be filled up. New pensions payable in another province need not be entered in the Register.*

2. *When sufficient space is left on the reverse of the Pensions Payment Order for note of payment and the payment order is in good condition and the transfer is made within the same province, it should be enfaced, rather than renewed, the entry in the Register of Pension Payment Order being corrected accordingly. (The number of the Pension Payment Order need not be altered.)*

157. (a) Pension which are not granted for life, but are subject to some special condition (e.g., that they are to cease on marriage, or at a given age, or under any given circumstances) are not to be entered in the same register with other pensions, but should be recorded and audited in special registers of their own; and all pension payment orders of such pensions will bear the letter 'S' in addition to the number.

(b) In the Register of Special Pension Payment Orders, and also in the Audit Register of special Pensions, an additional column should show "Limitation of pension", which must be stated as precisely as possible; for instance, such entries as "to determine in twenty years" or "to last till twenty-one years of age", must not be allowed, as in such cases the precise date of termination can be ascertained and should be entered.

(c) In all cases where the determination of the pension cannot be fixed for a precise date, the payment can be admitted only upon a certificate in each case that the event (whatever it is) which terminates the pension has not happened.

## **Audit Register**

### **Form of Register**

158. The Audit Register for pensions payable in the interior will be in Form 48. The Register will be bound in volumes of convenient size, embracing one or more districts, and paged continuously. A sufficient number of blank spaces should be left under each district to accommodate the additional entries which, grant of new pensions or transfer old ones from other districts, will make necessary during the six years' currency of a Register; and each new name should be brought on the district Register on the first vacant line at the time the Pension Payment Order is issued. The number entered against each pensioner will be that of his Pension Payment Order and every entry of a pension must be initialled by a Gazetted Officer after comparison with Pension Payment Order

Register. When entries are transcribed from an old Audit Register to a new one, the entries so transferred to the new Register should be similarly attested by a Gazetted Officer.

When a pension cases to be payable, or is transferred to another treasury the unused cages for dates of monthly payments should be cancelled and the cause noted across them.

1. *If any pensions have remained undrawn without any explanation being forthcoming regarding them for three years the entries may be omitted when opening new Pension Audit Registers.*

2. *A page or two at the end of the audit Register of service pensions should be set apart for the audit of payments to Hong Kong, Mauritius, etc., pensioners.*

3. *The pensions referred to in Rule 2 should be regarded as payments made at the instance and on account of the Colonial Government. They must not be mixed p with Pakistan pensions and any application with regard to them (except for such matters as transfers from one Pakistan Treasury to another, which can be arranged within the terms of the letter of the Colonial Government requesting payment in Pakistan), should be referred through government to the Colonial Government which granted the pension.*

#### Entry of Remarks

159. The register should be so printed as to allow ample space in the column "Remarks" for all entries which can be necessary in the case of pensions paid at a treasury in the interior; these would be ordinarily only the fact of cancellation of the order with its cause, the date of death, the receipt of death-roll, and the payment of any arrears to heirs. If a Government servant re-appointed after obtaining compensation pension does not surrender his pension, note of the post to which he is appointed and its monthly pay should be made in this place: if the pay of the new post does not allow the pensioner to draw his whole pension, the full amount granted should be struck out in red ink and the reduced amount entered; in opening a new Register, both amounts with note of the post should be brought forward in the same way.

When there is sufficient blank space in the right hand page, the fact of cancellation should be noted across it instead of in the Remarks column, but if the necessary note cannot be made on the right hand page for want of space, the blank column should always be scored through in red ink.

IF the pension, or a part of it, is debitable to a Government other than the paying Government, the amount debitable to it should be specified in the column for "Remarks".

#### Audit Procedure

160. As permitted in paragraph 13 only a small percentage – approximately 16 per cent. – of the payment vouchers relating to pensions (not gratuities or anticipatory pensions) received from treasuries need be audited every month, the

selection for the check being made by a Gazetted Officer in such a way as to ensure that all the vouchers received from a treasury during a month shall be audited at the same time, and that the vouchers of each treasury shall be audited at least twice in each year.

161. Vouchers in support of payment of arrears of pension which the Treasury Officer is not authorised to disburse without special sanction should, when they are to be audited, be examined to see that such sanction is in existence.

1. *When dealing with applications for payment of arrears the Audit office should require a certificate from the Treasury Officer stating the date of the last payment and the name of the month to which it related.*

162. The process of audit will be simply to ascertain that the necessary documents support and justify the charge in the pension bill, and then to record the date of payment in the proper column of the Register. The bill or schedule, whether audited or not, should, however, show clearly, as in the case of other vouchers, the detailed heads to which the charges are debitable. Unaudited vouchers need not be posted in the Audit Register.

### **Pensions paid by Pre-audit Pay Department**

163. For pensions paid by the Pre-audit Pay Department the Audit Register will be kept in Form 49. All payments shall be pre-audited; but it will not be necessary to maintain a file of pension payment orders as in treasuries, the purpose being served by the Audit Register, payment entries wherein will be initialled by a Gazetted Officer. The signature of the pensioner should be taken for comparison, in the column "Name of pensioner".

NOTE. – When a male pensioner is specially exempted by Government from personal appearance, the fact should be noted in the Register, and in all cases of non-appearance of male pensioner a note should be made in the Register of the form in which proof was given, within each year, of the pensioner's continued existence; e.g., "Pensioner visited such and such officer on ....." And the initials of the officer verifying the fact should be put against the note.

### **Gratuities**

164. Form 50 will serve at once for a Register of the grant of gratuities and for their audit; on receipt of the order granting the gratuity and after check with the report of the Audit office the first six columns should be filled up immediately and the order to pay it issued in Form 51. The voucher must be the receipt of the person legally entitled to the gratuity, not that of the head of the office or department in which he formerly served. The amount of gratuity to be refunded by a person re-employed should be noted in the Audit Register, and the fact of re-payment of gratuity should be noted in Remarks column when re-payment is completed.

1. *Every quarter the Gratuity Register should be examined, and those gratuities which have remained unpaid more than three months noted, the District Officers concerned being*

addressed concerning them, and note of the reference made entered in the last column of the Register.

### **Anticipatory Pensions**

165. (a) A special Audit Register should be opened in Form 49 in which should be entered on the left side the orders for Anticipatory Pensions and Gratuities passed under the relevant service rules (columns 6 to 10 being left blank), and on the right side, month by month, the payments made against them. The orders should be entered for the whole province in consecutive order, and when final adjustment of the payment is made against the final order granting the pension or gratuity, full note of it should be made in the Remarks column.

(b) This Audit Register must be reviewed by the Accountant General personally every half-year (beginning of July and beginning of January, in order that he may see that no undue delay has occurred in the final settlement of the cases.

*1. When the final pension or gratuity is sanctioned, it should be dealt with in the Pension or Gratuity Audit Register as covering the anticipatory order, and not as being in continuation of it, and the order issued for payment of anticipatory pension recalled.*

*2. It is not necessary that an Anticipatory Pension Payment Order should be recalled before the final order is issued. All final Pension Payment Orders must, however, be forwarded to the Treasury Officers concerned under cover of a special letter in Form 52. The subsequent return of the Anticipatory Pension Payment Order, as contemplated by that letter, should be carefully watched through the Special Audit Register of anticipatory pensions, in the "Remarks" column of which the date of issue of the final and the date of return of the anticipatory orders should be noted over the initials of the Gazetted Officer-in-charge.*

### **Commutation Reports**

166. The procedure for Commutations of pensions and the responsibilities of Accountants General in connection with reports on these are laid down in the relevant Regulations issued by the Central Government or the Provincial Governments as the case may be. Modifications to suit local circumstances are described in the relevant Manual of the Accountant General concerned.

167. A separate Register in Form 47 should be maintained for the record of Pension Payment Orders issued in respect of Political pensions.

168. The Accountant General should, before he issues Pension Payment Orders for Political pensions, require informations regarding the parentage, residence, date of birth, height and any personal marks facilitating identification of the pensioner, and should enter these particulars in the Pay Order.

169. With the special sanction of the Accountant General in each case the following procedure may be employed in the case of groups of Political pensioners who are paid by, and are in charge of, a Political Officer.

1. *In lieu of a Pension Payment Order for each pension, an order for the payment of the whole group will be issued in Form 53; each entry having a number in this form 330/1, 330/2, and so on, where 330 is the register number of the whole documents.*

2. *The officer-in-charge of the pensioners will prepare a monthly bill in such form as may be prescribed by the Accountant General in which all the names will be entered in their proper order, even though nothing is drawn for the pensioner entered.*

170. The procedure for the audit of other pensions as described in this Chapter will apply mutatis mutandis to the audit of Political pensions provided that the audit registers for such pensions will be separate from those for other pensions.

1. *If any Political pensions have remained undrawn without (any explanation being forthcoming regarding them for six years, the entries may be omitted when opening new Pension Audit Registers.*

### **Special Annual Enquiries**

171. All Accountants General are required, by 15<sup>th</sup> February each year to make out lists of the pensioners, whether Political or Service, paid from each treasury, whose age is shown in the Audit Register to be over seventy; and to send each list to the Treasury Officer concerned, with the request that the continued existence of the pensioners may be tested by special enquiries.

### **Auditor's Duties**

172. The following are the important points for the attention of auditors: -

1. (a) See that the vouchers are in proper form.
- (b) Check the details and the income-tax deductions [see Note under clause (k) of paragraph 8].
- (c) See that stamps are affixed when necessary and punched.
- (d) See that, except in the case of pensions of persons who die before the issue of a Pension Payment Order, no pension is paid for which a Pension Payment Order has not been issued, and that only pension actually due has been paid; also that sanction has been obtained for payment of arrears.
- (e) See that the certificate that no pay was received from any Government office is invariably signed in the case of Service pensions.
- (f) See that, when a pensioner does not appear in person, a life certificate is attached.

- (g) See that certificate are furnished in evidence of the continued title to pension. In the case of pensions terminable on marriage:  
-
- i) see that the prescribed certificate is submitted every half year;
  - ii) conduct a full audit of the pensions paid in January and July, in addition to the test-audit carried out under the provisions of paragraph 13;
  - iii) make a note of the receipt of the prescribed declaration in the Audit Register of Special pensions; and
  - iv) see that the Treasury Officer has furnished particulars and date of last payment in the case of pensions for which declarations have not been furnished in the months of January and July.
- (h) Record the payments in the proper registers – Political, Superannuation, or Special, as the case may be.
- (i) Enface the vouchers, showing clearly the detailed head or heads to which the pension should be debited.
- (j) Stamp them with the “Admitted” or “Objected to” stamp.
- (k) Send them in their proper places in the Register to the Reviewing Officer.
- (l) In case of a pension payable by the Pre-audit Pay Department compare the signature with that given in Audit Register.

2. On the death of a pensioner see that the Pension Payment Order is returned for cancellation.

3. Note deaths and transfers in the Audit Register and Pension Payment Order Register, and have the notes attested by a Gazetted Officer. The entries in these registers should be scored through in red ink when a pension is permanently removed.

4. Note Anticipatory Pensions in a separate Register which should be laid before the Accountant General twice a year (beginning of July and beginning of January).

### **Miscellaneous**

Report of Death

173. (a) The death in Pakistan of every European pensioner other than a pensioner of the Defence Services should be reported to the Central or Provincial Government, as the case may be, by the Audit Office which passed his pension bills. This report should be submitted in the Form prescribed by Government for reporting the death of European Government servants while in service.

(b) A quarterly statement should also be forwarded to the Director of the Pakistan Navy showing the deaths, within the quarter of report, among pensioners of the Pakistan Navy. The report should show the name, rank, date and place of death.

1. *The statement is due for transmission within ten days of the close of the quarter. A*

(c) Deleted.

### **Payment in United Kingdom**

174. When a pension is granted to a Government servant who desires that payment thereof from the date of its commencement should be made in the United Kingdom, the Accountant General who audits the pay of the Government servant should, on receipt of sanction to the grant of pension, issue a last-pay certificate and forward to the High Commissioner for Pakistan a duplicate thereof, together with a copy of the first page of the application for pension and of the orders of the Government or other authority granting the pension. The forwarding letter should always request that Payment be made from some specific date, the date being ascertained from the last-pay certificate.

1. *The classification of pension should be clearly stated in the certificate.*

175. When payment of a pension is transferred to the United Kingdom, the last-pay certificate given to the payee must contain words declaring that no further payment will be made in Pakistan. The certificate should be sent in Form 54.

176. Intimation of any revision of a pension paid in the United Kingdom, should be made to the High Commissioner for Pakistan, so as to reach him before the pensioner is informed.

### **Payment in a Colony**

177. The authority for payment of a pension in a Colony shall be a Warrant in Form 55 to be issued by the Accountant General of the government to whose cadre the retiring Government servant belongs.

178. Every Warrant shall be issued in triplicate. The original bearing the payee's signature, should be forwarded to the Colonial authority concerned, the duplicate to the High Commissioner for Pakistan, and the triplicate should be made over to the payee. Each payment will be endorsed on the back of both the original and the triplicate Warrant, an acknowledgement of receipt of money



being rendered by the payee. When no space for such entries remains, or when a Warrant is lost or destroyed, a fresh Warrant shall be issued by the Accountant General who issued the original Warrant on application being made through the Colonial disbursing officer. The latter forwarding the duplicate Warrant to the High Commissioner should invariably furnish the following information, viz.: -

- (1) Whether the pensioner is already on leave in the colony.
- (2) Date of his retirement.
- (3) Date of Leaving Pakistan.
- (4) Date of birth.

Upon his return to Pakistan the pensioner should deliver up his copy of the Warrant to the Audit Officer and this will serve the purpose of a last-pay certificate.

## CHAPTER 9. – INTEREST PAYMENT AUDIT

### Audit by Accountant General

179. The audit of the interest vouchers by the Audit Department under Article 210 of the audit Code will be conducted in the following way. The auditor should see: -

- (1) that the amount entered in the voucher as amount of half-yearly interest is really one half-year's interest upon each amount stated to be the amount of each Note;
- (2) that the total amount due is the half-year's interest multiplied by the number of half-years entered in the column provided for the purpose;
- (3) that the amount due as shown in the voucher is correctly totaled, and the total correctly carried into the schedule of interest payments received from the treasury (Form T.A. 35 of the Account Code, Volume II), and into the proper column of it;
- (4) that the receipt is properly signed, either by the person named as the holder or by his representative;
- (5) that income-tax at the maximum rate is deducted from the amount of interest due, unless the owner of the security has produced, with his receipt for the interest, a certificate signed by the Income-tax Officer authorizing exemption or levy of a lower rate.

Vouchers in which the signature of the disbursing officer or of the payee, or the particulars of the loan or the numbers, or the capital sum of the several notes or the number of half-years for which interest was paid, are wanting, should be returned for correction.

### Lists for the Public Debt Office

180 After this has been done, for each of the two schedules of payments, the auditor should put aside the schedules and total all the vouchers by loans, and number them consecutively for each loan, in blue pencil, in the upper right-hand corner. To each bundle should be added a covering list, in Form 56, of which the totals must be checked so that it may be seen that they agree with the total debits in the month's accounts against each loan.

*NOTE. – Bearer bond coupons and stock interest warrants should not be included in the lists of vouchers for interest payments on promissory notes, but there should be separate covering lists for each class of vouchers, viz., vouchers for interest payments on promissory notes, stock interest warrants, and bearer bond coupons.*

181. The vouchers, together with the covering slips, should then be sent for further audit to the Public Debt Office of the State Bank of Pakistan within the

jurisdiction of which the treasury is located. The jurisdiction of each of the four Public Debt Offices, Karachi, Dacca, Lahore and Peshawar, is as follows: -

(i) Public Debt Office, Karachi. – Treasuries under the audit control of the Accountant General, Pakistan. Revenues and the Comptroller, Southern Area, West Pakistan.

(ii) Public Debt Office, Dacca. – Treasuries under the audit control of the Accountant General, East Pakistan.

(iii) Public Debt Office, Lahore. – Treasuries under the audit control of the Accountant General, West Pakistan.

(iv) Public Debt Office, Peshawar. – Treasuries under the audit control of the Comptroller, Northern Area, West Pakistan.

*NOTE. – Should any vouchers relate to loans notified for discharge on or before 25<sup>th</sup> July 1939, or to any of the under mentioned loans, the relative vouchers, as well as the covering slips should be sent to the Public Debt Office, Karachi.*

(i) 5 per cent. Loans, 1940-43.

(ii) 4 per cent. Bonds, 1943.

(iii) 3 per cent. Bonds, 1941.

(iv) 5 per cent. Income Tax Free Loan, 1945 – 55.

(v) 3-1/4 per cent. U.P. Encumbered Estates Act Bonds.

182. These lists should not, however, be sent one by one, but should go together, as soon as completed, with a covering statement in Form 57 (i) or/and 57 (ii), as the case may be, which is due for transmission on the last day of the following month.

## CHAPTER 10 – AUDIT OF SERVICE, PROVIDENT & OTHER FUNDS

### Part I – Service and Other Funds

#### General

183. Transactions pertaining to the following funds are adjusted under the appropriate head of account in the books of the Account Officer mentioned against each. Transactions arising in other account circles are passed on to the Account Officer concerned, monthly through the Exchange Accounts under the relevant rules in the Account Code, Volume IV, except that, in the case of Postal Insurance and Life Annuity Fund, recoveries of premia from pay and pension bills are credited to the Deputy Comptroller, Posts, Telegraphs and Telephones with whom the Civil Account Officer exchanges accounts. The Civil Account Officer, who is responsible for maintaining the accounts of the Fund, should audit the transactions pertaining to the fund in accordance with the general principles enunciated in Article 103 of the audit Code and the detailed instructions laid down in this Part. In the case of funds not controlled by Government the amounts tendered by subscribers should be accepted without check or examination, the subscriber alone being responsible for making proper deductions. In all cases the Civil Account Officer should apply the minimum check prescribed in these instructions and furnish the details of recoveries from each subscriber in a monthly certified list to authorities of the fund. The list should be sent not later than the date prescribed for the despatch of the Exchange Account (vide Article 82 of the Account Code, Volume IV) pertaining to the month to which the recoveries included in the list relate.

<b>Name of the Fund</b>	<b>Account Officer in whose books the transactions are adjusted</b>	<b>Authorities to whom the certified lists are sent</b>
1) I.C.S. Family Pension Fund (Transferred) and Superior Services (India) Family Pension Fund (Transferred and Un-transferred).	Accountant General, Pakistan Revenues.	Accounting General Pakistan Revenue.
2) Indian Military Service Family Pension Fund and Indian Military Wodows and Orphans Fund (Transferred and Un-transferred).	Controller of Military Accounts and Pensions, Lahore.	Controller of Military Accounts and Pensions, Lahore.
Hindu Family annuity Fund and Bengal Christian Family Pension Fund.	Accountant General, East Pakistan.	Secretary of the Fund.

4) Postal Insurance and Life Annuity Fund.	Deputy Comptroller Posts, Telegraphs and Telephones, East Pakistan, Dacca.	Director, Postal Life Insurance, Karachi.
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*NOTE. – The net transactions relating to items (1) and (2) are eventually transferred to the High Commissioner for Pakistan in U.K., London through the Remittance account vide Articles 168 and 255 for the Account Code, Volume IV>*

184. The certified lists should furnish the following particulars, when necessary, the remarks column of the list being utilised for the purpose: -

- (i) the reasons for non-recovery of subscriptions in any particular case or for recoveries for broken period;
- (ii) in the event of a subscriber being transferred to another audit circle the designation of the Audit Officer to whose jurisdiction the subscriber has been transferred and the date up to which recovery has been made from him prior to his transfer;
- (iii) the period of leave granted to a Government servant and the date up to which his subscription has been or will be recovered in Pakistan.

185. The credit, in an Exchange Account, of a fund subscription, should always quote the certified list in which the subscription is shown, thus – vide certified list of (Account Officer) for (month).

#### **Indian Civil Service Family Pension Fund and Superior Services (India) Family Pension Fund**

186. The Accountant General, Pakistan Revenues, should keep a proper record of recoveries on account of each subscriber and see that correct subscriptions are realised. The subscription payable should be communicated by him to the Government servants concerned and to the Account Officers who audit their pay, any alteration in the rates being similarly advised. These Account Officers should check the correctness of recoveries with reference to the rates of subscriptions communicated by the Accountant General, Pakistan Revenues.

187. IN order that claims to pension preferred in England by the families of subscribers may be expeditiously dealt with, the Accountant General, Pakistan Revenues, will send quarterly to the Controller of Pension Funds, commonwealth Relations Office, London, two statements in respect of subscribers to the I.C.S. Family Pension Fund – one showing the names of subscribers who died or retired during the quarter and the other showing casualties amongst the families of subscribers during that period. Similar quarterly statements and quarterly returns of all changes in existing contracts, cessations, etc., should also be forwarded in respect of Superior Services Family Pension Fund.

*NOTE. – Separate returns should be prepared for the “Transferred” and the “Un-transferred” section of each of the two funds.*

188. The Accountant General, Pakistan Revenues, should also submit to the Controller of Pension Funds, Commonwealth Relations Office, London, as soon after the closing of his accounts for December and June (supplementary) as possible, but not later than the 10<sup>th</sup> March and the 15<sup>th</sup> November respectively, half yearly statements of receipts and charges in Pakistan in respect of the “Transferred” and “Un-transferred” sections of each of the two funds, separate statements being prepared for each category.

189. The certified lists of deductions in respect of these funds will be furnished to the Accountant General, Pakistan Revenues, in forms A. O. 28 and A. O. 29 prescribed in Article 152, Account Code, Volume IV. These lists should contain the names of all subscribers.

Monthly lists should also be furnished to the Accountant General, Pakistan Revenues, of Government servants proceeding on leave or deputation out of Pakistan, giving particulars of the leave or deputation, the amount of subscription recovered and the date up to which it has been recovered. These lists should be sent by the 10<sup>th</sup> day of the month following that to which they relate.

190. Deleted.

191. Deleted.

192. Deleted.

#### **Indian Military Service Family Pension Fund and Indian Military Widows’ and Orphans’ Fund**

193. The Civil Account Officer should check the correctness of deductions made in respect of these funds with reference to the rates of subscriptions communicated by the controller of Military Accounts and Pensions, Lahore. If any subscriber questions the correctness of a claim, he should simply be referred by the civil Account Officer to the Controller of Military Accounts and Pensions, and requested to address any further reference to that officer.

194. The certified lists will be furnished to the controller of Military Accounts and Pensions, Lahore in form A. O. 35, as prescribed in Article 168, Account code, Volume IV.

To prevent errors or omission, misclassification and mis-posting to ensure the correct preparation of these lists, the Account Current Section should, in consultation with the Gazetted Audit Department and the Controller of Military Accounts and Pensions, keep in alphabetical order, an up-to-date list of the names of Government servants whose subscriptions to the particular fund should be passed on monthly. The section should watch, with reference to his list, that

the subscriptions are regularly passed on, and that, where there is any omission, an explanation is obtained. The monthly statement should be carefully verified with this list before it is despatched.

195. On the 20<sup>th</sup> of each month, the following statements should be furnished to the Controller of Military Accounts and Pensions: -

- (i) Statements in Form 58, showing particulars of leave taken by officers of the Defence Department in civil employ, who are subscribers to any of these funds and the amount of subscriptions recovered from each of them before they proceed on leave out of Pakistan;
- (ii) Statements in Form 59, showing particulars of subscriptions recovered from such officers after their return to duty from leave out of Pakistan.

Separate statement should be prepared for the "Transferred" and "un-transferred" sections of each of the two funds.

196. Deleted.

197. Deleted.

### **Hindu Family Annuity Fund and Bengal Christian Family Pension fund**

198. On receiving from the authorities of any of these Funds a certified copy of the letter of application of an intending subscriber, the Accountant General, after seeing that it contains a declaration in the following terms, will authorise the Treasury Officer named to receive such contributions as the subscriber may tender in cash or by deduction from pay or pension bills, if he be a Government servant or a Government pensioner and prefer to pay his subscriptions by the latter method: -

"In accordance with the condition upon which the Central Government allows certain facilities to the Fund, I have to record that I am fully aware that the Government exercises no supervision over the management of the Fund, and is in no way responsible for its solvency".

The amounts tendered by subscribers may be accepted without check or examination.

199. The certified lists should be prepared in Form 62 for the Bengal Christian Family Pension fund and in Form 63 for the Hindu Family Annuity Fund. As no interest is allowed for the month of payment on cash subscriptions received after the 4<sup>th</sup> of the month and as subscriptions deducted from a bill bear interest as though they had been received on the 1<sup>st</sup> of the month, care should be taken to

show the two classes separately in the relevant money columns of the certified list.

### **Postal Insurance and Life Annuity Fund**

200. Premia and subscriptions are paid either in cash or by deduction from pay or pension bills, but all cash receipts take place at the Post Offices only, and not at the treasuries. Civil Audit Officers have accordingly only to deal with the deductions from pay or pension bills. These deductions are to be credited to the Exchange Account between Civil and Posts, Telegraphs and Telephones.

The certified lists should be prepared in form 64.

### **Military and Medical Funds**

201. Any receipt on account of the (abolished) Military Orphan and Medical funds should be adjusted in the Central section of the books of the Civil Account Officers concerned under "XLIV – Receipts in Aid of Superannuation, etc.". Pensions and certain other miscellaneous charges payable out of these funds should also be accounted for finally under "55 – superannuation Allowances and Pensions" in the Central Section of the books of those officers, care being taken to see that the vouchers have been audited by the Defence Account Officer or to have them so audited.

202. Adjustments of any short or excess recovery should be made under the Instructions of the Defence Account Officer concerned, but it is not necessary to cumber the accounts of Defence Service with any transactions which do not originate therein. Any amounts objected to by the Defence Account Officer should be held under observation in the Civil Department until the observation is satisfied.

### **National Health Insurance Contributions and Widows', Orphans' and Old Age Pensions Contributions**

203. The Civil Account Officer concerned should adjust the contributions for the month to the credit of the nearest Defence Account Officer by debit to the department in which the soldier is employed extra-regimentally.

Sterling amounts of the contributions will be converted into Pakistan Currency at the current official rate of exchange of sterling vis-à-vis the Pakistani Rupee.

204. Deleted.

## **Part II – Provident Funds**

Introductory



205. The instructions in this Part of the Chapter lay down the procedure which the Accountants general should follow in conducting the audit of Provident fund transactions prescribed in Article 103 of the Audit Code. The Provident Fund to which this Part is applicable are Government Provident Funds within the meaning of the Provident Funds Act, 1925, as detailed below. The procedure prescribed in this Part is applicable to these Provident Funds so far as they are not inconsistent with the Provisions of the Provident Fund Rules themselves.

- (i) General Provident Fund.
- (ii) I.C.S. Provident Fund.
- (iii) P.C.S. (Non-European Members) Provident Fund.
- (iv) Contributory Provident Fund.
- (v) Other Miscellaneous Provident funds vide Footnote 317 in this list of Major and Heads of account of Central and Provincial Receipts and Disbursements.

*NOTE. – In so far as the General and Contributory Provident Funds are concerned, the Provident Fund Rules, mentioned above include any rules framed by the President, Provincial Governments and Chief Commissioners applicable to subscribers under their rule-making control.*

The legal position regard to the provisions in the Provident Fund Rules has been dealt with in the “Memorandum explanatory of Government Provident Fund Rules vis-à-vis the law on the subject” which has been prepared by the Central Government in consultation with their legal advisers. The memorandum, as stated in the preface thereto, is not exhaustive and exceptional cases may arise which are not covered by the instructions in the Memorandum but it will be found useful in dealing with the generality of cases arising under the various Provident Fund Rules.

### **Admission**

206. On receipt of an application in the prescribed form, the eligibility of a new subscriber should be tested in the Fund Section (in consultation, if necessary, with the Audit Section concerned) with reference to the relevant rules. If he is found eligible, an account Number should be assigned to him in the General Index Register (vide paragraph 208) and communicated to him direct or through the head of his office accordingly as he is a gazetted or a non-gazetted Government servant.

207. As soon as it comes to the notice of an Account Officer, either through the prescribed report from the executive authorities to the Audit Officer concerned or otherwise, that a particular Government servant belongs to the class of compulsory subscribers to a Fund, he should see that subscriptions are recovered from him as required by the rules of the Fund.

208. The General Index Register, Form 65, should be maintained separately for each Department and each such register should have an alphabetical index prefixed to it. There should be a separate series of numbers for each department with distinctive letters prefixed to them, e.g., P. for the Police and A. J. for the Administration of Justice Department. When new departmental numbers are assigned to old subscribers, the new departmental number should be shown as numerator and the old number as denominator in the Index Register so that their past records may be traced easily whenever required.

### **Nominations**

209. As soon as a Government servant starts subscribing to a Fund, the Account Officer should endeavour to secure that the subscriber furnishes a nomination as required by the rules of the fund.

*NOTE. – A subscriber should not, if he objects, be pressed to disclose the name of his wife when she is the nominee. Payment should be made simply on the proof of identity being furnished.*

210. The nomination should be kept under lock and key in the personal custody of the Gazetted Officer in charge of the fund Section and verified once in three years under the supervision and directions of a Gazetted Officer.

211. When a revised nomination is received, the superseded one should be cancelled and returned to the subscriber.

### **Subscriptions**

212. When a subscription is paid for the first time or a revised rate is adopted, it should be seen that the amount of subscription is not below the minimum rates prescribed by the rules of the fund. In the case of subscriptions paid subsequently, it should be seen that the amount paid agrees with the rate adopted in the first month of the year except when a variation of rate is allowed during the course of the year under the rules of the fund. For all months of the year it should also be seen that all compulsory subscriptions are paid except when an exemption or a lower rate is allowed. Whenever a subscription is discontinued by a subscriber, it should be seen that the discontinuance is permissible.

*NOTE. – Any overpayment or short payment of subscription to the Fund in any one month may be adjusted by deduction from, or addition to, the subscriptions in the subsequent month wherever possible. There is, however, no warrant for refusal of cash payment of recovery if a subscriber so desires.*

### **Temporary Withdrawals**

213. The audit of temporary withdrawals consists in seeing the following points among others: -

- (i) that the advance has been sanctioned by a competent authority
- (ii) that the amount sanctioned is covered by the balance at the credit of the subscriber;
- (iii) that the conditions under which the advance can be granted under the rules of the fund are fulfilled; and
- (iv) that recoveries on account of principal and interest are being made regularly.

*NOTE. – The reasons for the drawal of an advance from General Provident Fund should be mentioned in the remarks column of the ledger card Form 69.*

214. A register in Form 66 should be maintained for the purpose of recording the sanctions to temporary withdrawals from the Fund and for seeing that recoveries on account of principal and interest are being made regularly as laid down in paragraph 213 (iv). As an alternative, form 67 may be used for the record of sanctions and the scrutiny of refunds of temporary withdrawals made from the ledger direct. IN Account Offices where fund accounts are maintained by the machine method, the following procedure should be observed: -

- i) When a sanction is received for a temporary withdrawal, the number of instalments in which recovery is to be made the amount of each instalment and the month of last recovery should be entered in the "Remarks" column of the ledger card.
- ii) The regularity of the recovery of the advances should be watched in the course of monthly audit of ledger cards of live accounts (vide paragraph 231).
- iii) 10 per cent of the cards in which advances are outstanding should be examined by the auditor and 5 per cent by the Superintendent. The cards should be so selected that the outstanding cases of all Government servants are brought under this review not less than once a year. The Gazetted Officer in charge of the Fund Section should conduct a general review every month.
- iv) A record of review should be maintained in the form below: -

District or Department or Office	Number of active accounts, i.e., where postings are made	July 19	
		Accounts reviewed by	And so on

				<b>for other months</b>
		<b>Examiner or Auditor</b>	<b>Superintendent</b>	
		<b>No. Initials</b>	<b>No. Initials</b>	

**Withdrawals for payment of Premia towards Insurance Policies**

215. Before the financing of a policy from a Provident Fund is allowed the Account Officer should see that it is acceptable under the rules of the fund.

216. In the case of policies financed from Provident Funds, other than the Indian Civil Service Provident Fund, the Account Officer should satisfy himself by a reference to the company at the time the policy is delivered to him: -

- i) that no prior assignment of the policy exists; and
- ii) that the policy is not otherwise encumbered.

Such enquiries need not be made, however, in the case of a policy which is expressed on the face of it to be for the benefit of the wife of the subscriber or of his wife and children or any of them.

No other special steps should be taken by him subsequently to ascertain whether these policies have lapsed or have become encumbered but when concrete evidence comes to notice of a policy having lapsed or having become encumbered enquiries should be made and the exact position ascertained; but if such a policy is merely deposited with the Accounts Officer (and is not assigned) he should, as a matter of precaution, inform the Company that the policy has been so deposited and ask that any dealings involving it should be communicated to him (the Company may refuse to accept such a notice but this action should always be taken notwithstanding).

In the case of policies financed from the I.C.S. Provident Fund, the check prescribed in rule 15(3) of the I.C.S. Provident Fund rules should continue to be applied by the Account Officer about once a year even after the premia are no

longer financed from the Fund, until it has been ascertained that a policy has matured or lapsed. This check will be applied only against the lapsing of a policy.

217. A Stock Register in Form 68 should be maintained to keep a record of policies which have either been assigned to the President/Governor or delivered to the Account Officer. The policies should be verified annually and also on the eve of a change in the charge of the Officer in charge, and the result of verification should be recorded in the Register. If there has been a verification on the change of the Gazetted Officer in charge, the next annual verification may be made one year after such verification.

218. All premium receipts of the Company received by the Accountant Officer for scrutiny should be endorsed in the following words. "No abatement from double exemption from Income-tax.

### **Maintenance of Provident Fund Accounts**

#### **General**

219. The Provident Fund Account of a Government servant should be maintained by the account Officer of the Government on whose card the Government servant has a permanent lien. If the Government servant has only a provisionally permanent lien but no permanent lien, the Fund Account should be maintained by the Account Officer of the Government on whose cadre he has the provisionally permanent lien; if he has no lien of either kind, the account should be maintained by the Account Officer of the Government on whose cadre he is borne at the time.

*NOTE 1. – All credits and debits in respect of the fund transactions of a subscriber should be brought to account in the books of the Government concerned by the Account Officer who maintains the subscriber's account.*

*NOTE 2. – Except in cases otherwise decided by the Auditor General, for the purpose of this paragraph, the Account Officer of the Central government will ordinarily be the Account officer in Pakistan who brings to account the Pay of the Government servant concerned but in respect of a Government servant whose pay is not accounted for in Pakistan books, the Account Officer of the Central Government would be: -*

- a) *in the case of a Government servant who proceeds on deputation out of Pakistan the Officer who accounted for his pay immediately before he proceeded on deputation and*
- b) *in the case of a Government servant who is transferred to foreign service, the officer who watches the recovery of his foreign service contribution.*

220. Fund transactions arising in one account circle which are adjustable in another account circle should be passed on to the Account Officer of the latter circle, monthly through the Exchange or Settlement Account, as the case may be.

## **Compilation of Provident Fund Accounts by the Machine Method Ledger Cards**

221. The accounts of subscribers should be maintained in loose ledger cards in form NO.69, one card being opened for each subscriber. When a government servant is a compulsory subscriber, the word "compulsory" should be noted prominently on his ledger account and the entry attested by the Superintendent. The fact of the receipt of declaration in favour of a nominee or nominees should also be noted on the top of each page and the entry attested by the dated initials of the Gazetted Officer in charge. In the case of Cash payments either of subscription, refund of advance or on account of realisation of the proceeds of a policy, the date of receipt should be noted invariably on the account. In cases of withdrawals for Insurance payments and substitution of premiums for subscription to the Fund, a reference to the item No. in the Stock Register of Insurance Policies and brief notes showing the amount of subscription substituted should be given prominently on the account and such references or notes should be carried forward from year to year. Stoppages of subscription should also be recorded on the ledger accounts.

222. Ledger cards, being original records, should be kept in locked cabinets, duplicate keys of which will remain in the possession of the Examiner and the correspondence clerk concerned or of the person nominated for the purposes under the orders of the Gazetted Officer in charge. The cards of one department should be kept in a locked cabinet separate from those of another department and arranged either in serial order of Account numbers or by districts, as the Accountant General, may decide. The cards of subscribers who have discontinued their subscriptions should be kept separately from the live cards arranged according to serial numbers, while the closed cards, i.e., the cards of subscribers whose fund accounts have been finally closed and payment made should be kept separately from the cards of subscribers who have discontinued subscription.

A card should never be taken out from the cabinet for reference without a proper mark (a thick paper slip with the No. and reasons for removal recorded thereon) being left in the place from which it is removed. A manuscript transit register with the following columns should be maintained so that the submission of a card to the Superintendent or Gazetted Officer and its return may be watched.

- (1) Date of submission of cards.
- (2) Name of district.
- (3) Account number
- (4) Initial of the Superintendent.
- (5) Initial of the Gazetted Officer.

(6) Initial of the Auditor.

*NOTE. – This requirement may be relaxed, at the discretion of the Head of the Account Office in case where Ledger Cards are taken out of the cabinet for being submitted to the Superintendent for review of the refund of advances provided they are returned to the cabinet on the same day.*

223. A record of the closed accounts should be maintained in a Register of Closed Accounts Form 70.

**Posting of Accounts**

224. The following are the source from which the Fund accounts are posted:-

- (i) Covering Schedule (one for each district) in the following form supported by the corresponding fund schedules: -

No. of Voucher	Amount recovered
Total	

Total verified with the Departmental Abstract and all fund schedules are attached: -

Auditor

\*ADD total of cash

Recoveries.....

Grand total.....

Examiner, Fund Section

*NOTE. – The amounts of cash recoveries are added by the Examiner, fund Section after the consolidated compilation mentioned in paragraph 225 has been made and before the covering schedules are made over to the Machinist for posting.*

- ii) Schedules of cash recoveries by districts either supported by fund schedules or themselves containing all the necessary information in respect of the subscribers concerned.

- iii) Schedules, supported by vouchers, of withdrawals received from treasuries.
- iv) Separate covering statements in respect of credit and debit items in Exchange or Settlement Accounts supported by fund Schedules and vouchers of withdrawals, respectively.
- v) Statements similar to those in item (iv) in respect of found transactions appearing in the Transfer Ledger Abstracts maintained by auditors other than the departmental auditors.

The documents mentioned at item (i) should be passed on by the departmental auditors to the Fund Section after the entries in the fund schedules have been compared with the deductions made from the pay bills and the certificate of agreement has been recorded on each schedule. An additional certificate "Pay for 30<sup>th</sup> June also checked with the bills", should be recorded on the schedules attached to pay bills for June and attested by the Superintendent. The documents mentioned at items (ii) to (v) should be passed on by the auditors concerned to that section with a similar certificate of agreement with the Cash Accounts, List of payments, etc., as the case may be. The fund section should see that all the necessary information required for audit purposes is furnished in the fund schedules.

225. On receipt of the documents mentioned in paragraph 224, a consolidated compilation of credits should be prepared by districts and by departments in the Fund Section. The total amount of recoveries both in cash and by deduction from bills should be shown in lump against each district and under the department concerned. Similarly all items of receipts appearing through Exchange or Settlement Accounts or Transfer Ledger Abstract should also be consolidated in this compilation.

A similar compilation of debits should also be prepared in the Fund Section. This compilation should be completed on or before the date on which fund schedules are received from the departmental sections, so that work relating to posting of ledger cards is not retarded.

226. When all the covering schedules (supported by the fund schedules) relating to a department have been received in the Fund Section, they should be arranged in the alphabetical order of the districts in the Province or in the order in which these appear in the Departmental Classified Abstracts. The Record Clerk should then collect together from the cabinet all the relevant ledger cards including those in respect of which recoveries have been made in cash and arrange them in the order of subscribers in the fund schedules and pin together the voucher of withdrawals to the ledger cards concerned. If he comes across a case where the ledger card of a subscriber exists in the bundle of another department, he should simply encircle the entry in the fund schedule concerned. If the Record Clerk should have omitted to do so and the card is found to be



wanting by the Machinist in the course posting the ledger cards, vide paragraph 228, he should encircle the amount in the schedule and write against it "Un-posted".

227. two Registers (Outward and Inward) in respect of each department should be maintained for record of full particulars of subscriptions recovered from Government servants transferred from one department to another. The items encircled in the fund schedule (vide paragraph 226) should be posted by the Machinist in the Outward Register of the department. He should also transcribe the entries therefrom into the Inward Registers of other departments concerned and in token of his having done so, he should record a monthly certificate in his Outward Register to the effect that all the items contained therein have been properly entered in the Inward Registers concerned. The superintendent should trace 10 per cent of the entries appearing in the Outward Register of a department into the Inward Register of other departments concerned.

228. The fund schedules and the ledger cards duly arranged in the manner indicated in paragraph 226 should then be taken up by the Machinist for posting. He should make entries with regard to withdrawals in the fund schedules concerned from the vouchers of withdrawals which should have been pinned to the ledger cards concerned by the Record Clerk, arrange his totalisers as below and proceed to operate with reference to the entries in the fund schedules.

Opening Balance Dummy	Subscription Live	Refunds of withdrawals Live	Withdrawals Live	Closings Balance Dummy	Cross Live

Before inserting the card in the machine he should compare the number and name with the entry in the schedule and take action, with reference to any card found wanting, as indicated in paragraph 226 supra. The current year's balance alone should be shown in the closing balance column of the ledger cards, i.e., the current year's balance should be kept quite distinct from the last year's balance which, after annual accounts have been completely proved, should be posted against the entry "Balance on 30<sup>th</sup> June" in the remarks column of the ledger card form. Under this procedure, the opening and closing balances in the ledger card will, where the amount of withdrawal taken by a subscriber is in excess of his current year's balance, become minus balances. In the case of final payments, the Machinist should, however, type in the opening balance column the balance of the previous month as also the closing balance of last year.

229. If the posting is done correctly, the "cross" totaliser will be cleared when the closing balance has been posted and the Machinist should see that this is invariably the case. Any mistake in posting should be settled by him before he proceeds to the next card. When the schedules of a district including those relating to cash recoveries have been posted, he should, after taking into account

any unposted items, compare the totals on his totalisers with the consolidated figures on the district covering schedule [vide paragraph 224 (i) ] in respect of subscriptions and refunds of withdrawals and with the figures in the consolidated compilation of debits (vide paragraph 225) in respect of withdrawals. After this agreement has been effected, the figures on the totalisers should be cleared by the Machinist by carrying them on to a Master Card, form 71, one for each department. IN this way the entries relating to the schedules of all the districts (including those relating to the Exchange and Settlement Accounts and Transfer Ledger Abstracts which for this purpose should be treated as transactions of separate districts) should be posted, proved and brought on the Master Card which will thus collect the figures for the Province, and these in their turn should be agreed with the Book Department figures. In case where the number of subscribers in a department is so large that it cannot be dealt with by one Machinist, each Machinist should use a separate Master Card and the totals of one Master Card should for purposes of proving the accounts be transcribed to the other Master Card. IN this way provincial figures relating to a department will be collected in one Master Card.

230. the posting in the ledger cards of items appearing in the departmental inward register should be made in the ordinary way without their being brought on to the Master Card as such figures are not necessary for purposes of agreement with the Detail Book figures of the departments concerned. The Examiner or the auditors, as the Accountant General may decide, should examine that all the items have been posted, so that no difficulty is experienced in the quarterly agreement.

### **Audit of Ledger Cards**

231. (i) at the time of posting accounts, the Machinist should keep before him a typed or printed list in the following form: -

<b>District</b>	<b>Irregular subscription or refunds</b>	<b>Non-recovery or irregular recovery of advances</b>	<b>Reasons for non-credits</b>	<b>Remarks</b>

In the course of posting, as he comes across an item open to objection for one reason or another, he should simply jot down in the list the number of the ledger card concerned under the particular column affected. These lists should

be by groups of districts according to the grouping made for purposes of distribution of work amongst auditors.

(ii) when the posting work is completed, all fund schedules and the ledger cards concerned should be made over to the auditors for audit and check of postings together with the lists mentioned in clause (i) above.

(iii) Immediately on receipt of these documents, the auditor should first proceed with the audit of ledger cards noted by the Machinist in the list mentioned in clause (i) above and write down the necessary objections for communication to the drawing officers concerned or in cases of discontinuance of subscriptions record the reason on the ledger card concerned. It should be noted that the agreement of opening balance of the current month with the closing balance of the previous month in each ledger card forms part of audit. It is essential to see that the Machinist has correctly posted the opening balances as there is no device in the machine which will throw up a mistake, if any is made, of this nature. This check will facilitate the quarterly and annual verification of balances.

*NOTE. – Under the Compulsory General Provident Fund Scheme a subscriber can discontinue his subscription only during leave. The reason for the discontinuance of subscription otherwise than in cases of leave should therefore be immediately enquired and recorded on the ledger card or the missing credit traced and posted before the close of the monthly account.*

(iv) 10 per cent of the postings in the ledger cards which should be selected under orders of the Gazetted Officer in charge should be checked by the auditor with reference to the entries in the fund schedules and while he does this he should exercise all the audit checks including check of opening balances in respect of these postings and issue the necessary objections to the disbursing officers. If the Machinist has carefully prepared the list mentioned in item (i) above, there should be no defects left to detect except those relating to mistakes made in posting the opening balances.

(v) The remaining ledger cards should be audited independently without reference to fund schedules. The main object of this audit will be to check the opening balances with the previous closing balances. No review by Examiner is necessary.

(vi) The Examiner should see and certify that all items appearing in the outward registers have been entered in the inward registers concerned and that all the items appearing in a departmental inward register have been posted in the ledger cards concerned.

### **Quarterly Verification**

232. At the end of each of the first three quarters i.e., after compilation of September, December and March accounts, the Machinist should compile the balances of all the cards in a department (including those which were closed

during the currency of the quarter the accounts of which are being verified) in form 72. He should do this by posting in the quarterly statements the last year's balance and the current year's balance separately from each ledger card. The totals of the balances collected automatically by the totalisers, will be cleared by posting the figures shown by them in the quarterly statements. The statement so completed should be agreed with the figures in the Proof Sheet (Form 73), which should be posted from –

- 1) the Master Cards for the three months of the quarters;
- 2) Registers of inward and outward items; and
- 3) the separate compilation of interest on accounts closed during the quarter.

There will be no quarterly verification after June, i.e., for the last quarter, but only annual verification together with interest calculation for the year.

### **Annual closing**

223. (1) The Posting of June transactions into the individual accounts of subscribers should be taken up by about the middle of July and completed by the middle of August. The work of calculation of interest due on each account should be commenced slightly before the completion of June postings and completed within a month. The interest calculation made by each auditor with the help of interest tables should be checked independently by a separate auditor. The amount of interest for the year as well as total deposits, refunds and withdrawals should be posted in the space provided for the purpose in the remarks column of the ledger card and the closing balance for the year worked out in respect of every ledger card. 20 per cent of the calculations should be checked in detail by the Examiner, 10 per cent by the Superintendent and 5% by the Branch Officer.

*NOTE. – Interest short or excess credited to a Provident Fund in the accounts of a previous year should be readjusted by addition to or deduction from the interest adjustable in the account of the year in which the error is detected.*

(2) side by side with the above process, the Machinist should prepare a balance compilation (in duplicate), form 74, from the completed cards, cut the duplicate copy of the balance compilation statement into slips, and paste them on the forms of annual Deposit Account of subscribers; vide paragraph 252. He should satisfy himself that all the relevant ledger cards relating to a department have been collected including those which were closed during the currency of the financial year the accounts of which are under verification.

234. As the entries relating to a ledger card are posted in the balance compilation statement, the Machinist should see with reference, to the cross totaliser that the closing balance as given by the machine agrees with the closing

balance already worked out in the ledger card and that the cross totaliser is cleared as soon as the entry is made in the closing balance column.

235. After the despatch of the annual accounts of subscribers (vide paragraph 252) the balances consolidated in Form 74 should be agreed in the same way as in the case of quarterly compilation but with an additional factor i.e., interest.

### **Compilation of Provident Fund Accounts by the Head Method Ledgers**

236. The accounts of subscribers should be maintained in a ledger in Form 75 one complete folio being allotted to each subscriber. The instructions in paragraph 221 apply equally to the accounts maintained in this form. When the account of a subscriber is closed, the date of, and the reason for, the closure should be noted in the ledger, as well as in the Index Register.

237. There should be a separate ledger for each unit of account. The pages of each ledger should be numbered consecutively in one series and the number assigned to the account of each individual should be the same as the number of the page in the ledger on which his account is recorded. In addition to the particulars for which space has been provided at the top of the account an indication either by hand or by seal with a rubber stamp, whether the account relates to a compulsory or optional subscriber, should be given prominently and the entry attested by the Superintendent, as it is made. The fact of the receipt of a declaration should also be noted on the top of each page and the entry attested by the dated initials of the Gazetted Officer in charge.

### **Posting of Accounts and their Audit**

238. the instructions in paragraph 224 and 225 apply mutatis mutandis to the posting of Accounts under the Hand Method. On receipt of the schedules, vouchers etc., relating to a unit of account, the poster should, after satisfying himself that the schedules pertaining to a particular account have been completely received post the transaction in the relevant columns of the ledger. Any irregularity, omission or discrepancy noticed in the course of posting should be recorded in the schedule concerned and communicated to the Government servant concerned through the prescribed Objection Statement.

239. Ten per cent of the postings in the ledger should be reviewed by the Examiner each month. The review should be so arranged that every depositor's account is checked at least once a year.

### **Verification**

240. A Broadsheet in Form 76 should be maintained separately for each ledger. Each Broadsheet should be posted direct from the accounts in the ledger and the monthly totals calculated therein verified with those in the District or Departmental Abstract. Discrepancies between the District or Departmental

Abstract and the Broadsheet figures should be recorded in an Explanation sheet of Differences in form 77 and the adjustment of differences watched through that Sheet. An Abstract (page) of Difference, Form 78, should also be maintained to watch the monthly progress of adjustment of differences.

241. After all the district and departmental Broadsheet have been verified, the total credits and debits for the month as worked out in each of them should be entered in a consolidated Broadsheet which should also be maintained in Form 76, the particulars of the several Broadsheet instead of the account numbers being entered in the first column. The total monthly credits and debits as worked out in the consolidated Broadsheet should be agreed with corresponding totals in the Detail Book. The consolidated Broadsheet should be submitted monthly to the Gazetted Officer in charge.

### **Annual Closing**

242. The instructions in sub-paragraph (1) paragraph 233, apply mutatis mutandis to the annual closing of accounts under the Hand Posting Method. The interest figure in each individual account, including interest paid during the year on closed accounts, should be posted in the Broadsheet relating to that particular ledger account and the total of the unit Broadsheet carried to the consolidated Broadsheet. Immediately after the accounts for June Final are closed, the balance at credit of each subscriber on 30<sup>th</sup> June including interest for the year should be worked out in the ledger as well as in the unit Broadsheet and the totals of the latter compared and agreed with the figures in the consolidated Broadsheet where closing balance of each unit Broadsheet should calculated similarly. Necessary modification in the figures of balances up to June final accounts should be made in the unit and consolidated Broadsheets have been squared, the closing balance as per consolidated Broadsheet should be verified with the figures in the Book Department. The individual closing balances in the district Broadsheets should also be verified with those in the ledger before they are carried over to next year's Broadsheet as opening balances.

### **Transfer of Accounts**

243. When a subscriber is transferred permanently to another Government with transfer of his permanent lien, the balance at this credit in the Provident Fund account should be passed on to the latter Government. A copy of the subscriber's ledger account together with his Declaration form in original and the Insurance policy or policies (if any) should be forwarded to the Account Officer of that Government. Any sum withdrawn under the Fund rules and which remains to be recovered should also be communicated.

A similar procedure should be followed in the case of transfer of a subscriber from one account circle to another under the Central Government whether the transfer is permanent or temporary for a period exceeding one year.

### **Special Procedure for Contributory Provident Fund**

244. The Contributory Provident Fund Accounts should be maintained in a ledger, Form 79, where ledger accounts are posted in manuscript. In cases where machine methods are adopted for the purpose, the account should be maintained in form 69 with suitable manuscript additions and alterations.

245. When contributions are adjusted at the end of the year, these should be posted in the Broadsheet, Form 76, against the respective account number, in a separate line from that of the subscriptions a distinguishing line, if thought necessary being used. Interest on contributions should similarly be posted separately from that on subscriptions. At the time of annual closing of the Broadsheet, the closing balances of deposits and Government contributions should be brought out separately.

### **Special Procedure for Sterling Branches of Provident Funds**

246. The accounts of sterling branches of the various Provident Funds should be maintained as subsidiary account to the rupee accounts which will be the main government accounts of Provident Funds.

247. The ledger account of a subscriber to the sterling branch should be kept side by side with his rupee account in the same form as that prescribed for the rupee account. For this purpose the left half of the ledger folio (form 75 or 79) of each subscriber should be used to show the rupee account and the right half the sterling account. Where the rupee accounts are maintained in the Ledger card (Form 69), the sterling account should preferably be maintained in a separate ledger card or alternatively, if difficulties are experienced, in the same ledger card, the top portion being used for the exhibition of the rupee account and the bottom portion for the exhibition of the sterling figures.

248. No separate account number should be given to a subscriber to sterling branch: the letter "S" should be added to the account number in the rupee account to denote that the subscriber is a subscriber to the sterling branch.

249. The transactions connected with the sterling branch of Provident Fund Accounts should be converted into Pakistan Currency at the current official rate of exchange of sterling vis-à-vis the Pakistani rupee once only at the end of the year on the basis of the total transactions of each subscriber in the rupee branch without examination into the monthly details. IN the very few cases in which a rate of change different from the current official rate of exchange of sterling vis-à-vis the Pakistani Rupee, may have to be applied for conversion to sterling from rupees, a separate record of any such amounts and the relative rate of exchange should be maintained as each transactions occurs and taken into account in making the residual conversions at the end of the year.

250. The rupee figures in the Provident fund Ledger (Sterling Accounts) should be reconciled monthly with those in the Detail Book in which separate sub-heads

have been provided for the rupee and sterling branches of the Provident Funds. For this purpose, the amount credited or debited monthly in the individual sterling account should be consolidated in a form similar to that of form 71, "Account Number" being substituted for "District" in the first column. In offices where the Fund accounts are maintained by the Hand Posting Method, the Broadsheets relating to the two branches may be kept separately, if this co-user is found more convenient.

251. When the sterling account is an exact replica of the rupee account converted at the current official rate of exchange vis-à-vis the Pakistani rupee, sterling interest on the balance in the former account should be calculated by covering the exact amount of rupee interest on the rupee balance at the same rate with the help of conversion tables. If the case is otherwise, the interest bearing balances in sterling should be worked out and interest calculated thereon.

### **Annual Account Statements to subscribers**

252. copies of their respective annual accounts should be despatched in form 80 or 81 to the subscribers (according as they are Gazetted or non-Gazetted Government servants), not later than (1) the 30<sup>th</sup> September in cases in which there are no Exchange Account transactions, and (2) the 15<sup>th</sup> November in cases where subscriptions are adjusted through Exchange Accounts.

*NOTE. – Particulars of the months for which credits are missing should be given in the annual account statements of subscribers.*

### **Periodical Review**

253. A review of the Provident Fund Accounts should be conducted at intervals of 3 years after the despatch of the annual accounts. The scope of the review should be as follow: -

- (i) to see that there are no cases of omission to open ledger accounts or cases where double accounts have been opened for the same subscriber: for this purpose, a census of the ledger cards (where Fund Accounts are maintained by machine posting) should be taken and agreed with the number of subscribers to the fund, including subscribers who have discontinued their subscriptions;
- (ii) to check in detail one month's credits in the ledger accounts of each department with reference to the schedules, the selection of the month for each department being made by a Gazetted Officer;
- (iii) to examine generally the credits for the remaining 11 months appearing in the ledger accounts and to see that the reasons for non-recovery or irregular recovery (short or excess) of advances and subscriptions are properly recorded therein;



(iv) to check the debit postings of the whole year with reference to vouchers;

(v) to see that the balances are correctly carried forward.

In conducting the review it should be seen that: -

(a) the instructions in paragraph 221 are observed,

(b) the accounts of subscribers who have ceased to be in service have been promptly closed and refunds authorised,

(c) there has been no omission to issue supplementary refund orders in cases where credits have been un-disbursed,

(d) that has been no omission to transfer the balances of the subscribers who have quitted service to "Unclaimed Deposits" in June final accounts under the rules of the Fund,

(e) the subscriptions are not below the minimum limits, and

(f) all final payments in excess of rs.10,000 have been correctly made.

## **CHAPTER 11. – DEPOSIT AUDIT**

### **Receipt Registers**

254. The Extract Registers of Receipts of Deposits (form T.A.43 of the Account Code, Volume II), after being reviewed, should be filed in district files, the repayment columns for months already passed being first scored through to prevent errors.

*NOTE. – The scoring through of the columns for the months already passed may be dispensed with at the discretion of the accountant General.*

### **Audit of Payments**

255. The Extract Repayment Registers (form T.A. 44 of the Accountant Code, volume II), as received, should be checked (after the necessary comparisons are made between the vouchers and the entries in the Register, paragraph 28), and the repayments examined in the course of being posted in the proper column of the Receipt Registers or Clearance Registers against the entries of receipt. If the repayment exhausts the balance at credit of the item, a line should be drawn from the last repayment entry to the total repayment column in which the total repayment should be entered; if the repayment does not exhaust the credit, it will found convenient to enter the balance in pencil under the last repayment. At least 8 per cent of these postings should be examined by some one other than the clerk who made them, and the examination should be extended to the amount entered in the third column of the Extract Register of Repayment as the amount or balance of the original deposit. See also Article 105 of the Audit Code.

1. *See items (11) and (17) to (21) under paragraph 13.*

### **Clearance Register**

256. The Receipt Registers of any year provide for the entry of repayments made during the same and the next account year. After that the balances which do not lapse under the rules of government will be detailed in the Clearance Register received from the treasury (Article 125 of the Account Code, Volume II). The items in this Register must first be agreed by the Superintendent of the section himself with the balances worked out against the several entries in the original Extract Receipt Register, and then the latter should be laid aside and future repayments record only in the Clearance Register. Space is provided in this form for record of repayments for two more years, and any outstanding balances after that will ordinarily lapse to Government.

1. *This return should be scrutinised in detail by a Gazetted Officer and a half-margin memorandum should be prepared, in which should be noted every item of which the receipt, or unduly prolonged retention, is in any way remarkable. This memorandum should be sent to the*

*treasury Officer, in order that he may give his explanation and return the paper in original for further consideration, action and record.*

257. An intelligent supervision of the work of his section by the Superintendent is the chief security for its efficiency, and one important method of exercising this supervision is the examination of the Clearance Registers and Statements of Lapses. That this examination may be complete, it is necessary that it should be carried out before the registers and statements are made over to the deposit checkers. The balances to be carried forward into the Clearance Registers and Statement of Lapses should be first worked out in the receipt and Clearance Registers in use by the clerks concerned, and then compared by the Superintendent with the new Clearance Registers and Statements of Lapses received. The result of this examination will furnish the Superintendent with a good indication of the character of the work of his section.

### **Proof of Posting**

258. When the repayments of any month have been posted in the Receipt Registers and the Clearance Registers, in the column for the month total should be made in the four years' registers in use, and these totals carried separately into the proper column of the Proof-sheet, Form 82. A total should be made on the latter in red ink of the figures for each district, and this should be agreed with the total of the Repayment Register of the district for the month, and ticked off by the deposit checker in token of the agreement. The summation of the red ink district totals will give the provincial total of repayment during the month, and it should be compared with the charge in the Detail Book and marked "Agreed" by the Superintendent, Book Department. The postings on the receipt side of the Proof-sheet made from the Receipt Registers should similarly be totalled and the provincial total for each month agreed with the Detail Book. After the close of the year the necessary entries in the last five columns of the Proof-sheet should be made and the closing balances thus worked out should be agreed with the opening balances of the new Clearance Register.

*NOTE. – At least 8 per cent of the totals of the repayments posted in the Receipt and clearance Registers should be recast by some one other than the deposit checker who originally made them. It would be well too for the Superintendent himself occasionally to examine the totals in this way.*

### **Statement of Lapses**

259. On receipt of a Statement of Lapses (form T.A. 49 of the Account Code, Volume II), the Superintendent must effect an agreement in detail between the amounts reported for credit by local officers and the balances worked out in the original Extract Receipt Registers or in the Clearance Registers to which the balance were transferred. The balances lapsing must be entered in these Registers as well as in the Proof-sheet in the column headed "Lapsed and credited to Government" and the statement after verification by the Superintendent will be used for the preparation of the necessary transfer entry

crediting the amount to Government. The particulars of the entry should be noted upon the statement.

1. See paragraph 257.

### **Refund of Lapses**

260. When application is made for refund of a lapsed deposit, a note of it should be made against the entry of the deposit in the Statement of Lapses, which has already been tested by the method prescribed in paragraph 259. The officer who signs the order for refund should also initial the entry of refund order in the Statement of Lapses. The fact of payment should be noted in the number book of the orders, Form 83, and the Superintendent should initial the entry in the prescribed column.

*NOTE.1 – In the case of repayments of deposits which are made after the original District Registers of Receipts have been destroyed, the audit of the refund will be confined to seeing that a lapsed deposit of the particular amount in question, is actually outstanding in the Statement of Lapses, the verification of the claimants' title to the refund being left to the authority who signs the application for refund.*

*NOTE2. – In case lapsed deposits paid without pre-audit by the Accountant General, under orders of Government a note of the refund should be made against the entry of the deposit in the Statement of Lapses. It should also be seen that the item was really received, was carried to credit as lapsed and drawn by a person who might have drawn it any time before the lapse.*

### **Plus and Minus Memorandum**

261. The deposit checker must be careful to see that the receipts, repayments and balances are correctly brought forward in the plus and minus memorandum attached to the deposit accounts, vide Article 120 of the Account Code, volume II, and specially that any lapsed items are correctly written off. He should also see that the closing balance for June agrees with that of the Proof-sheet.

### **Earnest Money Deposits made by Intending Tenderers in other Provinces and Central Treasuries.**

262. Credit for the earnest money deposits made in a treasury of province A or in a Central treasury under the Accountant General, Pakistan Revenues in favour of a departmental officer of province B, should be passed on to the latter through the Outward Settlement Account. ON receipt of the credit, the particulars should be entered by the Accountant General of province B in a separate Register of Receipts of Deposits (to be maintained by him for such credits). If repayment is to be made in province A or from the Central treasury, the departmental officer concerned of province B should endorse a refund order on the original receipt granted by the Treasury Officer and send it to the Accountant General province B who, after verification with his Register of Receipts of Statement of Lapsed Deposits, should in turn forward it to the Accountant General of province A or the Accountant General, Pakistan Revenues, as the case may be, with an order for

payment en faced upon it. On receipt of the order, the latter should arrange for payment to the party concerned, passing on the debit in due course to the Accountant General of province B for final adjustment and record against the relevant entry in his Extract Register of Receipts or Statement of Lapsed Deposits, as the case may be. This procedure will ensure that a complete record of such deposits and repayments is maintained by the Accountant General of the province to which the deposit relates and that repayments are not made in the province to which the deposit relates and that repayments are not made in the province or from the Central treasury of origin except on the specific authority of the departmental officer concerned and his Audit Officer.

### **Personal Deposits**

263. The audit of repayments in the case of personal deposits is confined to seeing that there are proper vouchers in support of the amount repaid, and that the repayments do not exceed the balance at credit of the particular account.

264. When Civil of other Courts bank with the treasury, themselves submitting the detailed accounts of deposits, the auditor, besides auditing these detailed accounts must agree the totals of the receipt and payments with the figures reported from the treasury.

### **Deposits of Local Funds**

265. The receipts and payments at treasuries on account of Local Funds having banking accounts with Government are reported by Treasury officers in plus and minus memoranda (see article 120 of Account Code, Volume II). The entries in these memoranda should be checked by the auditor, special attention being paid to balances as a precaution against any fund overdrawing its account; see Article 105 of the Audit code. Overdrawals should always be brought to the notice of Government.

266. The memoranda should then be posted in Broadsheets, one for each minor head under "deposits of Local funds" in Form 84.

The total figures for receipts and payments for the whole province as shown in the respective Broadsheets should then be agreed monthly with the Detail book.

267. If Government has ruled that expenditure incurred in the Public works Department on the execution of works on behalf of a Local fund should be debited to the "Deposits of Local Funds" or if receipts in connection with Local Fund works are realised by Public Works Officers, such charges and receipt should also be taken into account in working out the balances of the Deposits of Local Funds, suitable alterations being made in the forms of plus and minus memoranda and of Broadsheets. The net additions to or deductions from the balances of each Fund on account of expenditure and receipts referred to above

should be intimated to the Treasury Officer so that he may correct his memoranda also to the administrators of the Fund.

1. *Arrangements should in addition be made for communicating to the administrators of Local Funds the details of the transactions in the Public Works Department when such transactions increase or decrease the balances under "Deposits of Local Funds".*

## CHAPTER 12 – AUDIT OF LOANS AND ADVANCES

### Subsidiary Loan register

268. The Accountant General will keep two Subsidiary Loan Registers in the annexed Forms A and B for the audit of all loans made by Government to public or quasi-public bodies and to individuals, except Revenue Advances (see paragraph 279). Form A will be for those loans which are repayable by direct credit of the repayments to the principal of the loan, and Form B for those which are repayable by payments into a Sinking Fund. In both cases a separate page should be set apart for each loan. Before posting recoveries, whether of principal or interest, into the Classified Abstract, the auditor will obtain the initials of the poster of the Loan Register against the entries in the treasury account to show that they are correct. The poster of the Loan Register, after reference to the Detail Books, will make the necessary postings from the treasury accounts, and also post into a broadsheet the total amount recovered paid for each loan. The total in the broadsheet should be certified monthly by the Book-keeper, while the register as well as the broadsheet should be reviewed monthly by the Gazetted Officer-in-charge.

Subsidiary Register of Loan of Rs. \_\_\_\_\_ sanctioned for  
\_\_\_\_\_ in order of Government of \_\_\_\_\_, No. \_\_\_\_\_, dated  
\_\_\_\_\_.

### FORM A

#### Conditions of Loan

“To bear interests at \_\_\_\_\_ per cent, to be paid (half) yearly on  
\_\_\_\_\_ and to be repaid by (half-yearly instalments of Rs. \_\_\_\_\_  
in addition accruing interest or (within \_\_\_\_\_ years) or (in \_\_\_\_\_  
equal instalments)”.

DATE AND VOUCHER		ACCOUNT OF PRINCIPAL OF LOAN		CALCULATION OF INTEREST ON PRINCIPAL				ACCOUNT OF INTEREST DEMAND			
Date	Voucher	Ad-vance	Repay-ment	Balance	Period	On advances		On repayments		Amount due	Amount paid and credited to Interest
						Rs.	Ps.	Rs.	Ps.	Rs.	Rs.
1938			Rs.	Rs.		Rs.		Rs.		Rs.	
April 16 <sup>th</sup>	Balance	..	..	50,000	½ year	1,000	00	..	..	1,270	..
May 1 <sup>st</sup>	..	..	..	..	..	..	..	..	..	..	270
May 5 <sup>th</sup>	7	5,000	..	55,000	164 d.	89	14	..	..	..	..
June 10 <sup>th</sup>	..	..	20,000	35,000	128 d.	..	..	280	09	..	..
June 16 <sup>th</sup>	..	..	..	..	..	..	..	..	..	..	700
August 16 <sup>th</sup>	18	5,000	..	40,000	61 d.	33	07	..	..	..	..
September 1 <sup>st</sup>	..	..	..	..	..	..	..	..	..	..	200
Total:	..	..	..	..	..	1,122	21	280	09	1,270	1,170





269. The columns under "Date and Voucher", "Account of Principal of Loan" and "Account of Interest demand" in the Register referred to in the preceding paragraph should be filled in as soon as the transactions are reported from the Bank sheet or the Cash Account or the transfer entry for the adjustment of the periodical interest on the Deposits of the Sinking fund is made. The calculation of interest will be made at the same time. It will be observed that these columns show the interest that will be chargeable on the next periodical day, and that the amount of interest deducted from them is not actually debitable against the borrower until the next periodical day.

1. *A loan bears interest for the day of advance, but not for the day of repayment.*

270. The subsidiary Loan Register will give the Accountant General the means of seeing that both interest and instalments are repaid on the due date, and, in case of delay, he should at once address the officer who is in direct communication with the debtor or charged with the administration of the property or of the Corporation to which the loan is made. The debtor should be warned either by this officer, or, if the loan is not on any district account, by the Accountant General, when any payment, either of interest or principal, is about to fall due from him; but omission to give this warning gives the debtor no claim to exemption from the consequences of default.

### **Loan Expenditure by Public Works Department**

271. In cases where the loan expenditure is under special orders, to be conducted and controlled by the Public Works Department, the amounts debitable to the several loan accounts will appear in the monthly Account through the Accounts of Divisional Officers.

272. The amounts will be recorded in the Subsidiary Loan Register prescribed above, and will bear interest as though they had been advanced on the last day of the month in which the expenditure actually appeared in the Monthly Accounts.

The Accountant General should keep Government informed of the progress of outlay to enable it to watch and take notice of any tendency to exceed the amount of the loan and check it in due time as far as possible.

### **Payments in Discharge of Loan**

273. Nothing may be credited as repayment of principal or into the Sinking Fund so long as any sum is due on account of interest unpaid.

1. *Interest for any half-year (or year) is not "due" until the end of the half-year (or year) during which it accrues.*

### **Periodical making up of the Account**

274. After all entries up to, but not including, the date on which interest becomes due have been made a line will be drawn across the page. First the interest account of the past half-year must be made up by deduction of the amount paid on account of interest from the demand on that account entered in the "Amount due" column, and by bringing down "Balance of interest due". Then a calculation must be made of the interest to be demanded on any over-due interest of the previous half-year. Lastly, in the case of Register in Form A, the second and third columns of the "Calculation of Interest on principal must be totalled, and the excess of the total of the second over the total of the third carried into the "Amount due" column. The total interest due and the total principal due will then be made up, and the account will be opened for a new period. The account of the Sinking Fund in Form B will be similarly completed, at the same time, the amount of interest due being credited at the end of the period.

1. *If interest is payable yearly, instead of half-yearly, the account will be made up only one a year.*

275. A copy of the account as thus made up, and of the new statement of demand, should be sent to the debtor.

### **Sinking Fund**

276. Moneys paid to a Sinking Fund for repayment of loan should be credited to the head "Sinking Funds for Loans granted to Local Bodies", and entered in the Register in Form B, prescribed in paragraph 268. Interest will be allowed on these deposits at the same rate as the loan itself bears. The interest payable on these deposits should be credited to the Sinking Fund deduction from the receipt on account of interest on the loan. When the total balance of the Sinking fund becomes equal to the amount of the loan, the credit under the head "sinking funds for Loans granted to Local Bodies". And the debit under "Loans to Municipalities, etc". should be written off against each other.

### **Default**

277. The occurrence of default in payment either of principal or of interest in respect of loans the detailed accounts of which are kept by the Accountant General should be reported without delay to the authority by which the loan was sanctioned. (See Article 108 of the Audit Code).

278. Each Accountant General will submit to Government periodical returns showing the details of the loans and advances borne on his books, under the head "Loans and Advances by the Central Government / Provincial Governments" an such form and on such dates as may be mutually agreed upon.

## Revenue Advances

279. Revenue Advances include *takavi* advances, under the Land Improvement Acts, and any other advance, which Revenue Officers are allowed or under any Act of the Legislature, or under any order of Government. The Audit office will keep a record of these advances in Form 85 and will see that the transactions conform to the rules Governing them. It should also check the payment against the allotment for each officer authorised to make such advances.

*NOTE. – Payments on account of sanctioned loans will be recorded in the Subsidiary Loan Register vide Paragraph 268.*

## Advances to Government Servants and Other Advances

280. A record of interest bearing advances to Government servants viz., House Building, Motor Car, etc., advances sanctioned and paid under proper authority should be kept in Form 86, which should be regulated with reference to the rules governing such advances. Other advances recoverable in large number of instalments and their recoveries will be recorded in Form 87.

The payments and recoveries shown in these Broadsheets (Forms 86 and 98) should be reconciled monthly with the figures shown in the Detail Books, any should be set apart at the end of the Broadsheets, in order that their eventual adjustment may be watched. The fact that this monthly verification has been made should be recorded on the Broadsheet itself month by month at the time it is submitted to the Gazetted Officer.

*NOTE. – The above records, in respect of the transactions relating to his own office, shall be maintained by the Accounts Officer concerned and also by the Audit Officer of the Accounts Office declared under Para 30 of the Auditor-General's M.S.C.*

281. In order to check the grant of a second House-Building Advance for one and the same house, in contravention of rules, an alphabetical Index of the names of Government servants to whom such advances have been granted should be maintained in the following form: -

Name of Government Servant	House for which Advances is Granted		Year of Payment
	Town	Detailed Address	

One Index Register should continue for 10 account years, after which a fresh Register should be opened. In auditing a bill for house building advance, it should be ascertained by a reference to this Index that the Government servant to whom the advances has been granted has not previously received a similar advance for the same house.

282. Advances of pay and travelling allowance made under proper sanction to a Government servant on transfer or at the port of arrival to enable him to join his post or in other circumstances will be debited to the head "Advances Repayable", or if the Government servant is proceeding to another audit circle (except on reversion to the lending Government) the debit will be passed on to the latter circle for adjustment vide Article 36 of the Account Code, Volume I. These advances will be recorded by the adjusting Accountant General in the relevant columns of the Objection Book, through which their recoveries will be watched.

- (1) The Accountant General of the borrowing government should be responsible for adjustment of the recoveries as the advances will remain outstanding in his books, and
- (2) The Accountant General of the lending Government should be responsible for effecting recovery of these advances. On receipt of the last-pay certificate in the case of gazetted Government servants or of a separate intimation of the grant of the advances in the case of non-gazetted Government servants, from the Accountant General of the borrowing Government the Accountant General of the Lending Government should take the items in his Objection Book without making any accounts adjustment and watch the submission of the adjustment travelling allowance bill and the recovery of the advance of pay granted by the borrowing Government. The amount of the advances instead of being taken to the column "advances Recoverable" should be taken to the column "for other reason" under the heading "Items adjusted but awaiting clearance" in the Objection Book.

283. Advances for law suits finally debited against the department concerned under Article 36 of the Account Code, Volume I, should be recorded in the Objection Book as 'Items awaiting clearance' for want of payee's receipts, etc. Refunds of amount remaining unspent out of these advances should be watched in the Audit Office, but not the actual recoveries that may eventually be due from the parties concerned.

284. Recoveries on account of passage advance made the rules to Government servants in foreign service will be watched by the Accountant General responsible for watching the recovery of contributions for leave and pension.

285. Payment of recoverable advances made to persons proceeding to a Pasteur Institute and their recoveries will be audited and adjusted by the Accountant General in accordance with the rules made by the government concerned in this behalf.

### **Permanent Advances**

286. Permanent advances should be recorded in a Register in Form 88, intended to last for four years. The Register should be a standing list of all sanctioned permanent advances by names of offices, a separate page or pages being set apart for the offices in each district. As personal responsibility can be enforced by the receipts of the actual incumbents which are on the file, the names of the holders of advances need not be entered in the Register. The advances should be consecutively numbered and the acknowledgements should be marked with corresponding numbers and filed in proper order. On receipt of a new acknowledgement it should be numbered with the Register number of the advance and filed in the place of the old acknowledgement which should be torn out of the file. A charge report containing an acknowledgement of permanent advances should not, however, be destroyed; it should be preserved for the period prescribed by the Accountant General.

287. If the amount of any advance be increased or reduced in the course of the year, the amount in the column for the current year should be altered in red ink on the appearance of the credit or debit for the difference in the treasury account. The total for the column will be corrected at the end of the year. If new advances are sanctioned, they should be entered at the bottom of the district list in the order of the charges appearing. The monthly credits and debits in Forms 89 and 90 respectively should be compared with the Detail book figures through the broad-sheet, which will, after completion, be submitted every month to the Gazetted Officer in charge. At the end of the year a single total for the old, corrected and new advances will be made, the aggregate of which for all the districts worked out in the broadsheet at the end of the Register will agree with the closing Ledger balance of the year.

288. The amounts of the advances as standing on 30<sup>th</sup> June should be entered afresh in the money column for the next year and a total made for 1st July.

289. Sanction to permanent advances accorded by the Heads of Departments are audited to see: -

- (1) that the officer sanctioning the advances is a recognised Head of a department, or Commissioner of a Division;
- (2) that there is no specific order of Government withholding from him the power to sanction permanent advances;
- (3) that the advance is intended not for his own office, but for a subordinate office;

(4) that the amount sanctioned does not exceed the limit recommended by the Audit Office or fixed by Government either for an office or for the sanctioning authority; and

(5) that these advances are not multiplied unnecessarily.

290. A test check of these advances should be conducted occasionally in order to see that the amounts held by various disbursing officers are not in excess of their normal monthly requirements.

## CHAPTER 13. – REMITTANCE AUDIT

### Remittance Check Register

291. For the check of local remittances, a Register will be maintained in form 91. The first part of the Register will record the cash remittances between treasuries within the province. Thereafter separate sheets should be set apart for remittances between treasuries and each of the departmental officers (other than Public Works and Forest officers) rendering accounts to the Accountant General, such as those of the Customs, Opium and other Departments and small coin depots. For such of these departments in final account with the Accountant General as both and cash to Civil Treasuries and also draw cash thence to be credited by themselves and accounted for, two sheets will be required, one for the debits of Revenue Treasuries to be answered by departmental credits, and the other for departmental debits to be met by credits in the treasuries. For departments, whose transactions are settled through Remittance Accounts, such sheets will not be necessary.

1. *The check on foreign remittances is effected in the office of the Accountant General, Pakistan, Revenues, vide Article 78 of the Account Code, Vol. IV.*

*Each Civil Accountant General should also maintain a suitable Broad-Sheet in respect of the transaction arising in his jurisdiction to watch reconciliation of the discrepancies that may arise between the figures of Foreign Remittances, reported by the currency officers and these accounted for in the monthly account.*

2. *The procedure for checking Public Works and forest Remittances is described in Chapters 21 and 26 respectively.*

### Posting the Register

292. On receipt of a list of payments, as soon as the schedules and vouchers for miscellaneous payments have been checked with it, and before audit commences, all debits on account of remittances should be posted in the Remittances Check Register by the district auditor concerned. Similarly on receipt of the Cash Account, the first operation should be to post the acknowledgements of remittances in the same Register against their respective debits. In the rare case of a credit preceding a debit, it should be posted against the first vacant line of debit, and should be pointed out to the auditor in whose account the debit must be traced, in order that he may keep a watch over it and post the answering entry in the proper place.

### Differences

293. When the credit does not agree with the debit, the auditor who posts the credit must bring the difference to the notice of the auditor who deals with the account in which the debit appears, in order that he may take necessary action

for its adjustment. The unadjusted balance will be carried forward, and the adjustment, when made, should be noted in the Remittance Check Register.

*NOTE. – In the case of remittances between treasuries a list of unadjusted debits and credits is made-out by the audit office and entered in the details of remittances in transit in the Cash Balance Report which is forwarded to the Currency Officer of the State Bank of Pakistan for verification. Any discrepancy in the list of remittances in transit brought to light by the Currency Officer should be reconciled in correspondence with him or with the treasury concerned.*

294. As soon as the posting of the Detail Book is commenced, the district auditor should total the debits and credits in the Remittance Check Register both for remittances between treasuries and for departmental remittances, and the several totals of the debits and credits must be agreed with the corresponding totals in the Detail Books. The unadjusted debits and credits should then be carried forward in full detail to the Check Register of the next month, after comparison in the case of remittances between treasuries, with the information regarding them given in the local Cash Balance Reports or with the list of local remittances in transit verified by the Currency Officer, vide Note to paragraph 293.

1. *If any remittance has remained outstanding for an unduly long time, enquiries should be instituted.*

### **Audit of State Bank of Pakistan Remittances**

294-A. The audit of State Bank of Pakistan Remittances will be confined to seeing: -

- 1) that the total of the issues including exchange as reported by treasuries in the daily schedules is credited to the State Bank and the total of the payments as reported in the daily schedules of treasuries is debited to the Bank;
- 2) that there is a voucher for each entry in the schedules of payments and the amounts agree; and
- 3) that the net receipts or payments for the month under the head "State Bank of Pakistan Remittances" for the whole account circle as worked out in the Detail Book agree with the corresponding adjustment for the month made by the State Bank against the balance of the Government.

The responsibility for the checking of encashment of individual telegraphic transfers and drafts against the corresponding drawings will rest with the State Bank.



### **Audit of Military Treasure Remittances**

294-B. On receipt, with the Cash Account, of the Lists of Military Treasure Remittances drawn, the total drawings on each Military Treasure Chest will be credited to the Exchange Account with the Defence Account Officer concerned under Head I. The debits on account of the remittances appearing in the Inward Defence Services Exchange Account should be posted against the respective items in the relevant List in the appropriate columns. If an item remains outstanding for an unduly long time, steps should be taken for its clearance.

## CHAPTER 14. – MISCELLANEOUS AUDIT

### Special Charges

295. The register prescribed in paragraph 135 affords the means of recording the audit of specially sanctioned charges, whether reckoned as contingent expenditure or not.

### Refunds

296. In the audit of charges for refunds, the principal points to be examined are that they have been made under sufficient authority and that they are supported by duly receipted vouchers in proper form. These vouchers should contain a certificate that the refund has been noted against the original credit in the Departmental accounts: they should also contain the signature of the Treasury or Sub-treasury Officer attesting the original credit into the Treasury by single items or in a lump sum.

In cases where full details of the revenue under the head are given in the treasury accounts or other documents as rendered to the Audit office, a note should be made against the item of receipt in the original accounts received from the treasury, so as to prevent a double claim: but in cases where the credit is shown in the treasury accounts in a lump sum, as in the case of Land Revenue, Excise, Taxes on Income, etc., no note need be made against the aggregate credits.

1. *For refunds of fines, the note should be made in the statement of fines in those Audit offices where this statement is still received from the Court.*

2. *Refunds of the value of spoilt stamps are checked against entries of corresponding receipt in the plus and minus memorandum. No check can, however, be exercised over the refund of stamps duly allowed by Civil Courts.*

3. *Refunds of the value of unclaimed currency notes credited to Government may be made on a certificate from the Currency Officer of the State Bank of Pakistan, showing the date on which the amount was credited to Government, and stating that it is payable to the claimant; but in every case the order for refund requires the sanction of the Accountant General. Whenever any sums are credited to Government on account of unclaimed currency notes, the State Bank will furnish a list giving particulars of the notes of which the amounts are composed. When any refund is sanctioned, it should be noted against the corresponding entry in the credit list.*

4. *In the case of refunds of Customs revenue it is the duty of the Officer in charge of local audit to see –*

(1) *that the refunds are sanctioned by competent authority and are in accordance with the provisions of the Sea Customs Act;*

(2) *that proper entries have been made in respect of refunds and drawbacks on the original documents of receipts on which they have been allowed, e.g., bills*

*of entry, shipping bills, register of miscellaneous receipts, etc., or (in the case of refunds on goods re-exported to Afghanistan) in the register of invoices instead of on the bill of entry.”;*

(3) *that they are otherwise in order.*

*When refund vouchers accompanying the list of payments of the customs treasury are received in the Audit office, it should be seen –*

(1) *that the payment order is correct,*

(2) *that, arithmetically, the voucher is in order, and*

(3) *that it bears a legal quittance and is stamped, if necessary.*

5. *When the paid voucher for the refund of passport fees realised in postage stamp is received in the Audit Office a note of the refund with sufficient particulars should be made (against the item of original credit if available) in the periodical report or statement specified in the certificate of the officer authorising the refund.*

### **Discount on Stamps**

297. The procedure in auditing discount on stamps varies. In some provinces the discount is entered in a schedule against each item of sale, and a receipt is signed by the vendor on or apart from the Schedule, the application of the proper rate of discount being usually certified by the Treasury Officer. IN others, a bill for the discount, in an abstract form, is sent to the Accountant General through the competent authority whose countersignature is the Accountant General's authority for admitting the charge.

### **Payment of fees**

298. A Government servant's share of fees for work done for private bodies paid into the Government treasury under the rules made by Government is payable only after pre-audit. The bill on which the claim is preferred is received in the Audit office through the Treasury Officer concerned with details of the amount held in deposit in the treasury account recorded on it the record being attested by the Treasury Officer. These credits should be traced and verified before the payment is authorised in the usual manner – c.f. paragraph 296.

### **Calculation of the Average rate of Exchange**

299. The calculations of the monthly average rate of exchange mentioned in Article 230 of the Account Code, Volume IV, are subject to pre-audit by the Accountant General, Pakistan Revenues. To enable him to carry out the necessary test check the daily Karachi Telegraphic Transfer rates on London are communicated to him direct by the State Bank of Pakistan, Karachi.

### **Calculation of net Proceeds of Taxes on Income**

300. Under Article 135(2) (a) of the Audit Code the proceeds of taxes on Federal emoluments are to be ascertained from the income-tax returns. For this purpose each Income-tax Officer will furnish the Audit office before the close of the accounts for the year with the figures for that year separately for the detailed heads (i) taxes in respect of Central (Federal) emoluments, and (ii) taxes on other emoluments. On receipt of these figures arrangements should be made immediately by the Accountant General to test check the allocation of the adjustments locally to enable him to carry out the necessary entries in the accounts. A test check of about 5 to 10 per cent of the allocations to the two heads and of the adjustments between them relating to the total number of assessments should be sufficient. For the proper discharge of this duty it may be necessary for Audit to scrutinise the papers on the files of the Income-tax Officers. This scrutiny will not, however, amount to a formal audit of assessments but will be restricted to a test check of figures compiled by the Income-tax Officers.

## CHAPTER 15 – VERIFICATION OF BALANCES

### General

301. As laid down in Article 93 of the Audit Code an important part of the duties of Audit is to review and verify the balances under Debt heads and outstandings under Remittance heads as disclosed in the books of Accounts offices at the close of the year. The results of this verification are embodied in the report on the Finance Accounts as “review of Balances”, vide Article 275 of the Audit code. Accountants General should take steps to clear the outstanding balances and to settle discrepancies noticed in them as promptly as possible and to obtain acceptance of correctness of balances from person or persons by whom they are owned or from whom they are due wherever it is required. No such acceptances are necessary in regard to ordinary advances, but it should be ascertained how far they are believed to be really recoverable.

The “Review of Balances” of the Central Government will be included in the report on the Central Finance Accounts by the Accountant General, Pakistan Revenues. For the preparation of this report the several Accountants General will send to the Accountant General, Pakistan Revenues, “Review of Balances” relating to the Central Section of the Accounts kept by them. Similarly the “Review of Balances” of the Government of West Pakistan will with effect from the accounts for 1955-56 (Post-integration) be included in the report of the Provincial Finance Accounts by the Accountant General, West Pakistan. For the preparation of this report the several areas Audit and Accounts Officers in West Pakistan will send to the Accountant General, West Pakistan “Review of Balances” relating to the Provincial Accounts kept by them. A copy of each of the Central and Provincial “Review of Balances” mentioned above should simultaneously be sent to the Auditor General to enable him to see whether the Accounts Officers concerned are taking the necessary action, required to them.

*NOTE. – The personal responsibility of the Accountant General for the Appropriation and Finance Accounts and the report on them extends also to the work concerned with verification of balances which should be completed in time for inclusion of “Review of Balances” in the report on Finance Accounts.*

302. Soon after the completion of the report on Finance Accounts or issue of Review of Balances (Central Section), a list should be drawn up of all the cases in which any action is still required, and a report of any subsequent reconciliations which may be effected and acknowledgements of balances which may be received should be made to the Auditor General in the first week of April following. Discrepancies in balances that may remain unsettled after the submission of the supplementary report should be watched carefully and their reconciliation reported to the Auditor General in the first week of July and October and by the 15<sup>th</sup> of January of the second year following that to which they relate. Each quarterly report should deal not only with the outstanding items of the last Review of Balances but also with all outstanding items of previous

years remaining unsettled. The Accountant General, Pakistan Revenues should submit similar reports in respect of the balances in the Karachi books in the first week of April, July, November and January and for those in the Pakistan General books on the first week of May, August, November and February.

*NOTE. – As a rule, discrepancies reported in the “Review of Balances” of one year should be settled before the review of the next year is submitted. If any discrepancies still remain unsettled they should be distinctly shown, and any delay in the adjustment of old items should be specially explained.*

303. The following paragraphs give directions as to the verification required in several cases, and indicate what is required in the cases not specifically mentioned.

### **Deposits of Service Funds**

304. The balances should be compared and reconciled with those in the accounts sent in by the Trustees or Managers. There are sometimes large differences owing to Trustees crediting in their accounts of the year interest which is not really payable to them till July 1st.

### **Balances of Provident Funds**

305. For deposits which are recorded in detail in Registers of Receipts of Deposits the total receipts and repayments are posted from that form monthly into the Proof-sheet, Form 82. At the end of the year the cross totals of the receipts and repayments posted into the monthly columns of the Proof-sheet should be made and the balances struck separately for the different districts for each of the four years shown in the form. The balance of the first year will, except for any deposits not allowed to lapse to Government for special reasons, be posted in the column “Credited to Government”, and should be compared with the total of the Statement of Lapses of the district concerned. The balance of the third year should similarly be compared with the total of the Clearance Register. The grand total of the column, “Balance on 30<sup>th</sup> June”, should be agreed with the Ledger balance of the class of deposits concerned.

1. *For Public Works Deposits see paragraph 322.*

2. *In the case of deposits of Trust Interest Fund the balance on account of interest payable should also be agreed with the total of unpaid payment orders.*

307. The balance of personal deposits must be verified by addition of the separate balance shown in the returns for June (as checked by the Audit office), and it must be seen that they are, in each case, supported by a certificate from the Administrator of the personal ledger account stating that the balance claimed by him is of a named amount. He will also furnish detail of his outstanding cheques in order to explain the difference between his balance and that admitted by the Treasury Officer in his plus and minus memorandum.

It should be verified (1) that no personal ledger account was opened except with the sanction of competent authority, (2) that the accounts were properly operated upon and there was no debit balance in any of them, (3) that the correctness of the balances has been certified by the parties concerned, and (4) that the details of the personal ledger accounts work up to and agree with the balances in the Ledger.

### **Deposits of Local Funds**

308. The balance worked out in the Broadsheets prescribed for Deposits of Local Funds in paragraph 266 each year should be communicated to (and, if necessary, accepted by) the officers charged with the administration of the Funds.

### **Advances Recoverable and Suspense Account**

309. The accuracy of the balances brought forward in the Objection Books for non-Public works Transactions and those shown in the Broad-sheets of balances under Advances Recoverable and Suspense is to be tested in the manner laid down in paragraphs 582 and 586. The Ledger balances should be certified to agree with the totals of the balances shown in those Broadsheets.

310. In the case of advances to cultivators and similar advances which do not enter the Objection Book, the balance should be proved by obtaining from each local officer, who has authority to make such advances, an acknowledgement that the amount outstanding against him on the books of the Accountant General is the same as that shown as recoverable upon the registers and accounts kept by him.

1. *Acknowledgements of advances to meet payments for compensation for lands taken up for public purposes should be obtained from the District Officers.*

2. *For Takavi Works Advances, see paragraph 322.*

### **Permanent Advances**

311. The amounts remaining unadjusted upon each district (and other) account in the register (Form 88) must be verified by means of annual acknowledgements from the officers concerned. The aggregate of the outstandings should be worked out from the register and tallied with the Ledger balance (paragraph 287).

### **Accounts with foreign Governments and Pakistan States**

312. The balance under the head "Account Current with Pakistan States" should be communicated to the States concerned and their final acceptances should be obtained. The progress made in the adjustment of the balances in the accounts with other Government should be watched carefully.

## **Loans and Advances**

313. The Ledger balance should be verified against the outstanding principal of the loan shown in the Subsidiary Loan registers. It should also be seen whether the conditions of each loan have been fulfilled and whether the balances due at the end of the year (or if, in the case of any loan, another periodical date is fixed for making up the account, then at the last previous date of making up the account) have been communicated to, and not been challenged by the debtors. This verification may be separately reported to the Government vide paragraph 278.

1. *As regards advances to cultivators and other advances of which the detailed accounts are kept by departmental officer, see paragraph 310.*

2. *In the case of house-building advances, advances for purchase of motor cars and other conveyances and similar interest bearing advances to Government servants, annual acknowledgement should be obtained from each Government servant that he accepts, as due from him, the balance of the advance worked out in the Audit Office. It should also be seen that instalments in repayment of these advances have been regularly recovered. See Note below paragraph 280.*

## **Cash Remittances**

314. The balances under the cash remittance heads are composed of credits unadjusted by debits, and debits unadjusted by credits. The details of these unadjusted items should be extracted from the Remittance Register (Form 91) and the extract should show the month to which each item belongs. The net balance of each class of remittances should agree with the balance of the corresponding Ledger head.

## **Public Works Remittances**

315. The balances under Public Works Remittances are reconciled with the ledger in the manner prescribed in paragraph 484.

## **State Bank of Pakistan Remittances**

316. as the receipts and payments on account of State Bank of Pakistan Remittances are required to be cleared with the Bank daily and in the accounts of the month in which the transactions originate, there should ordinarily be no balance under the head "state Bank of Pakistan Remittances" at the close of the year. IF any outstanding balance should occur, prompt action should be taken for its adjustment. The circumstances which led to the balance and the action taken for its clearance should also be explained in the report on the Finance Accounts of the year.

317. Deleted.

318. Deleted.



## **Other Remittance Heads**

319. The outstandings under the Settlement Accounts and Exchange Accounts should be verified in accordance with the rules prescribed in Chapters 8 and 10 respectively of the Account Code, Volume IV.

### **Cash Balances**

320. The duty of watching the balances of the Province in the Bank and treasuries and sub-treasuries devolves on the Finance Department of the Provincial Government or on the Accountant General if the Provincial Government so desires. For the purpose of accounts the cash balance of each province in the books of the Accountant General will be reconciled each month with the Cash Accounts rendered by Treasury Officers and with Statements of closing balances received from the Central Accounts Section of the State Bank. As regards balances in the Bank the process of reconciliation will be as follows: -

The head 'State Bank Deposits' on the books of the Accountant General will contain three sub-heads, namely –

- (1) State Bank Deposits – Treasury.
- (2) State Bank Deposits – Headquarters.
- (3) State Bank Deposits – Central Accounts Office, State Bank.

At some Provincial Headquarters where there is an Accountant General as well as a Treasury Officer and the daily sheets of the Bank are rendered to the Treasury Officer, the net remittances to and from the Bank including those on account of transactions of the local Accountant General will be taken to the sub-head "state Bank Deposits – Treasury".

(b) For facility of reconciliation the statement of balances rendered monthly by the Central Accounts Section of the State Bank will show separately -

- (i) net transactions of the Province during the month at each Branch of the National Bank of Pakistan operating at District and Sub-divisional Headquarters of the Province;
- (ii) net transactions of the Province at the Branch of the National Bank of Pakistan or at the Offices of the State Bank operating at the Provincial Headquarters; and
- (iii) particulars of adjustments booked against the balances of the Province in the Central Accounts Section of the State Bank in the accounts of the month.

(c) The net debits and credits under (i) will be reconciled by the Accountant General with figures accounted for in the Provincial Section of his books under the head "State Bank Deposits – Treasury". The cash Account of each Treasury will contain a certificate of the Treasury Officer that the net amount debited or credited under the head "State Bank Deposits – Provincial" in his accounts of the month agrees with the net disbursements or net receipts, as the case may be, shown in the daily statements of Provincial receipts and disbursements received from the Branches of the Bank. In effecting this reconciliation allowances has to be made for transactions in bank sub-treasuries towards the close of a month which, except for the accounts for June are not brought on the treasury accounts till the accounts of the next month.

The figures under (ii) will be verified in the same way with the net adjustment in the Provincial Section of the accounts under the head "State Bank Deposits – Headquarters" or, where necessary, with the adjustment under the sub-head "State Bank Deposits – Treasury".

The net adjustment under (iii) will be reconciled with the net figure accounted for by the Accountant General under the head "State Bank Deposits – Central Accounts Office, State Bank". The latter figure will also be agreed with the monthly total of adjustments entered in the Register of Adjustments with the State Bank Form 11, Account Code, Volume IV.

The net debit or credit under the head "State Bank deposits (Provincial)" verified in the manner indicated above will be transferred before the accounts of the month are closed to the head "V – Cash Balances – Deposits in the State Bank". The balance under this head at the end of the month will then be checked with the balance of the Province on the books of the Bank as shown in the statement of balances rendered by the Central Accounts Section of the State Bank. The fact of the reconciliation will be noted in the monthly accounts rendered by the Accountant General to the Provincial Government.

1. *The procedure indicated in this paragraph should apply mutatis mutandis for the reconciliation of balances on 30<sup>th</sup> June.*

*NOTE. – The provisions of this paragraph will apply to the reconciliation of balances of the Central Government with such modifications as may be considered necessary to suit the requirements of the Accountant General, Pakistan Revenues.*

*Each Civil Accountant General and Comptroller should maintain a suitable Broadsheet in respect of the transactions arising in his circle under the head "State Bank Deposits – Central". Discrepancies, if any, between the figures appearing in the Treasury Account and those reported by the State Bank in the closing balance statement should be taken up for reconciliation with the Bank and Treasury Officers concerned under intimation to the Accountant General, Pakistan Revenues. IN case there are no discrepancies, the Balances reported by the Bank should be confirmed under advice to the Accountant General, Pakistan Revenues.*

321. The opening cash balance of each departmental account is agreed, month by month, by Audit Sections concerned, with the closing balance of the previous

month, and it is seen that the closing balance is certified to have been verified by some responsible officer in accordance with the prescribed rules. A monthly statement should be prepared from departmental accounts in order to work out the closing balance for the province. It should be compared each month, by the Book Section, with the debit balance of the Ledger head "Civil Departmental Balances" and the agreement should be certified by it.

### **Public works Balances**

322. The following balances in the accounts of the Public Works Department should be verified in the manner described below: -

- (i) Deleted.
- (ii) Transactions under the heads Public Works Deposits and Takavi Works Advances are reconciled with the Ledger, month by month, through the Broadsheet in Form 111, vide paragraph 393. Their balances are similarly reconciled at the end of the year.
- (iii) The closing cash balances of Divisional Officers as given in their monthly Accounts for June are verified individually in the Works Audit Department with the original Cash Balance Reports, Form P.W. A.2, for that month, received from the Divisional Officers, and the aggregate of these balances should be reconciled with the balance in the Ledger.

The general review of the balances should be on the lines of certificate 3 of Form P.W.A. 46.

## CHAPTER 16 – PRE-AUDIT PAYMENTS

### Pre-audit System

323. Claims upon Government payable at stations where Audit offices are located, are for the most part submitted to the local audit office for pre-audit (Article 213, Audit Code) and are paid under the rules in Appendix 5 of the audit Code either in cash or by an order upon the Bank.

324. The instructions in this Chapter apply to the Audit offices as far as circumstances permit.

### General Procedure

325. The Pre-audit Pay Department is responsible for receiving, and for making payment of the claims of all local Civil Departments, and of similar claims of the Public Works Department in respect of other than works expenditure.

On receipt of a claim it should be sent to the section which audits the payment of similar claims made at treasuries, and the payment should be made after the claim is audited and passed by that section.

1. *In the case of payments to non-officials either on behalf of Government or any local authority on account of fees, commission, bonus, remuneration or reward of any kind, necessary intimation, together with the addresses of the payees should, at the time of actual payment, be sent to the Income-tax Officer concerned if the amount of each payment is not less than Rs.250.*

2. (a) *IN most offices, the arrangement is that in exchange for every bill presented, a brass token bearing a number is given to the person who presents the bills by the receiving clerk in the Pre-audit Pay Department. This number is noted by him on the bill, which is not returned to the payee but is transferred to the Audit section concerned. When the passed bills are received back from the Audit section, the number of the token is noted from them on any cheque prepared for payment. The cash is paid or the cheque is handed over to the person who presents the brass token and gives the particulars of the amount and payee of the bill. The receipt and issue of tokens is recorded in a Register of Token in Form 98. The cashier should verify daily the stock of tokens in hand after taking into account the unredeemed numbers. This verification is intended merely as a numerical check and the object is to see that, for the number of tokens that are not in hand, and equal number of bills exists in the office. A certificate of this verification should be recorded in the Register of Tokens and should be put up to the Gazetted Officer in charge.*

(b) *The Superintendent should see daily that, for all bills paid during the day, whether in cash or by cheque, and for bills returned unpaid, the corresponding tokens have been received back. He should record a certificate in Form, 99 to this effect, and the certificate should be shown daily to the Gazetted Officer incharge.*

(c) *On the 20<sup>th</sup> of each month, a detailed census of all tokens in hand should be taken by the Superintendent in a Register in Form 100 and the result reported to the Accountant General. For the purpose of this census enquiry should be made from different sections in Form 101.*

326. After the passed bills have been received back from the Gazetted Officer they should not be sent from one section of the office to another except in locked boxes, where the despatch be transferred from the audit section to the Pre-audit Pay Department, or from the cheque writer to the Gazetted Officer and back, or any other transfer. All transfers between the Audit section and the Pre-audit Pay Department should be noted in a Transit Register.

### **Audit**

327. The Audit section should conduct the audit of bills presented for pre-audit and payment on the same principles and with precisely the same formalities as are observed in the case of bills received with the treasury accounts for post-audit, care being taken that the two classes of bills are kept separate from each other.

328. specimen signatures of officers drawing bills – pay or contingent – should be obtained and pasted in the proper pages of the audit Register or in a separate guard file, and each auditor should, on receipt of a bill, first of all see that the signature on the bill agrees with that recorded in the Audit Register or in the guard file. The specimen should be attested by the full dated signature of the Branch Officer and a rubber stamp should not be used for the purpose.

*NOTE 1. – On a transfer of charge between Government servants, the relieved Government servant should send to the Audit office the required number of specimen signatures of the relieving Government servant. The auditor will see that the signature of the relieved Government servant is correct and then paste the specimen signature of the relieving government servant into the Audit Registers, cancelling the previous ones.*

*NOTE. 2 – In cases where a personal assistant or any other Government servant is entitled to sign bills “for” a superior officer, specimen signatures of the Government servant so entitled should be obtained and utilised as above.*

329. After the bills have been examined and recorded and the audit encagements and the amounts passed for payment (in words and figures) written on them by the auditor, they should be laid before the Gazetted Officer in charge with the audit registers. The Officer will examine the bill, compare the signature of the drawing officer with his specimen signature in all cases and, if satisfied of the correctness of the charges, initial or tick off the entries in the registers and pass the orders for payment. The bills will then be returned to the Pre-audit Pay Department.

*NOTE. – Care should be taken that the paid vouchers received from treasuries are kept separate from bills presented for payment after pre-audit.*

### **Payments By Cheque**

330. If payment is to be made by cheque, the passed bill will be transferred to the cheque writer, who will prepare a cheque for the net amount in the special form for Pre-audit cheques (separate forms being used for Central and Provincial

payments), putting his signature after the word entered. HE will note the number of the cheque conspicuously on the bill, enter the amount in the Register of Cheques Drawn (form 102 Central or Provincial), and lay the cheque and the bill together before the Gazetted Officer in charge. The officer will tick off the number of the cheque, see that its amount agrees with the amount passed, and then sign the cheque and stamp the bill "Cheque drawn"; the passed bill together with the cheque should then be sent to the Cash Department which will date the cheque at the time of delivery. After delivery the Cash Department will attach the payee's acknowledgement to the bill, stamp it as 'paid', write the voucher number on the upper right hand corner of the bill and enter the payment in the Central or Provincial Register of Cheques Delivered (Form 103). The cheque will be paid by the Bank and charged in the relevant Central or Provincial schedule of Accountant General's cheques paid attached to the bank's daily account. (see paragraph 338).

1. *When two or more bills are payable to the same person, a single cheque should be issued for their aggregate amount, though the particulars of each bill should be entered separately in the Register of Cheques Delivered (Form 103). In such cases a stamped acknowledgement for each bill should not be demanded; a single stamped receipt is sufficient. Each such bill may, if necessary, be stamped in the Audit office with a rubber stamp indicating that the relevant receipt is included in the receipt attached to such and such a bill, the number being entered in manuscript.*

2. *Duplicates of lost cheques are, in some cases, issued on forms differing from the original only in that the word "duplicate" is printed across them in red.*

3. *The completeness and regularity of an endorsement on a bill should be examined in accordance with the rules made by Government in this behalf.*

### **Payments in Cash**

331. Bills to be paid in cash should, on being passed, be made over to the cashier who if the voucher be in order, duly passed and receipted, should stamp the bill paid pay the net amount, write the voucher number on the upper right-hand corner of the bill, and enter the payment in his Cash Payment Register (Form 104).

*NOTE. – Bills for pensions may be paid in cash, up to a limit of Rs.250 in each case.*

332. For the payment of these claims (Central and Provincial) a fixed imprest (Central) is allowed, and if this runs short during business hours, a cheque, also in the special form for Pre-audit cheques (Central), may be drawn to replenish it. The Gazetted Officer in charge should check the entries in the Register of Cash Payment vouchers, and should also see that the amount of the cheque agrees with the total of the Register, before he signs it. The voucher for this cheque will be in Form 105.

1. *Before issuing such a cheque, it will be well to note on the voucher above described that covers all cash payments up to "o'clock", but on a day on which small payments are expected to be numerous and soon to exhaust the imprest, a further amount may be drawn*

*by a cheque when office opens, and if the result be that the cash balance at the end of the day is not reduced to the amount sanctioned for the fixed imprest, the fact must be reported to the Accountant General, and the surplus shown separately on the final agreement slip (paragraph 337).*

333. The adjustments between the Central and Provincial Governments in respect of Provincial payments met from the fixed imprest will be made periodically as laid down in Article 35 of the Account Code, Volume IV.

334. The fixed imprest will be borne on the accounts as Central permanent advance, and will be counted and certified by the Gazetted Officer in charge on the last day of each month. The certificate initialled by the Accountant General should be filled with cash balance reports, though the amount is not included in the balance of the province.

### **Closing for the Day**

335. At the close of each day the amount of the fixed imprest must be made up by a Central cheque drawn by the Gazetted Officer in charge in his own favour, so that the cashier may always close with a balance equal to the fixed imprest in cash and cheques; before signing the cheque, the Gazetted Officer in charge will apply the same tests as are laid down in paragraph 332.

336. The Gazetted Officer in charge should take up the Register of Cheques Drawn with the cheque book, see that the numbers of the cheques in the Register are consecutive, and ascertain that no more forms have been removed than are accounted for by entries in that Register. He should initial the counterfoil of the first unused form (the first to be used on the next day), and by turning back to the last initials (those on the first used form of the expiring day) will ascertain how many forms have been removed.

337. The entries in the Registers of Cheques Delivered and the Cash Payment Register (Forms 103 and 104) should be summed as each column is filled up, A final total, expressed in words, and figures should be made at the end of the day and the vouchers, with separate memoranda in Form 4 of the Account Code, Volume IV, for Central and Provincial payments, showing the aggregate amount of the payments, in words and figures, should be forwarded to the section which has to prepare the Debt Head Classified Abstract of Pre-audit Pay Department the cheque and cash memoranda and vouchers being kept distinct. Ordinarily a single memorandum for each class, prepared at the close of the daily payments, will be sufficient; but on days when the payments are numerous it is convenient to make up the totals and forward the vouchers two or three times during the day, and when more than one memorandum is thus prepared, the aggregate amount paid from the commencement of business must be shown in each, in words and figures. (See also Articles 36 of the Account Code, Volume).

*1. The amount of the cheques issued in replenishment of the fixed imprest must be excluded from the aggregates reported in these slips.*

2. *The Gazetted Officer in charge need not, of course, count the vouchers before signing the slips, nor is it absolutely necessary for him to await the return of one such slip before forwarding another packet of vouchers.*

3. *The vouchers, if numerous, are transferred in parcels at intervals, in order that the check list described in Article 36, Account Code, volume IV may be written up more promptly.*

### **Schedule of Cheques Paid**

338. The Bank will send the paid cheques daily to the Accountant General together with separate schedules for the Central and Provincial payments showing the number and the amount of each cheque; and the whole amount of each schedule will be shown in the relevant daily Bank sheet (Central or Provincial) as a single item "Pre-audit Cheques paid".

1. *No member of the Pre-audit Pay Department should ordinarily be permitted to have any access to the paid cheques and the schedules received from the Bank.*

339. The schedule of payments relating to each department together with the relevant vouchers should be sent to the Departmental Audit Section concerned as laid down in Article 38 of the Account Code Volume IV. On receipt of these documents the Audit Section will examine them as prescribed in paragraph 28 and will conduct a final post-audit of these payments. This will consist of the following checks: -

- (a) that the pay order is genuine;
- (b) that the endorsements on the bills are in order;
- (c) that a final receipt for the full amount passed in audit has been received from the drawer of the bill in the prescribed form;

*NOTE. – In the case of bills for the pay and allowances of gazetted Government servants the receipt of the drawer's banker or agent may be accepted as a final receipt. In such case, however, the bill should be endorsed by the drawer with a distinct pay order in favour of his banker or agent which order need not be stamped.*

- (d) that the messenger has signed the final receipt, except when the payment has been made by crossed cheque sent through the post; and
- (e) that the Cash Department has signed the certificate of payment.

*NOTE. 1. – Until the audit has been completed as above, payment should be held under formal audit objection. Such objections should in most cases be cleared before the accounts for the months are audited and very few objections for want of vouchers should therefore find a place ordinarily in the Objection Book.*



*NOTE. 2. – A register in the Form 106 should be maintained in the Audit Section for the record of final post audit of pre-audit bills. The final post audit must be reviewed by a member of the Superintending staff to the extent of 2 per cent of the payments.*

*NOTE. 3. – The instructions in this paragraph will also apply mutatis mutandis to vouchers and schedules received from the Bank.*

### **Outstanding Cheques**

340. The paid cheques returned daily by the Bank should be compared with, and ticked off in the Registers of Cheques Delivered (form 103), and from this a list of outstanding cheques (showing number and amount) should be made up and totalled daily, the total being expressed in words and figures. The preparation of this list should on no account be left to a member of the Pre-audit Pay Department. The entries in the list should be checked and the total attested by a Superintendent, before it is submitted to the Accountant General for him to post his Check Registers (paragraph 341). The balances for the last day of the month should be agreed with the Ledger balances and the agreement certified by the Superintendent, Book Department.

*1. If any Cheque appears to be unduly long outstanding, enquiries regarding it should be made of the holder; and if it cannot be traced, it may be stopped, and the charge which it represents, cancelled and adjusted. The number of the Cheque in the outstanding list will sufficiently indicate any such exceptional cases.*

*2. The most convenient form of the daily schedules will probably be that of a book, as the maintenance of an outstanding list of cheques renders it unnecessary to record the details of the cheques paid.*

341. A register in Form 107 will be maintained by the Accountant General showing the daily issues and encashment of pre-audit cheques (Central or Provincial) and the balances of unpaid cheques at the end of the week. The register will be kept in the custody of the Accountant General but may be posted by a Superintendent, or other nominee of the Accountant General, other than one connected with the Pre-audit Pay department or the Department responsible for the preparation of the list of outstanding cheques.

The weekly comparison as indicated in the form will be made by the list of outstanding cheques.

A monthly comparison should also be made with the balances in the Registers of Outstanding Cheques at the end of each month. The balances in the Accountant General's register should also be verified independently with the Ledger balances in the Book Department and a note to this effect recorded in Form 107.

**PART III**  
**PUBLIC WORKS AUDIT**  
**CHAPTER 17. – GENERAL ARRANGEMENTS**  
**AND METHODS OF WORK**

**Introductory**

342. The instructions in this Part are intended primarily for the Works audit Department which is responsible for the audit of and accounting for those transactions of the Public Works Department, which are brought to account by Divisional Officers of the Department in accordance with the directions in the Account Code, volume III and the Financial rules of the Government concerned. Subject to such exceptions as may be authorised by the Accountant General with the previous concurrence of the Auditor General, the instructions in this Part should be followed by other Departments or Sections of the Audit office entrusted with the audit of and accounting for the works mentioned in Article 4 of Account Code, volume III.

343. The instructions in this Part are supplementary to the general directions contained in the audit Code and the rules in Chapter I of this Manual which are applicable to the Works Audit Department unless there be something repugnant in the subject or context and except to the extent that they are modified by the instructions hereinafter prescribed.

**Office Arrangements**

344. The Works Audit Department should be divided into small sections, each with a Superintendent in charge. The primary responsibility for the audit of the accounts of Public Works divisions, and other work connected therewith, rests with auditors who should be experienced clerks or junior Divisional Accountants. The actual distribution of work, which should be set out clearly in the Office Manual, will be settled by the Accountant General according to local requirements. The employment of sub-auditors to assist auditors should be governed by the following considerations: -

- (1) The responsibility for audit should, as possible, be undivided.
- (2) As a general rule, a clerk should not be employed as an auditor until he has worked as a sub-auditor.
- (3) A sub-auditor as he gains experience should be entrusted with more important work.

1. *An Accountant, selected for holding the charge of a Works Audit Section, must have had adequate training in the duties of a Divisional Accountant in a divisional office.*

345. The auditor is primarily responsible for all audit work in connection with the accounts of one or more divisions allotted to him. HE will audit the Monthly Accounts and periodical returns received from those divisions and deal with all returns, statements and correspondence connected with the audit.

### **Audit Procedure**

346. The work of audit should be taken up immediately on the receipt of the Monthly Accounts. After the preliminary check prescribed in paragraph 347 has been exercised, the auditor should examine the several schedules, schedule dockets, vouchers, etc., received in support of the Monthly Account to see that they are in all respects prepared in accordance with the rules applicable to each case, and then audit them in detail in accordance with the general, as well as special, instructions prescribed in the relevant Chapters of this Manual.

347. The following additional points should receive attention: -

- (a) In respect of all transactions other than payments in cash and receipts of cash, it is important to ascertain that each debit item is counter-balanced by one or more credit items, and vice versa.
- (b) In the case of all credits (whether cash receipts or transfer credits) which represent either (1) sale-proceeds of stores or other property, or (2) their transfer value, it should be seen further –
  - (i) that the disposal of the property has been authorised by competent authority, and
  - (ii) that the full value (including supervision or other charges leviable under rules) of the property has been accounted for, or, if there is a loss, that the loss has been sanctioned by competent authority.
- (c) All schedules and accounts should be checked arithmetically.
- (d) In regard to accounts with balances, it should be seen that the opening balances of a month are brought forward correctly from the previous month, in such detail as the prescribed form of the account requires.
- (e) In cases in which the figures of one account should work into another account. The two accounts should be reconciled with each other.

348. the auditor examining a voucher or schedule should record the necessary particulars in the proper Audit Register, unless there is a rule to the contrary. In

token of this he should initial all the documents from which the Register is posted, and obtain the initials of a member of the Superintending staff appointed for the purpose, in all cases where, under the instructions in paragraph 353, the latter is required to initial. For this purposes, a suitable enfacing stamp may be used, vide paragraph 10.

*NOTE. – Here and elsewhere in this Part, the term “superintending staff” should be held to mean only Senior Accountants and Accountants and such Divisional Accountants as may be attached to the Audit office.*

350. All the corrections made in the monthly Account, or in any of the Schedule should be advised to the Divisional Officer through the Audit Note (paragraph 532), for the correction, after verification, of the relevant record of the division.

351. The Supplementary Account of the year should be dealt with in audit, as for as possible, in the same way as the Monthly Account of one of the months of the year. IT should be borne in mind, however, that there can be no cash transactions in this account, nor any actual transactions of Stock, and that transfer transactions are permissible only to the extent indicated in Articles 199 and 236 of the Account Code, Volume III.

### **Appropriation Audit**

352. (a) It is an important function of audit to see that, in all cases falling under Article 161 of the Audit Code, the progressive expenditure does not exceed the divisional allotment sanctioned for individual works or items of expenditure, or for groups of works or items of expenditure. The Works Audit Register affords facilities for conducting this check. IF in any case, the up-to-date expenditure is in excess of allotment, or is not covered by allotment, a suitable entry should be made in the Objection Statement, except when such expenditure is not open to audit objection under the financial rules of the Government concerned.

(b) The Works Audit Department is not responsible for the check of expenditure against the grants for the whole province.

(c) In cases, not covered by clause (b), in which two or more Divisional Officers are authorised to incur charges relating to a unit of appropriation against a lump sum allotment placed for the purpose at the disposal of single higher authority, and the Accountant General at the request of the Government, has undertaken to audit the collective charges against the allotment, he will prescribe the arrangements for conducting the necessary check. IT will be necessary in such cases to collect the audited expenditure figures of the divisions concerned in suitable summaries; in doing so, the general rules laid down in Chapter 2 of the Account Code, Volume IV should be observed.

### **Current Review of Audit**

353. The audit of the Monthly Accounts of Divisional Officers must be reviewed by a member of the Superintending staff. This review will comprise the following duties in addition to any others that the Accountant General may prescribe: -

- (1) He should examine generally all the vouchers and initial after full review ten per cent of the total number of vouchers the audit of charges relating to which is recorded in Part I of the Works Audit Register including therein all vouchers for amounts exceeding Rs.1,000 each.

*1. If all the vouchers attached to a schedule docket are reviewed, it will suffice if the schedule docket is marked "Vouchers reviewed" over the initials of the Superintendent.*

*2. The instruction in paragraph 38 regarding the check of the classification of Vouchers in the Treasury Audit Department apply mutatis mutandis to the vouchers of the Works Audit Department.*

- (2) He should review all special charges and credits, the audit record of which is kept in Parts II to V of the Works Audit Register, and in evidence of this review he should initial the entries in the Register, as well as the vouchers and the account entries audited. This check should not be confined to the entries made in the Register by the auditor. When the vouchers and accounts are reviewed generally, it should be seen that no transactions pertaining to these parts of the Register have escaped the auditor's examination.
- (3) All schedules leading to the Monthly Account, and the account itself, should be examined and it should be seen generally that no important points have escaped the auditor's scrutiny and that the several accounts have been written up correctly. The prompt adjustment of outstandings of all classes should receive special attention.
- (4) A percentage of the entries made by the auditor in Part I of the Works Audit Register should be checked, the items examined being marked or initialled in the schedule concerned; but see paragraph 385.
- (5) The entries made by the auditor in Part I of the Works Audit Register should then be reviewed completely for verification that all charges not covered by allotment or technical sanction are challenged.
- (6) Lastly, the Audit Note and the Objection Statement prepared by the auditor should be examined so that it may be seen that the remarks made or objections raised are all in order. He should neatly edit them and add, in his own writing, any

remarks or observations which he finds necessary as the result of his scrutiny.

354. The following points should receive the Superintendent's special attention:

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- (a) Expenditure on all large works, in connection with which a contract has been sanctioned by an authority higher than the Divisional Officer, should be reviewed completely, month after month, till completion, even though during a month no payment may have been made in connection with the contract. In this review it should be seen inter alia, that all transactions, which should have been treated as pertaining to the contract, have been so treated, and that, in connection with the contract, there is no disregard of rule or want of attention to the interests of Government requiring action on the part of the Audit Office. The Financial rules regulating the grant of advances to contractors and issue of materials to them should be borne in mind specially and payments to sub-contractors should be scrutinised jealously. It should be particularly seen in the case of final bills that the date of actual completion of work is duly checked with the stipulated one (column 5 of part III of the Works Audit Register).
- (b) The spirit of the instruction in clause (a) should also be observed generally in the audit of vouchers, especially contractor's bills, relating to other works and services.
- (c) IN cases where the value of stores issued is recoverable from a contractor, or he has received a "secured advance" [vide Article 9 (32), of the Account Code, Volume III] on the production of stores, it should be seen, as far as possible, that whenever a payment is made to him in respect of the particular items of work, on which the stores were intended to be used, a recovery of the value of the stores used in the construction is made from him simultaneously in accordance with rule.
- (d) A special watch should be kept over the disposal of materials, the "Issue Rates" [vide Article 9 (18) of the Account Code, Volume III] which are known to be appreciably below the market rates, so that practices likely to put the State to loss may be challenged, if they come to notice.
- (e) If it is noticed that the application of any rule, limiting the recovery of the rent of a public building occupied by a Government servant to a prescribed percentage of his

emoluments, has the effect of lowering the rent of the building to a figure appreciably below the standard rent as fixed under rule, the matter should be examined from the point of view of audit against propriety, with reference to clauses IV (a) and V of Rules 45A and 45B of the Fundamental Rules or the corresponding Service rules of Government.

- (f) IN the case of running account bills of works executed on lump-sum contracts it should be seen that the method stated to have been employed for estimating the value of work done is not prima facie open to observation.

355. After reviewing the audit, if the Superintendent finds that the enforcement of audit made by the auditor on the Monthly Account is in order, he should initial it, and submit the account (complete with enclosures) to the Gazetted Officer in charge for his review. The Audit Note and the Objection Statement, as well as the Works Audit Register and the Objection Book, should also be put up with the account.

356. The Gazetted Officer should examine generally the monthly Account and all the supporting schedules but he need scrutinise only the vouchers for amounts exceeding Rs.10,000 and a percentage of the others, initialling those scrutinised. The Works Audit Register and the Objection Book should be inspected, and it should be seen generally that the auditor and the Superintendent have performed their respective duties carefully. The results of their audit should be scrutinised and, if everything is found to be in order, the audit enforcement on the Monthly Account should be signed.

357. The Gazetted Officer in charge of a section should scrutinise carefully every objection, whether entered in an Objection Statement or in an Audit Note, before he passes it, cancelling or submitting for orders any to which in his opinion the provisions of Articles 248 and 254 of the Audit Code could be applied suitably. In this scrutiny the instructions laid down in paragraph 41 should also be borne in mind.

358. Observations made on objection statements, audit notes, half margins or audit memoranda should not be treated as routine correspondence which may be issued by Superintendents under paragraph 40 (c) of the Manual of Standing orders. The instructions contained in paragraph 41 should be followed in communicating objections.

359. Both the Gazetted Officer and the Superintendent, when reviewing the accounts of Divisional Officers, should bear in mind specially the requirements of audit against propriety, vide Articles 84 and 85 of the Audit Code. They should see further that Divisional Accounts appear to have attended to their audit and account duties satisfactorily. Should there be any evidence of slackness, or disregard of prescribed rules or procedure, on the part of the latter; or should the

accounts of the division especially the Monthly Account, be found to contain habitually errors of other than trifling nature, the Deputy Accountant General should be informed, and suggestions for the issue of the necessary admonition or for other action should be made to that Officer.

### **Completion of Audit**

360. The audit of the divisional accounts of a month should ordinarily be completed in time to enable the Book Section to include them in the Civil Account of the same month; where this is not possible the procedure authorised in paragraph 5 may be followed. Without the approval of the Accountant General no account may be omitted from the Civil Account of the month to which it releases.

### **Post Review of Audit**

361. The Accountant General should arrange for a post review of Divisional Officers' accounts in such a way as to ensure that the accounts of every division are reviewed at least twice in two years, once by a Gazetted Officer and once by a member of the Superintending staff. The Accountant General or his Deputy should keep a suitable register for this purpose, and every month, as soon as the accounts are posted, should be indicated therein the names of the persons by whom a review of the accounts is to be made, and the names of the divisions which each should review.

362. The Reviewing Officer should subject the complete accounts and vouchers to a careful test audit. The scale fixed for the check is as follows: -

- (a) For Gazetted Officers. – The same as that fixed for the current review by the Superintendent (vide paragraphs 353 and 354), and one half of the review work should be devoted to a re-check of the review which has already been done by the Superintending staff.
- (b) For Superintending staff. – Complete re-audit of the work done by the auditor, without a re-check of the review which has already been done by the Superintending staff.

It should be seen that the accounts and vouchers have been audited properly and due observations made. The works Audit Register and the Objection Book should be examined so that it may be seen that they are kept properly in accordance with rule, and that a sufficient check exists over charges as well as outstanding items. The Gazetted Officer should initial the documents and registers in the same way as the Superintendent is required to do in respect of the current review, and when the review is made by the Superintending staff, the procedure will be the same as that prescribed for observance in the original audit by auditors.



363. The Reviewing Officer should submit, through the Deputy Accountant General, a report of his audit to the Accountant General, in a form to be prescribed by that Officer. The report should be made in a bound book and should show only important errors and irregularities. Defects of procedure should receive special attention.

364. The work of post review should be carried out, as far as possible, by senior members of the office, and should not be entrusted to very junior Gazetted Officers or Accountants. IF it is entrusted to probationers, for purposes of training, the account reviewed should not be included in the prescribed number.

365. Any portion of the check which is exercised by a Gazetted Officer in the course of his ordinary duties need not be exercised again by him or by any other officer in the course of his review. Similarly, any portion of the current review or check which is exercised by a member of the Superintending staff need not be exercised again by him or by any other member of that staff in the course of post review. Detailed orders on this point should be inserted in the Office Manual.

366. If necessary, the Accountant General may select one senior Accountant who is not in charge of a section of the Works Audit Department, and may regard him as a Gazetted Officer for purposes of the post review.

367. A period should be fixed by the Accountant General for the completion of a Gazetted Officer's review and its submission to him, and any failure to complete a review within this period will constitute an arrear which should be treated as prescribed in paragraph 28 of the Manual of Standing Orders.

### **Miscellaneous**

368. If the accounts work of a division falls into arrears, or if there are signs of any confusion therein, the matter should receive the prompt and careful consideration of the Accountant General, who should not only move the Divisional Officer (or the higher authorities of the Public Works Department, if necessary) to take necessary steps to remedy the defects, but also suggest for consideration such remedies as may appear suitable, and, if necessary, render such temporary help as he may be in a position to give. In serious cases, it may be advisable for the Deputy Accountant General or a Gazetted Officer to visit the divisional office and to discuss the situation personally with the Divisional Officer and the Divisional Accountant.

369. Whenever a Divisional Accountant is relieved of his duties in a divisional office, it should be seen that the memorandum referred to in paragraph 270 of the Manual of Standing Orders is received from the Divisional Officer. This memorandum should be reviewed by the auditor and the Superintendent for the division, and laid before the Deputy Accountant General for orders. Points requiring action on the part of the Audit office should be taken up promptly.

370. When a minimum period for the preservation of an initial or compiled account record in a Divisional or Sub-divisional office has not been prescribed in the rules framed by the Government concerned for the destruction of records, Divisional Officers are required to obtain the approval of the Accountant General before destroying that record. If any of the records proposed to be destroyed are connected with works or other accounts in progress, or are likely to be required at a future date for audit purposes, the Divisional Officer should be advised to postpone their destruction. Such advice should be offered only with the approval of the Accountant General, and as far as possible, the periods of preservation prescribed for corresponding records of the Audit Office, vide paragraph 343 of the Manual of Standing Order, should be taken as a guide.

*1. This criterion should also be applied in the scrutiny of any rules as regards destruction of records which the Government may propose to introduce.*

*2. Copies of sub-divisional cash books or of other account records which Sub-divisional Officer submit to the Divisional office should be treated as original account records, and not as copies, as the Divisional Officer's accounts rendered to the Audit Office are based on such copies and not on the original thereof.*

## CHAPTER 18 – AUDIT REGISTERS AND NOTE BOOKS

### Works Audit Register

#### Form

371. A register in Form 108 – Works Audit Register – should be maintained, separately for each divisional office, to serve as a collective record of all sanctions relating to the audit of transactions included in divisional accounts, and of the audit conducted against them during a year. This Register is divided into five parts – I. – Sanctions to Works, II. – Sanctions to Fixed Charges, III. – Sanctions to Contracts, IV. – Orders of Special Recoveries, and V. – Miscellaneous Sanctions.

1. *It is optional with the Accountant General to ensure the Treasury Audit Department with the audit of Public Works contingent charges included in divisional accounts vide paragraph 345. Whether the audit is entrusted to the Treasury Audit or the Works Audit Department the procedure prescribed in Chapter 7 should be observed, but in the latter case the separate registers of Special and Fixed Charges (paragraphs 135 and 141) will be replaced by parts II and V of the Works Audit Register.*

### Sanctions to Works

372. Part I of the Register dealt with all sanctions and orders relating to a work as a whole and with the expenditure recorded against it. In this part are entered all works executed in the division, including government works for other Governments, departments, divisions and offices, non-government works, and manufacture operations, workshop jobs, and other works and items of expenditure debitable to Stock and Tools and Plant.

373. Works should be grouped in this part of the Register so that all works falling under a unit of appropriation, as well as those falling under a detailed head of account may be brought together. Separate folios or sets of folios should, therefore, be reserved for each such division. The folios so reserved should be arranged in the prescribed order of minor and detailed heads subordinate to each major head, and in the case of “50 – Civil Works” in Governors’ provinces, the Central and Provincial transactions should be recorded in two different sections.

374. The entries of the month’s expenditure under each of the groups and detailed heads mentioned in paragraph 373 should be totalled monthly and in cases in which a lump-sum allotment is required, under rule, for any group, the progressive expenditure of the year should also be worked out and noted underneath, in blue or green ink. At the close of the year, the year’s total for each detailed head should also be worked out and noted in the column for “Remarks”.

375. Part I, thus written up, will show month by month the progress of expenditure on each work as well as on each group of works for which there is a

separate allotment. If there are any other heads of accounts for which there is a separate allotment in any division, one or more folios of Part I of the Register for that division should be set aside for the record of the monthly progress of expenditure on such heads. Entries on these folios should be made, in respect of both allotment and expenditure, in the same way as those relating to works, the figures of expenditure being taken from the Classified Abstract of Expenditure Form P.W.A. 41, or other schedules pertaining to the accounts of the division. IN respect of suspense heads, if the allotment is only for the net charge under the whole minor head "suspense, the month's expenditure to be posted in Part I will be the figure described as "Net Debit to Suspense" in Form P.W.A. 41. But, if there is a separate allotment for each suspense head, the form of Part I will not be suitable; in this case, the form may be modified suitably. The form of the Broadsheet (Form 111) may be used with advantage (A line of the form being reserved for each suspense head), provided that two columns are inserted in it, one for the net allotment, and the other for the permissible limit of the balance (i.e. the opening balance of the year plus the allotment).

376. Under each detailed head of account all entries relating to the working estimates of the same project should be grouped together in the Works Audit Register, and the figures of sanctions and expenditure should be totalised, so that the total expenditure on the project, under each head of account, may be known at any time.

377. The following points should receive special attention in connection with Part I: -

- (1) Column 1. – "Serial Number". – Entries under each detailed head of account should be numbered in a separate series. A number should be assigned to a work, and an entry should be made in respect of it, as soon as any sanction or order of allotment relating to it is received or expenditure on it appears in the divisional accounts.
- (2) Columns 3 and 4. – "Sanctioned detailed estimate" – (a) Technical sanctions to working detailed estimates should be entered in these columns. The entry of the amount of a supplementary estimate should be preceded by the letter "S" in red ink, and underneath the amount should be drawn a line and below it should be noted the total amount of the sanctioned estimates. The amount of a revised estimate should be preceded by the letter "R" which should also be in red ink. Orders of competent authorities passing excesses over technical sanctions should also be noted in these columns and the entry of the amount, preceded by the letter "E" should be put within brackets so that it may be distinguished from entries relating to sanctioned detailed estimates.

(b) In cases in which, in accordance with any rule, the preparation of detailed estimates for annual repairs to buildings has been dispensed with by

competent authority, the entries in these columns will be in respect of the standard lump-sum limits of cost prescribed from time to time. Similarly, if the preparation of a detailed estimate for a petty purchase or manufacture of Tools and Plant, or for the manufacture or collection of stores is unnecessary under any rule, the amount of the expenditure authorised by competent authority should be treated as the amount of the technical sanction to a detailed estimate.

(c) If a substantial portion of a work has been abandoned, the estimated cost of the abandoned portion should be deducted from the estimated cost of the whole work, and the net operative amount of the estimate worked out.

(3) Columns 5 and 6. – “Allotment”. – These columns are intended for a record of orders of appropriation and re-appropriation. In cases in which funds are allotted for each work, individually, the order will be noted against the work concerned; in other cases, it will be noted in a suitable place assigned to the total of the group of works included in the unit for which a lump-sum allotment is made. In the case of non-Government works and isolated works executed on behalf of other divisions, departments and Governments, the entries in these columns will be in respect of the gross amount of the deposit received, or, if there is no deposit, of any limit prescribed for expenditure to be incurred during the year; see also clause 5(a) below and paragraph 411.

(4) Column 8. – “Permissible limit of expenditure to end of the year”. – This column, like columns 4 and 5, should not be used in respect of works for which no individual allotment is required by rule. Nor should it be used in the case of works started during the year, as any allotment shown in column 5 will be the limit for the progressive expenditure to the end of the Year.

(5) Column 10. – “Full name of work”. – (a) In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the work should be broken up into two parts – one relating to the charges on the work proper and the other to the percentages thereon – and all entries of sanction, allotment and expenditure should also appear in two parts (vide Note 2 on form P.W.A. 27), though only one serial number will be assigned to the work.

(b) In the case of works of manufacture, the “outturn” should also be recorded, the entries being made in a separate line below those relating to the “operation”.

(6) Columns 11 to 24. – “Expenditure”. – Entries should be made in these columns only when there is any transaction during a month, and whenever an entry is made, the expenditure of the month should be entered in black ink, and underneath it should be noted, in blue or green ink, the expenditure to date. The figures should be prefixed by a red ink minus sign when they represent minus expenditure. When the expenditure on a work is incurred for the first time, the progressive expenditure need not be entered. When it is entered for the last

time, i.e., when the work is reported as “completed”, a line should be drawn through the space for the remaining months of the year, and the word “completed” noted against it in the column for “Remarks”.

(7) Column 26. – ‘Remarks’, - In this column should be noted any remarks or orders for which no column is specifically provided, e.g., note of the account of work having been closed (see clause 6 above,), financial sanctions and administrative approval when they are communicated to Audit, notes of verification and transmissive of completion reports, notes of orders relating to the clearance of expenditure on “Land, Kilns, etc., “[vide Article 158(b) of the Account Code, Volume III], etc., etc.

### **Other Sanctions and Orders**

378. Part II to V of the Register deal with all other sanctions and orders, including those relating to special charges, recurring or non-recurring, debit to the sanctioned detailed estimates of works the accounts of which are maintained in Part I.

### **Sanctions to Fix Charges**

379. Part II relates to sanctions to periodical charges, whether in connection with work charged establishment or on other series.

### **Sanctions to Contracts**

380. In Part III should be registered only such sanctions relating to contracts for works, supplies, carriage, etc., as are communicated by authorities higher than the Divisional Officer. Unless a special agreement is drawn up in any case, the form of the agreement used should be quoted in Column 8, and in Column 7 should be set forth, as briefly as possible, all the terms and conditions which it may be necessary to apply in audit. If these particulars cannot be registered satisfactorily, the Gazetted Officer may in writing authorise the detail audit to be conducted against the original orders of the sanctioning authority. In such a case, the orders should be preserved carefully in a special guard file, and in column 7 of the Register it will suffice to quote merely a reference to the pages of the file.

1. *Leases, and other similar agreements, under which payments are to be made to Government by the parties concerned, should not be entered in this part, but the necessary notes of recoveries should be made in Part IV.*

### **Orders of Special Recoveries**

381. (a) Part IV is intended to facilitate a watch over special recoveries of all kinds, which may be ordered by competent authorities, or promised by the Divisional Officer, whether as a result of audit enquiries and observations or otherwise; See also Article 235 of the Audit Code and Rule I to Paragraph 380.

1. The term recovery as used in this clause includes not only receipts and recoveries creditable to revenue heads, but also receipts and recoveries taken in reduction of expenditure. Thus, anticipated credits on account of sale-proceeds of materials received from dismantled buildings, and of surplus materials and plants closed and abandoned works, should be watched through this part. Similarly, Credits to the sub-head "Land, Kilns, etc.," of the suspense head "Stock" should also be watched through this part, the orders passed by competent authority about the mode of clearance [vide Article 158(b) of the Accounts Code, Volume III of expenditure debited to the sub-head being noted in it for the purpose.

(b) Under this instruction, orders relating to recoveries on account of rents will also be entered in this Part, but as soon as the first entry giving effect to the orders appears in the divisional Schedule of Rents of Buildings and Lands, the entry in this Part should be closed, with a suitable remark attested by a member of the superintending staff.

*NOTE. – The entry which is required to be made in Part IV of the audit Register under this clause may, however, be dispensed with, if new or revised standard rents are noted and attested in the Schedule of Rents in the Audit office on receipt of sanctions.*

(c) Similarly, orders relating to recoveries which have to be watched through the account "Miscellaneous P.W. Advances" should be noted in this part to be watched until the entry can be closed on the necessary debit appearing in the divisional Schedule of Miscellaneous P.W Advances, Form P.W.A.32.

(d) In respect of recoveries from contractors, only such of them should be entered in this Register as cannot at once be brought to account in the Ledger, vide Article 152 of the Account Code, volume III.

(e) But in cases in which the Contractors' Ledgers and the Schedules of rents of Buildings and Lands are not audited centrally (Article 223 of the Account Code, Volume III, all special recoveries ordered or promised in connection with these accounts should ordinarily be noted in Part IV, as also all charges recoverable from contractors which may be noticed in the course of the audit of divisional accounts. The Accountant General may, however, prescribe an alternative procedure, with the approval of the Auditor General, the point to ensure being that debits due by contractors may not be overlooked. See also Article 86(h) of the audit Code.

(f) No entry need be made in this Part in respect of recoveries watched through the Objection Book.

### **Miscellaneous sanctions and Orders**

382. Part V is intended primarily for all other sanctions and orders against which audit of expenditure brought to account by Divisional Officers may have to

be conducted, e.g., sanctions to local purchase of imported stores. Sanctions to remissions of revenue may also be entered in this Part.

### **Currency of the Register**

383. The Works Audit Register should be closed annually, and sanctions and orders which are still effective should be carried forward to the following year's Register (with all necessary particulars in respect of the expenditure of ready incurred against them), the entries being attested by a member of the Superintending staff as in the case of fresh entries. This action cannot, however, be taken completely until the Supplementary Accounts of the year have been audited. But it is permissible, in anticipation of this event, to transfer to the new year's register such items of the old Register as have to be subjected to audit in connection with the divisional accounts of the new year. In such cases, the audit of transactions appearing in the Supplementary Accounts will, of course, be recorded in due course in the old Register, and it will, therefore, be necessary (1) to effect all consequent corrections in the entries transferred to the new Register, and (2) to review, where necessary, the audit previously conducted.

*1. Entries relating to works on which no expenditure has been recorded for six months continuously need not be carried forward at once to the next year's Works audit Register, unless the recorded expenditure is in excess of the estimate, but an enquiry should be made from the Divisional Officer whether the accounts of the works should not be considered as closed. The entries should be transferred ultimately if the account is reported to be open still.*

384. to reduce the clerical labour connected with the opening of new registers every year, the Accountant General may introduce two-yearly or three-yearly Registers, if desired. For this purpose, it will be permissible to insert extra inner leaves or to adopt any other device, and even to alter the prescribed arrangement of columns.

### **Check of Postages**

385. The Accountant General will make suitable arrangements for ensuring the accuracy of the postings in the works Audit Register. As regards Part I, if the check of postings and totals is entrusted to a clerk, it will be a cent per cent check, but if the work is entrusted to a member of the superintending staff, a ten to fifteen per cent check, conducted intelligently, may suffice. For Parts II to V, no special check by a member of the clerical establishment will be necessary, as all the entries are required to be examined by a member of the Superintending staff, vide paragraph 353.

### **Register of Land Charges**

386. A register in Form 109, Register of Land Charges should be kept so that the Land Award Statements which are submitted to the Audit office under the rules of Government by officers making the award under the Land Acquisition Act, may be checked. The Gazetted Officer in charge should review this



Register once a month and enquire into the causes of delays in the disposal of the statements.

### **Register of Project Estimates**

387. In the case of projects for Irrigation, Navigation, Embankment, Drainage, Water Storage or Civil works where Public Works officers are authorised to accord technical sanction to the various component parts, separately, with reference to the provisions made therefore in the administratively approved estimate, a register in Form 110 should be opened, so that all sanctions to estimate (in respect of works expenditure) sanctioned against the project estimate may be watched against the provision for works expenditure in the project.

1. *In respect of charges for Establishment, Tools and Plant and Suspense, audit is not conducted against the provision made in the project.*

388. A set of pages of the Register for each project should be set apart for each head of the sanctioned classification against which the sanctions to working estimates are to be watched in accordance with the rules defining the powers of Divisional Officers and other authorities to sanction such working estimates. Every sanction to a working estimate should be noted in the Register; a progressive total should be struck against it so that the total sanctions to date against the project provision under the head concerned may be available; and it should be seen that the provision is not exceeded. In respect of savings and excesses, the Register should be corrected (from time to time as the accounts of any working estimates are closed, or excesses are authorised or savings resumed by competent authority) (1) by a suitable adjusting entry in columns 5 to 8, and (2) by the entry of the excess or saving, as the case may be, as a plus or minus entry in columns 1 to 4, as if it were a fresh working estimate.

389. If a substantial portion of a work has been abandoned and an intimation of the fact has been received in the audit office in any form, the estimated cost of the abandoned portion (which should be ascertained from the sanctioning authority) should be deducted from the estimated cost of the whole work as shown in the Works Audit Register and in Form 110, so that the net operative amount of the estimate may be worked out. Audit of actual expenditure on the work should thereafter be conducted against this reduced limit.

390. Whenever the total sanctions registered on the several folios are summarised to bring out the total liabilities against the amount of the project estimate, excesses over estimates, which may be under objection at the time, should not be overlooked.

391. If any technical sanctions are received which relate to the detailed estimates for sub-works of a project which has to be but has not yet been technically sanctioned as a whole after it has been administratively approved, these should also be registered. It should, however, be seen –

- (i) that the aggregate of the sanctions to detailed estimates does not exceed, at any time, the amount administratively approved for the whole project, and
- (ii) that, until the project estimate itself is sanctioned, the technical sanctions to the detailed estimates are accorded only by the authority competent to sanction the estimate for the whole project for an amount equal to the amount of the administrative approval.

392. All entries in this Register should be attested by the Superintendent, who will be responsible that no sanction or order which must be posted in this register is entered in the Works Audit Register without the necessary entries being made simultaneously in this Register. The Register should be submitted monthly to the Gazetted Officer for inspection.

### **Broadsheet of Balanced Heads**

393. as it is necessary to prove the accuracy of the monthly transactions under each suspense and balanced head, and of the balances under the heads "Deposits" and "Takavi works Advances", by a comparison of the results brought out in the divisional schedules with the Detail Book and the Ledger, a Broadsheet should be maintained in Form 111, which should be submitted monthly to the Gazetted Officer in charge after the reconciliation has been effected.

394. A Broadsheet in Form 112 should be written up monthly to collect all receipts on account of cemetery endowments as shown in the schedules of all divisions, and to reconcile the total thereof with the amount taken to credit of the Debt head "Cemetery Endowment Fund" in the Ledger. When totalled up at the close of the year, this Broadsheet will give the year's receipts, as well as the up-to-date receipts, of each cemetery, separately for ordinary and special endowments, and it will thus facilitate the examination of column 2 of the Annual Accounts of Cemetery Endowments, Form P.W.A. 47, received from divisional office: *See paragraph 473.*

395. Broadsheets of transactions, passed through the Remittances head should be maintained as described in Chapter 25.

### **Note Books**

396. A Note Book, in suitable form, should be maintained by each auditor for notes of all points which have to be kept in mind as requiring action to be taken, but which cannot be noted in any Part of the Works Audit Register. Each entry should be made concisely but in full detail, so that the action to be taken may be readily understood. A note, with necessary references, should be made against each entry, in due course, to indicate the action taken, so that all points still requiring attention may be known at any time. The Note Book should be reviewed monthly by the superintendent.

397. A separate Note Book should be maintained by each auditor in which he should keep a note of all points noticed from time to time in the course of central audit and ordered to be brought to the Inspecting Officer's notice. It should be seen that all the points entered in the Note Book are reported to the Inspecting Officer in due course as required by paragraph 680.

*1. It may also be arranged that similar points noticed by other audit sections are communicated to the auditor in the Works Audit Department to be noted by him.*

## **CHAPTER 19. – AUDIT OF VOUCHERS AND SCHEDULE DOCKETS**

### **General**

398. When the audit of Schedule Dockets and accompanying vouchers is conducted, the instructions given in paragraph 424 in respect of transactions with contractors should be specially borne in mind.

### **Schedule Dockets**

399. Schedule Dockets in Form P.W.A.24. should be examined so that it may be seen –

- (1) that, except in respect of un-vouched charges (vide Article 232 of the Account Code, Volume III), there is a voucher complete and in due form in support of every charge,
- (2) that necessary particulars of all cash refunds are given and do not indicate any financial irregularity.
- (3) that all other credit entries (i.e., all transfer credits) are counter-balanced by one or more items of charge in other schedule dockets or schedules,
- (4) that the net charge of the month is correct arithmetically and agrees with the corresponding entry in the schedule concerned, and
- (5) that each docket bears the initials of the Divisional Accountant.

400. When the check mentioned in paragraph 399 (1) is applied to vouchers, the general instructions given in Articles 86 and 215 of the Audit Code and paragraph 8 should be followed unless there be something repugnant in the subject of context; and the Treasury and Financial rules relative to the preparation and completion of vouchers and the special points enumerated in the following paragraphs should also be borne in mind.

401. It should be seen that every voucher bears the dated initials of the Divisional Accountant in token of the preliminary check which he is required to conduct under Article 215 et seq of the Audit Code.

402. In the case of a running account bill, which is not the first bill of a series relating to an account, it should be seen, by reference to the last previous bill, that all “up-to-date” and other figures which are dependent upon the entries in that bill are correct, and, in token of this check, the auditor should note on the previous bill (with his dated initials) the number and date of the bill under audit,

and on the latter he should set his initials in red ink against the reference to the former.

403. In respect of payments to contractors whose contract agreements have been sanctioned by authorities higher than a Divisional officer, it should be seen, as far as possible, that there are no unauthorised deviations from the rates of payment and other relevant conditions of the agreement, as communicated by the sanctioning authority. After audit, the number of the voucher, with the name of the account month, should be entered in the Works Audit Register against the entry of the sanction. In the case of final bills, the date of actual completion should be noted in column 5 of Part III of the Register when it should also be seen that the work was completed within the stipulated time.

404. In respect of payment to other contractors, whether on a first and final bill or on a running account bill, it should be seen generally that the value of work done, or supplies made, does not exceed the limit up to which a Divisional Officer is authorised to accept a tender for a contract.

405. If any charge requires special sanction (vide Article 230 and 234 of the Audit Code), it should be seen that such sanction exists, and the charge should be noted against the entry of the sanction in the Works Audit Register.

406. In respect of charges on new supplies of tools and plant it should be seen that the articles for which payments have been made have been brought on to the relevant numerical account (submitted to Audit under the rules of government) correctly on the authority of the voucher or account pertaining to the charge.

407. In respect of vouchers in support of compensation for land acquired, the special instructions in paragraphs 419 to 421 should be observed.

408. Vouchers which are received as accompaniments to a Schedule Docket which supports a whole schedule, and not merely an item in a schedule, should be compared individually with the relevant items of the schedule concerned, and it should be seen that all the vouchers required in support of each item have been received. It should be seen further that the total of all charges of the schedules, excluding works expenditure for which separate Schedule dockets exist, agrees with the net charges of the Schedule Docket.

### **Schedule Docket for Percentage Recoveries**

409. The instructions in the foregoing Paragraphs do not apply to the Schedule Docket for Percentage Recoveries, Form P.W.A. 25. This Schedule Docket should be checked simultaneously with the schedules relating to the expenditure on the works which are assessable to percentage recoveries on account of "Establishment", "Tools and Plant", and "Accounts and Audit" charges. It should be seen (1) that the charges shown in Form P.W.A.25, under each of these heads, are calculated correctly in accordance with rule, (2) that in the

expenditure schedule concerned the total amount of these charges has been debited correctly to the account of each work, and (3) that the credits on account of recoveries under each of the three heads are brought to account correctly in accordance with the directions in Articles 69 and 72 of the Account Code, Volume III thus: -

- (i) "Establishment recoveries" as "Deduct – Percentage recoveries" in the Classified Abstract of Expenditure, form P.W.A.41 or as "Recoveries of Expenditure" in the schedule concerned Form P.W.A.9, as the case may be,
- (ii) "Tools and Plant" recoveries as "Deduct – recoveries" in the Classified Abstract of Expenditure, Form P.W.A.41 or as "Recoveries of Expenditure" in Form P.W.A.9, as the case may be,
- (iii) "Accounts and Audit recoveries" – as a minus debit to the major head "26 – audit" in the Schedule of Debits to Adjusting Account between Central and Provincial Governments (Form P.W.A. 37) or Miscellaneous Heads of Accounts (Form P.W.A.40) or as a credit to "XLVI – Miscellaneous – Fees for Government Audit" in the Schedule of Credits to Adjusting Account between Central Audit" in the Schedule of Credits to Adjusting Account between Central and Provincial Governments (Form P.W.A. 37) or Miscellaneous Heads of Account (Form P.W.A.40) as the case may be.

## CHAPTER 20. – AUDIT OF WORKS ACCOUNTS

### Works Schedules

#### Government Work

410. The procedure for the audit of the Schedules of Works Expenditure Form P.W.A.27, relating to Government works is as described below.

(a) The expenditure of the month relating to each work should be checked: -

- (i) in respect of the works expenditure, with the audited net charges as shown in the relevant Schedule Docket, Form P.W.A.24, and
- (ii) in respect of percentage charges, if such charges are recoverable under the rules, with the figures shown in the Schedule Docket, Form P.W.A.25.

and then posted in Part I of the Works Audit Register against the entry for the work.

*1. In cases in which Schedule Dockets (Form P.W.A.24) are not required to be submitted under the provisions of Note 1 to Article 211 of the Account Code, Volume 111, it should be seen that the necessary certificate has been recorded by the Divisional Accountant against the relevant item in the Schedule of Works Expenditure.*

(b) To this figure should be added the progressive total as previously recorded in the Register, and the progressive total for the month, thus worked out should be entered in it below the month's expenditure, and it should be seen at the same time that it agrees with the figure shown in the column for "Total charges up to date" in the schedule.

(c) It should also be seen that the progressive total does not exceed either of the two limits of expenditure, viz.,

- (1) the amount of the sanctioned detailed estimate, as noted in column 4 of the Register, and
- (2) if, under rule, an allotment is required to cover the expenditure of the year on the work: -
  - (i) the permissible limit of the expenditure to the end of the year (as set forth in column 8 of the Register), if it is a work which was in progress at the end of the previous year, or

- (ii) the allotment for the year given in column 6 of the Register, if it is a work started during the year.

(d) If the work is shown in the schedule as completed, a note to this effect should be made in the Register, and in case it is an original work connected with a residential building, it should be seen that the action towards the fixing or revision of rent is taken in accordance with the rules of Government.

(e) the several totals shown in the schedule should then be checked and agreed with the corresponding figures as worked out in Part I of the Works Audit Register, vide paragraph 374 and it should be seen that the progressive total for each group, for which there should under rule be a separate allotment, does not exceed that allotment as recorded in column 6 of the register.

### **Deposit Works**

411. The Schedule of Deposit works, Form P.W.A.33, should be checked as follows: -

- (a) The works detailed in Part I of the schedule should first be taken up.
- (b) The month's deposit (if any) for each work, as shown in column 5, should be posted in column 6, "Amount of Allotment", of the Works Audit Register (the name of the month being quoted in column 5 "Authority"), and a line should be drawn below this entry, and underneath it should be worked out the deposit up to date.
- (c) The deposit up to date, as shown in column 6 of the schedule, should then be agreed with the corresponding figure in column 6 of the Register.
- (d) The month's expenditure should be agreed with the audited net charges as shown in the Schedule Docket, and the figures then posted in the appropriate monthly column of the figures as in the case of works appearing in the Schedules of Works Expenditure (paragraph 374).
- (e) The progressive expenditure should then be audited and it should be seen that it does not exceed either the amount of the estimate or that of the up to date deposit as recorded in the Register. IF the progressive expenditure exceeds the up to date deposit for a work, it should be seen that the figures of the excess (i.e., both the month's excess and the excess up to date) are shown correctly in columns 10 and 11 of the schedule as debitable to the head "Miscellaneous P.W. Advances".
- (f) If the work is shown as completed, a note to this effect should be made in the Register in the manner described in Clause (6) of



paragraph 377, and it should be seen that the Divisional Officer has taken action under the Financial rules of Government to refund the unexpended balance of deposits or to effect recovery of the amounts spent in excess of the sums deposited, as the case may be. IN cases of omission on his part, his attention should be invited to the relevant rules and the adjustment should be watched specially until the necessary plus or minus entry in column 5 of a future schedule (vide Note 1 to Article 219 of the Account Code, Volume III) settles the account of the work finally.

412. If any report of the progressive of expenditure on a Deposit work accompanies the schedule for transmission to the responsible administrator of the work (vide Note 2 to Article 230 of the Account Code, Volume III), it should be verified and forwarded without delay.

413. When the account of a Deposit work is settled finally, the Superintendent should see that the word "Closed" is written in red ink against the entry of the up to date deposit in column 6 of the Works Audit Register, so that subsequent expenditure against the deposit may no longer be admitted in audit. HE should attest the entry.

414. Part II of this schedule, if it is received monthly, should be checked and it should be seen that all works which were included in the previous month's schedule, but do not appear in Part I of the current month's schedule, have been detailed correctly. If this Part is not received monthly, then whenever it is received, it should be seen that it shows, with correct particulars all unsettled Deposit works of the Works Audit Register, other than those which appear in Part I for the month.

### **Takavi works**

415. Entries in Part I of the Schedule of Takavi Works, Form P.W.A. 36, should be checked and posted in the Works Audit Register, in the same way as those in Part I of the Schedule of Deposit Works, the realisations being treated as deposits. After all the entries, including totals, etc., have been checked, the entries leading to the closing balance of the account, Takavi Works Advances as shown in the abstract appearing on the lower left hand corner of the form, should be verified and the opening balance agreed with the closing balance of the previous month's schedule.

*1. When a realisation is credited in this schedule by debit to the minor head "Advances to Cultivators", it should be seen that the acceptance of the debit by the authority concerned, accompanies the schedule docket.*

416. Part II of the schedule should be checked and it should be seen that all Takavi works which were included in the previous month's schedule but do not appear in Part I of the current month's schedule, have been detailed correctly.

### **Works connected with Stock**

417. The audit procedure relating to the charges on manufacture operations and on other works connected with Stock, as brought to account by Divisional Officers in the Schedule of Debits to Stock, Form P.W.A.28, is described in Chapter 22.

### **Unauthorised Works**

418. When under the departmental regulations made by Government an intimation is received from an officer of the Public Works Department that he is incurring an unauthorised liability on a work, the Audit office should bring the facts instantly to the notice of the competent authority so that authority may take requisite steps either to stop the work or to regularise its execution.

### **Land Award Statements**

419. On their receipt, Land Award Statements should be checked arithmetically and it should be seen that there is no doubtful point requiring a reference to the Land Acquisition Officer. Particulars of the statements should then be entered in columns 1 to 6 of the Register of Land Charges, Form 109.

420. The procedure to be observed in the Audit office in the disposal of the Statements will be such as may be prescribed by the Accountant General with reference to the rules made by Government for the payment of compensation for land taken under the Land Acquisition Act. The audit of the payments made against the awards should be noted in the Award Statements against the dated initials of the Superintendent, and the entries in the Register of Land Charges should be similarly attested.

421. The Superintendent should see that delays in the completion of Award Statements, caused by the non-receipt of connected vouchers, are investigated at frequent intervals. IF an item remains unpaid for an unusual length of time and the cause of the delay is not known, before any reference on the subject is sent out of the office it should first be ascertained from the audited accounts that the payments has not actually been brought to account.

### **Accounts of Project Estimates**

422. Whenever any expenditure on a sub-work of a project is placed under objection, as not being covered by technical sanction or being in excess of it, and it cannot be known readily that the expenditure is less than the savings on the project estimate as indicated by the register in Form 110, a suitable summary of all the actual charges booked against the project in the Works Audit Register should be prepared and it should then be seen whether or not the project estimate, as a whole, has been exceeded. Once a project estimate has been exceeded, the total expenditure on the project should be similarly determined month by month until the excess is removed.

1. *If the works in connection with a project are entrusted to two or more division, the figures of all of the divisions should be taken together for the purpose of this paragraph.*

423. In the case of projects for irrigation, navigation, embankment and drainage works for which capital accounts are kept, the expenditure against the open capital accounts incurred between the date of closure of the construction estimate and that of approval of the completion report should also be audited against the sanction to the construction estimate of the project.

### **Contractors' Accounts**

424. (a) Before the audit of vouchers is taken up, the opening balances of all accounts in the Extract from the Contractors' Ledger. Form P.W.A.43, should be checked with the previous month's Extract.

(b) Then, whilst the vouchers and schedules dockets are being checked (vide Chapter 19), it should be seen: -

- (1) in respect of every Running Account Bill, or Account of Petty Contractors, that the month's transactions are posted correctly in the Ledger, and that the closing balances as detailed in the Ledger are correct;
- (2) in respect of all vouchers, that charges (if any) debitable to the account of a contractor other than the payee have also been debited to the proper Ledger account of the authority of the vouchers; and
- (3) that all recoveries and cash realisation from contracts, and debits to them on account of stores issued, are taken to their respective accounts.

(c) Next about ten percent of all First and Final Bills, and other payment vouchers of contractors, not being running Account Bills, should also be traced into the ledger.

(d) Finally, each Ledger account should be checked arithmetically and it should be seen at the same time that –

- (1) besides the entries checked in pursuance of the instructions in clauses (a) to (c) above, there are no entries other than (i) debits on the authority of muster rolls not submitted to audit, vide Article 232 (b) of the Account Code, Volume III, and (ii) debits and credits in respect of First and Final Bills which have not been traced into the Ledger;
- (2) the debit and credit entries mentioned in (1) (ii) above counterbalance each other in respect of each bill; and

- (3) the details of the closing balance of each account work up to the total.

(e) Generally it should be seen that the rules relating to contractor's accounts, as prescribed in the Account Code, Volume III and the Financial rules of Government have been observed, and there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

### **Works Accounts Balances**

425. The audit of the works accounts for June should not be considered as completed until Form P.W.A.46, Annual Certificates of Balances, has been received, and certificate NO.4, in that form, relating to works accounts, has been examined and it has been seen (1) that it is complete in all respects, (2) that the closing balance of the accounts for "Contractors", under each of the three heads into which this account is divided, agrees with the total of the balances as per audited Extracts from Contractors' Ledgers, Form P.W.A.43, and (3) that the certificate does not indicate any deviation from rule requiring action on the part of the Audit office. Large fluctuations in the balances may form the subject of special enquiry.

## **CHAPTER 21. – AUDIT OF REMITTANCES**

### **General**

426. In the audit of the remittance transactions appearing in the Schedules of Debits (and Credits) relating to Adjusting Account between Central and Provincial Governments (Form P.W.A.37), Inter-Provincial Suspense Account (Form P.W.A.38) and Remittances (Form P.W.A.39), it should be seen first of all,

- (1) that transfer adjustment is permissible in respect of each item,
- (2) that transfers on account of the cost of work done by Divisional Officers for other parties are supported by detailed Schedules of Works Expenditure, form P.W.A.27, prepared in accordance with the rules in the Account Code, Volume III.
- (3) that transfers on account of revenue realised, for the departments whose works are carried out as a standing arrangement, vide paragraph 439, are similarly supported by detailed schedules in the prescribed form, Form P.W.A.9,
- (4) that Advices and Acceptances of Transfer, Forms P.W.A.19 and 20, have been exchanged by Divisional Officers, with the parties concerned, only in the cases in which this is authorised, and
- (5) that the necessary authority of the Audit office exists in all cases in which a transaction should not be brought to account without it.

The special points, which also require attention, are enumerated in the following Paragraphs.

### **Transfers between Public Works Officers**

427. The head "Transfers between Public Works Officer" is intended for transactions between Public Works Officers (including Civil Officers acting as Public Works Disbursers) rendering accounts to the same Accountant General. Each auditor is responsible that, for every debit or credit as the case may be, either the corresponding credit or debit has been brought to account by the division concerned (in the same month or in an earlier month), or the auditor of that division has been warned to watch that it is brought to account in due course. With this object transfer transactions of this class appearing in all the divisional schedules (debit as well as credit) of a month should be paired auditors being required to write the word "Agreed" in red ink against the entries in each other's schedules.

428. For items which cannot be paired, the procedure should be as described below: -

- (i) If the corresponding entry appeared in an earlier month, the auditor concerned should certify this by writing the words "Adjusted in \_\_\_\_\_" against the entry in the schedule under audit (see also paragraph 483).
- (ii) If the corresponding entry is still awaited, the auditor concerned should keep a suitable note to aid him in watching it, and, in token of this, he should write the word "Noted" against the entry in the schedule under audit.
- (iii) Items awaiting adjustment [vide clause (ii) above] should be reviewed monthly and if any of them remain unsettled for more than two months, steps should be taken in correspondence with the Divisional Officers concerned, so that the items are either adjusted or withdrawn before the close of the year.

### **Public Works Remittances**

429. The head "Public Works Remittances" is intended for transactions of Public Works Officers with Treasury and other officers of the Civil Department (including the Forest Department) within the same circle of account and with officers (including Treasury Officers) in other circles of account in cases where the transactions originate in those circles. This head comprises the following three divisions: -

- I. Remittances into Treasuries, i.e., cash remitted by officers of the Public Works Department to treasuries in account with the same Accountant General.
- II. Public Works Cheques, i.e., cheques drawn by officers of the Public Works Department on treasuries in account with the same Accountant General; and cashed at those treasuries.
- III. Other Remittances i.e., transfer transactions between officers of the Public Works Department on the one hand, and officers of Civil Departments (including the Forest Department) in account with the same Accountant General or officers (including Treasury Officer) in other circles of account in cases where the transactions originate in those circles, on the other.

*1. Remittances into, and cheques drawn on, treasuries in account with another Accountant General, are treated as transactions originating in the account circle of that Accountant General.*

430. The head "III. – Other Remittances" is sub-divided into: -

- (a) Items adjustable by Civil Officers, and
- (b) Items adjustable by Public Works Officers.

Transactions pertaining to non-Public Works heads of account, which originate in the accounts of Divisional Officers of the Public Works Department, but, under rule, cannot be adjusted under heads by Divisional Officers in their Schedules of Adjusting Account between Central and Provincial Governments, Inter-Provincial Suspense Account or Miscellaneous Heads of Account (vide Note 2 below Article 225 of the Account Code, Volume III), are classified under head (a) of "Other Remittances". But when a transaction relating to the Public Works Department originates in the civil section of the accounts whether on the authority of Treasury or other departmental account rendered to the Accountant General or on the authority of the Settlement or Exchange Accounts received by him, and it is not classifiable under one of the Public Works revenue or expenditure heads, transactions under which are permitted to be adjusted direct on the Accountant General's books, it is debited or credited, as the case may be, to "Other Remittances" under head (b). A responding debit or credit of either class is allocated under (a) or (b), according as the original transaction (credit or debit) is classified under (a) or (b).

*1. Central transactions which originate in the accounts of a Central Public Works division and are adjustable finally in the books of another Account Officer are treated as pertaining to the Exchange Account concerned.*

431. In respect of the divisions "I-Remittances into Treasuries" and "II. Public Works Cheques", of the head "Public Works Remittances", it is sufficient to see that the totals shown in the schedule are supported by the necessary details in the Schedule of Monthly Settlement with Treasuries, Form P.W.A.26, relating to the treasuries within the Account circle.

432. In the audit of the Schedule of Settlement with Treasuries, Form P.W.A.26, the points of importance to be seen are: -

- (a) For Part I –
  - (1) that the figures in line 4 are supported by original Consolidated Receipts of Treasury Officers;
  - (2) that the closing difference (line 5) of the month is, in respect of each treasury, equal to the difference between the figures in lines 5-A and 5-B; and
  - (3) that at the close of the year there is ordinarily no difference.
- (b) For Part II –

- (4) that the figures in line 4 are supported by the original Certificates of Issues signed by the Treasury Officers;
- (5) that the difference in line 6 is, in respect of each treasury supported by necessary details; and
- (6) that at close of the year there is ordinary no difference except on account of cheques issued up to 30<sup>th</sup> June, not cashed by that date.

1. *The procedure indicated in this paragraph applies equally to the audit of Form P.W.A.29 for treasuries in another account circle, including Military Treasure Chests.*

433. As regards the division "III. Other Remittances", the special points requiring attention are: -

- (i) that all items are classified correctly as original or responding;
- (ii) that the head "(a) Items adjustable by Civil Officers" is operated on only in respect of such original items as cannot, under rules, be accounted for in the Schedule of Debits (or Credits) relating to Adjusting Account between Central and Provincial Governments, Inter-Provincial Suspense Account or Miscellaneous Heads of Account; and
- (iii) that the transactions under the head "(b) Items adjustable by P.W. Officers" relate only to the transactions on account of remittances into, and cheques drawn on, treasuries in another account circle (including Military Treasure Chests), to such responding debits or credits as are adjusted on the authority either of a special intimation given by the Accountant General or of a general arrangement authorised by him.

434. If any responding item is stated to have been brought to account provisionally, the objection raised by the Divisional Officer should be examined and it should be seen that it does not indicate any deviation from rule, either on his own part or on that of the other party to the transaction, requiring any action on the part of the Audit office. In the case of transactions classified under the division "Other Remittances" the objections of Divisional Officers should be communicated to the clerks who keep the Objection Books for such transactions, and who are therefore, responsible for watching their clearance. In all other cases the auditor should see that the objection is settled in due course.

435. Auditors are responsible for watching the expeditious adjustment of all items intimated to Divisional Officers for response. To enable them to discharge this responsibility the auditors concerned should be required to keep a note of all intimations sent out to Divisional Officers. Delays in adjustment should be investigated.



## **Settlement and Exchange Accounts**

436. IT should be seen that only transactions originating in the division appear under the heads "Adjusting Account between Central and Provincial Governments", "Inter-Provincial Suspense Account" and "Exchange Accounts" and that the last of these heads is used in the Central divisions only for the classification of such Central transactions as are adjustable in another accounting circle.

*NOTE. – Transactions on account of cheques drawn on, or remittances made to, treasuries are treated as transactions originating at those treasuries and not as originating in the division vide Note below Article 16 of the Account Code, Volume III.*

437. After audit, the name of the Exchange Account to which each item classified by the division under the head "Exchange Accounts" pertains should be noted against it by the auditor in red ink.

## **Transmission of Advices of Transfer Debit**

438. If an Advice of Transfer Debit, Form P.W.A.19, has been received with the schedule, under Note to Article 183 of the Account Code, Volume III, it should be transmitted, as soon as the schedule is audited, to the division concerned for necessary action. The necessary certificate (signed by the Gazetted Officer in charge), in respect of charges for which vouchers are not attached to the advice should accompany it.

## **Certificate of Audit**

439. After schedules have been audited, a certificate in Form 113 should be prepared in respect of each original item representing the cost of work done by Divisional Officers on behalf of other divisions, departments or Government except in cases of works, carried out as standing arrangement, for whose receipt and expenditure transactions the Accountant General will act as the Sub-Audit Officer on behalf of the Audit Officer concerned.

440. This certificate, signed by the Gazetted Officer in charge, should be disposed of as indicated below: -

- (a) When the transaction relates to the head "Transfers between Public Works Officers", the certificate should be sent to the Divisional Officers on whose behalf the work was done, and he should be asked to respond to the transfer.
- (b) When the transaction relates to the head "III – Other Remittances", the certificate should be made over to the clerk keeping the register for the clearance of transactions under this head.

- (c) When the transaction relates to a Settlement or an Exchange Account, the certificate should be passed on to the clerk preparing the outward Settlement or Exchange Account concerned.

## CHAPTER 22. – AUDIT OF SUSPENSE HEADS, DEPOSITS AND TAKAVI ADVANCES

### General Instructions

441. The audit of the schedules relating to the several suspense and other balanced heads of account (see below) consists not only in applying the ordinary procedure of audit of expenditure and receipts to the month's debit and credit transactions under these heads but also in seeing (1) that the unadjusted balances under these needs are correctly, carried forward severally from month to month, (2) that these balances continue to represent bona fide assets or liabilities of Government capable of being realised or settled as the case may be, and (3) that satisfactory action towards such realisation or settlement is being taken by Divisional Officers. In this audit, the rules of the Account Code, Volume III and the Financial rules of Government relating specially to these accounts should be borne in mind.

Stock Purchases, Miscellaneous P.W. Advances, London Stores, workshop suspense, Deposits, Takavi Works advances.

442. Generally, it should be seen that the account of each of these heads is so detailed that the clearance of each distinct item may be watched independently. But the account of Stock is an exception to this rule, as in addition to the values brought to account in Forms P.W.A.28 and 29 there are quantity accounts of all articles borne on stock which are kept and submitted under the rules of Government and have to be scrutinised periodically and reconciled with the value accounts. It is not sufficient to see that the balance carried forward, from month to month, under one of these heads is correct; it is an important function of Audit to see that the balance relating to each individual item, work or job, is kept distinct and correct, and that the balances of the several items, etc., relating to each head of account make up the aggregate balance recorded under that head.

1. *This instruction should be specially borne in mind when the account procedure for the need "Workshop Suspense", is prescribed, vide Articles 168 and 174 of the Account Code, Volume III.*

443. The accuracy of the details leading to the balance under each head should be verified monthly or otherwise according to the rules applicable to each case vide paragraph 393.

444. In course of the review of the balances it should be seen that no item remains unadjusted longer than is reasonably necessary for its clearance, in the ordinary course, with due regard to the rules applicable to each case. Delays in adjustment should ordinarily form the subject of an enquiry through the Audit Note (paragraph 532) but special cases may be taken up, with the Divisional Officer or higher authorities, by correspondence also; and, when the delays become serious, or the Divisional Officer's replies to audit enquiries do not

establish that adequate action is being taken towards clearance, the items remaining unadjusted should be brought on to the Objection Book, vide paragraph 544.

445. The audit of the schedules for the closing months of the year should receive special care, so that, as far as possible, the balances at the close of the year may be reduced and items open to objection may be removed from them. The audit of the schedule for June should not be considered as completed until Form P.W.A.46, "Annual Certificates of Balances", has been received, and certificates Nos. 1 to 3 of it have been examined and reconciled with the schedules.

446. At the close of the year the balance of each of the suspense accounts subordinate to the minor head "Suspense" under the different major heads of expenditure should be worked out independently; to and from the balance of the previous year should be added and subtracted respectively the total debits and credits of the year as per Departmental Consolidated Abstract, and the resultant balance agreed with the balance worked out in the broadsheet.

447. The following Paragraphs deal with some of the more important points to be looked into when the monthly schedules of some of these heads are examined.

### **Stock**

448. The Schedule of Debits to Stock, Form P.W.A.28, should first be checked, and its expenditure figures posted in the Works Audit Register, generally in the manner prescribed for schedules of Works Expenditure, the points of difference being as follows: -

- (1) in case in which a detailed estimate can be dispensed with under rule, the amount of the expenditure as authorised by competent authority may be accepted as the amount of a sanctioned detailed estimate;
- (2) the figures of "outturn" from manufacture operations, as shown in columns 4 and 5 of the schedule should also be posted in the Works Audit Register the progressive figure being checked in the same way as progressive expenditure; and
- (3) when a manufacture operation is shown as completed, it should be seen that the Divisional Officer has taken action, in accordance with Article 163 of the Account Code, Volume III, to adjust the difference between the progressive figures of "operation" and "outturn" in cases of omission, his attention should be invited to the rule, and the matter pursued until the difference is settled and the account of the manufacture closed, when a suitable note (attested by a member of

the Superintending staff) should be recorded in red ink in the column for "Remarks".

449. The Stock Account, Form P.W.A.29, should then be taken up. The second part, "Detailed Account of Issues", should be examined first. The section of this Part relating to "issues to Works, etc.", should be agreed with the relevant entries in all the Schedule Dockets of the month, and the remaining issue should be traced from the several accounts as indicated in the form. Part I should next be checked. It should then be seen that the closing balance of Stock, against the sanctioned reserve limit of stock, does not exceed that limit.

### **Purchases**

450. In the alternative schedule, Form P.W.A.31, if any transaction is shown in respect of an item which was omitted in the previous month's schedule the last entry should be traced and a remark connecting it with the entry under audit should be made against it in red ink.

### **Miscellaneous P.W. Advances**

451. IN the audit of the schedule of Miscellaneous P.W. Advances, Form P.W.A.32, a distinction should be observed between items which represent regular transactions correctly pertaining to the head Miscellaneous P.W. Advances, and item which indicate either a disregard of any financial rules, or losses retrenchments and errors awaiting adjustment. The clearance of items of both classes should be watched vigilantly and items of the latter class should be registered in the Objection Book.

### **Deposits**

452. The special points requiring attention in the audit of the Schedule of Deposits, Form P.W.A.34, or 35, are the following: -

- (a) In respect of "Deposits for work to be done" it should be seen that the necessary details in support of this item are given in a Schedule of Deposit Works, Form P.W.A.33, the instructions for whose audit are given in paragraphs 411 to 414.
- (b) If the Schedule of Deposits shows that any of the deposit items have been converted into any form of interest-bearing security, it should be seen that in respect thereof the certificate printed at foot of the schedule has been recorded correctly.
- (c) When the alternative form (Form P.W.A.35) of the schedule is checked, previous entries should be traced in the manner indicated in paragraph 450, etc.

- d) When the schedule for June is checked, it should be seen that lapse deposits have been duly credited to the Government in accordance with the rules made by it vide Article 170 of the Account Code, Volume III.
- e) The Schedule for June should be accompanied by an Account of Interest-Bearing Securities in such form as may be prescribed locally, vide Article 239 of the Account Code, Volume III. This Account should be checked in detail, it being seen specially (1) that all conversions of deposits into interest-bearing securities, as shown in the Deposit Schedules of the year, have been brought to account, (2) that the transactions relating to the return or retransfer of securities to depositors are supported by proper acknowledgements of the depositors, and (3) that in respect of the balances at the close of the year the necessary certificates of the Divisional Officer or Sub-divisional Officers, as the case may be, have been received.

### **Takavi Works Advances**

453. The Abstract appearing on the lower left hand corner of the Schedule of Takavi Works, Form P.W.A.36, is the Schedule indicating the monthly state of the Debt head "Form P.W.A.36, is the Schedule including the monthly state of the Debt head "Takavi Works Advances". The instructions for its audit are given in paragraph 415.

## **CHAPTER 23. – A AUDIT OF OTHER MONTHLY SCHEDULES AND ACCOUNTS**

### **Schedule of Revenue Realized**

454. The audit of this schedule should be conducted mainly with reference to the general directions contained in Article 139 to 142 of the Audit Code and the instructions in the following paragraphs, subject always to the financial rules of the Government concerned, and the provisions of service rules in regard to rents of public buildings (including installations, etc.), recoverable from persons occupying them.

*NOTE. – If under the rules of Government separate schedules of Rents of Buildings, and Lands are submitted to the Audit office, the detailed procedure regarding their audit will be prescribed by the Accountant General in consultation with Government and incorporated in the local Manual.*

455. To see that all revenue, or other debts due, to Government, which have to be brought to account in the Public Works section of the accounts (vide Article 20 of the Account Code, Volume III), are correctly and promptly assessed, realised and credited to the public account, is primarily the responsibility of the Divisional Officer. But it is also the duty of the Audit Office to see that revenue and other receipts of which it has cognisance (either through any entries in the public account or otherwise, e.g., through orders of special recoveries received from competent authority) are brought to account by the Divisional Officer.

*NOTE. – Recoveries towards clearance of charges which are outstanding in any account schedules or in the objections will be watched through those documents. All other recoveries will be watched through Part IV of the Works Audit Register, vide paragraph 381.*

456. The correct classification of receipts should receive the same attention as the classification of payments, even though the receipts may not be susceptible of audit check. Not only should each item of receipt be classified under the major, minor and detailed heads to which it pertains, but, in cases in which separate revenue accounts of projects are kept, the receipts relating to each project should be kept distinct. See also paragraph 457.

### **Schedule of Refunds**

457. Refunds of revenues are usually classified in the same detail as revenue receipts, but the total amount of refunds should be taken in reduction of the total revenue receipts under the major head concerned. The audit of these refunds should be conducted as laid down in Article 131 of the Audit Code.

458. In dealing with the Extracts from Registers of Refunds of Revenue (Form P.W.A.9), it should be seen, in respect of each refund, that the amount refunded was available from the original receipt to which it pertains, and a suitable note, specifying the amount refunded, should be recorded against the entry or that

receipt in the relevant receipt schedule. IF the refund is one made by the Divisional Officer in compliance with the orders of a court of law remitting a fine previously credited to Government, it should be seen that the original order of the court accompanies this schedule (vide Note 3 to Article 230 of the Account Code, Volume III), and the order should also be quoted against the original receipt entry of the fine.

### **Schedule of Details (and Credits) relating to Miscellaneous Heads of Accounts**

459. In the audit of Schedules of Debits (and Credits) relating to Miscellaneous Heads of Account, Form P.W.A.40, it should be seen specially that the instructions given in Note 2 to Article 225 of the Account Code, Volume III, have been observed, and if the classification of any items is not given in full in the column "Head of Account", the auditor should complete the entries by noting the detailed classification in that column in red ink. For items representing expenditure on works, e.g., those relating to District Funds and Local Loans, it should be seen that they are supported by detailed schedules in Form P.W.A.27.

*1. The use of the schedule, Form P.W.A.40, should be authorised, in respect of any class or transactions, only when the Works Audit Department is in a position to deal with them finally in audit and no audit proceedings on the part of any other section are necessary.*

### **The Monthly Account**

460. After the various schedules and accounts have been checked in accordance with the instructions in the preceding Chapters and Paragraphs, it should be seen that the totals of the schedules concerned correctly work into the Monthly Account, Form P.W.A.42.

461. Item No.32, "Cash Balance diminished/increased", of the Monthly Account should then be checked and it should be seen that it is equal to the difference between the closing cash balance of the month (as certified by the Divisional Officer on the Monthly Account or on the Report of Scrutiny of Accounts, as the case may be) and the opening balance of the same month (shown in the monthly account), which should be checked with the previous month's closing balance.



## CHAPTER 25. – SETTLEMENT OF REMITTANCES

### Introductory

482. The detailed procedure for the audit of the remittance transactions appearing in the Schedules of Debits (and Credits) relating to “Adjusting Account between Central and Provincial Governments”, “Inter-Provincial Suspense Account” and Remittances”, received from divisional offices has been prescribed in chapter 21. Before the Audit of remittances can be regarded as complete, it is necessary to see (1) that each transfer adjustment which remains without being cleared within the accounts of Public Works Officers for the month in which it is brought to account is settled in due course by a corresponding adjustment of the opposite character, whether within or outside the accounts of Public Works Officers, (2) that transfer adjustments which appear, in the first instance, outside the accounts of Public Works Officers, but have to be brought to account by the latter, are so brought to account in due course, and (3) that, generally, the settlement of remittance transactions of all classes proceeds expeditiously and in accordance with rule. The detailed instructions for the achievement of these objects are given in this Chapter.

### Transfers between Public Works Officers

483. The procedure for watching the clearance of unacknowledged balances under the head “Transfers between Public Works Officers” is as follows. After all the Schedules of Debits (and Credits) relating to Adjusting Account between Central and Provincial Governments, Inter-Provincial Suspense Account, and Remittances, have been audited, all unacknowledged items of this class should be posted in the Broadsheet of Public Works Transfers, Form 115, columns 1 to 5 being used for the purpose. The clearance of individual items should be watched by the entry monthly, in the appropriate column of the Adjustment portion (column 6 onwards) of the Broadsheet, of the amounts of items cleared from time to time; see also paragraph 428. After the audit of the accounts of August, December and every subsequent month of the financial year, a suitable memorandum of reconciliation with the ledger balance should be recorded in the Broadsheet. Thus, for December the memorandum will be as follows: -

Amount outstanding at end of August		Rs.
		000
Add Fresh items –		
September	Rs.	} Rs.
October	000	
November	000	
December	000	
<b>Total:</b>		<u>000</u>

Deduct – Items adjusted –

	Rs.	Rs.
September	000	} 000
October	000	
November	000	
December	000	
Amount outstanding at end of December		<u>000</u>
Amount outstanding as per Ledger		<u>000</u>

458. At the close of the year, there should be no balance under this remittance head, and with this object, the list of outstanding items should be reviewed monthly towards the close of the year, and steps should be taken, in correspondence with Divisional Officers, to have all transfers adjusted or withdrawn, before the accounts of the year are closed. See also Article 185 of the Account Code, Volume III.

### Public Works Remittances

485. The detailed classification of the head “Public Works Remittances” is given in paragraph 429 and 430.

486. The procedure for dealing with heads I.– Remittances into Treasuries and II. – Public Works Cheques is as follows. As the divisional Schedules of Monthly Settlement with Treasuries, Form P.W.A.26, are checked, Broadsheets in Forms 116 and 117 should be posted from them in respect of transactions (cheques and cash remittances respectively) with treasuries in account with the Accountant General. Each Broadsheet, when completely posted, should be totalled, and its totals agreed with the corresponding figures in the Ledger. At the close of the year the outstanding differences should represent merely the amounts of cheques drawn up to 30<sup>th</sup> June remaining un-cashed by that date, and cash remittances in transit on the date. All other difference should form the subject of enquiry and be adjusted before the accounts of the year are closed.

1. *This monthly reconciliation, so far as the Civil figures for each treasury are concerned is made on the basis of Treasury Officers monthly certificates received with the accounts of Public Works Officers. If the month's total thus arrived at “for Cheques cashed at treasuries” or “Remittances acknowledged by Treasury Officers as” the case may be, agrees with the corresponding figure in the Detail Book, no reference to treasury schedules will ordinarily be necessary but in case of difference, a detailed comparison of the Treasury Officers certificates with the schedules should be made and the discrepancy traced.*

2. *The procedure for dealing with the transactions (cheques and cash remittances) of Public Works Officers with treasuries in account with another Accountant General is described in paragraph 489.*

487. Debits and credits under head III. – Other Remittances – (a) Items adjustable by Civil Officers, which appear in the accounts of Public Works Officers, should be adjusted in the Civil Section of the accounts in the same way as similar transactions of inward Exchange Account. The procedure prescribed

in the Account Code, Volume IV in respect of the adjustment of non-Public Works transactions of inward Exchange Accounts should be observed, with such local modifications as the Accountant General may deem advisable, the object being not only to keep a watch over the clearance of each item but also to test the total un-cleared balances under this head month by month, and to ensure the absolute adjustment of all items within the account of each year.

488. All debits and credits under head III. – Other Remittances – (b) Items adjustable by Public Works Officers should, for purposes of settlement be subdivided into the following three classes: -

- (i) remittance into, or cheques drawn on, treasuries in other accounting circles (including Military Treasury Chests),
- (ii) transactions in respect of which Advices and Acceptances of Transfer are exchanged direct with officers of other accounting circles, and
- (iii) miscellaneous Public Works items.

489. In respect of items of class (i) Broadsheet in Forms 116 and 117 (vide paragraph 486), should be kept in the Works Audit Department, separately for each account circle, as the responsibility for watching the clearance of the transactions devolves primarily on the Audit Officer with whom the Public Works Officers are in account.

*NOTE. – The monthly totals of these broadsheets should be reconciled thus –*

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>(i) Cash remitted by Public Works Officers</li> <li>(ii) Cheques issued by Public Works Officer</li> </ul> | } | <i>With the corresponding figures in Detail Book</i>   |
| <ul style="list-style-type: none"> <li>(iii) Remittances acknowledged by Treasury Officers</li> <li>(iv) Cheques cashed at treasuries</li> </ul>  | } | <i>With the totals of the relevant credits and debits (as the case may be in the inward Settlement or Exchange Account concerned).</i> |

*Differences in respect of (i) and (ii) would indicate errors of accounting which should be traceable within the office. If any difference is found in respect of (iii) or (iv) the entries in Schedule concerned, received with the inward Account, should be compared in detail with the relevant postings in the Broadsheet and the discrepancies traced and settled in communication with the Accountant General concerned if necessary.*

490. Similarly, in respect of transactions of class (ii) a Broadsheet in a form similar to Form 115 should be maintained and any delays in adjustment of the items should be taken up with the Divisional Officer concerned through Audit notes or correspondence as the Accountant General may consider necessary.

491. All debits and credits of class (iii) which appear in the Civil section of the accounts whether on the authority of Treasury or other Departmental Accounts rendered to the Accountant General or on the authority of the Settlement or

Exchange Account received by him, should be collected in a register (separately for debits and credits) in Form 118 and full particulars of each transaction should be intimated, in suitable form, to the Divisional Officer concerned to enable him to respond to the transaction.

492. The clearance of debits and credits entered in this Register should be watched, on the basis of responding credits and debits as shown under this head in the audited divisional Schedules of Remittances, Form P.W.A.39. It should be remembered that unless special steps have been taken towards expeditious settlement of items to be responded to by Public Works Officers, the earliest month in which an item will be responded to in the ordinary course is the second month following that in which the original debit or credit appeared in the Civil section of the accounts. As in the case of transactions under head (a) it is essential that not only should the adjustment of individuals be watched closely, but also the total un-cleared balances should be tested month by month, and all transactions of a year should be settled before the accounts of the year are closed finally.

### **Settlement and Exchange Accounts**

493. The detailed procedure for watching the clearance of original transactions classified by the division under the heads "Adjusting Accounts between Central and Provincial Governments, Inter-Provincial Suspense Account and Exchange Accounts" vide paragraph 436 will be the same as is followed in respect of the corresponding transactions appearing in the Treasury Accounts.

## **PART IV**

### **FOREST AUDIT**

#### **CHAPTER 26. – FOREST AUDIT**

##### **Cash Account**

494. The accounts of receipts and disbursements which are rendered by Divisional Forest Officers in the forms prescribed in Chapter VII of the Account Code, Volume III, should be checked so that it may be seen that the disbursing officers have rendered correct accounts of the transactions in their charge and that all the subsidiary account correctly work up to the Cash Account in Form F.A.I.

##### **Charges**

495. All vouchers in support of payments should be examined in the same manner generally as payment vouchers received from treasuries. Charges should be examined with reference to sanctions and allotment therefore, and it should be seen that generally advances and recoverable payments are covered by proper authority.

496. Works and conservancy charges beyond the powers of sanction of the Divisional Forest Officer, either because of their nature or their amount, should receive special attention, and it should be seen that the requisite sanction exists and that it has not been exceeded without proper authority. Audit Registers in Forms 33 and 35 prescribed for Special and Periodical charges (paragraphs 135 and 141), with such modifications as may be considered necessary, should be maintained for this purpose.

497. A point of special importance in connection with works and conservancy charges is that when expenditure on a work is spread over two or more months, the total expenditure up to date should be watched against the sanction. It should also be seen that the allotment for the head of account, or any other prescribed unit of appropriation, is not exceeded. (See also Chapter 2) Care should be taken that works forming parts of a single scheme, even though sanctioned piecemeal are grouped together in order that it may be verified that the whole scheme has received the sanction of competent authority and that the aggregate expenditure does not exceed the amount of the sanction without proper authority.

498. Charges recorded under the head "Establishment" are subject to the ordinary rules and procedure of audit relating to such charges.

499. With reference to the particulars furnished in the vouchers, in the Classified Abstract of Revenue and Expenditure (Form F.A.5) and in monthly lists

of sanctions received from Conservator, it should be seen that the charges are correctly classified, and in particular that the allocation under "Capital" and "Revenue" is in accordance with the prescribed rules. In cases of doubt, the required information should be obtained from the Departmental Officers, so that the charges may be classified correctly.

500. The monthly extracts from the Registrars of Cheques (Form F.A.2) received from Divisional Forest Officers should be completed in respect of dates of encashment of cheques at the treasury. A register in suitable form should be maintained for checking the credits in the accounts of Divisional Forest Officers with the corresponding debits in the treasury accounts on account of cheques paid. The difference between the two sides of the account should be proved by the details of the un-cashed cheques as brought out in the extracts from the Registers of Cheques, and individual items, if outstanding for more than three months, should be settled by reference to the Divisional Forest Officer.

501. Similarly, the remittances to treasuries as shown in the monthly Schedules of Remittances (Form F.A.6) should be reconciled with the schedules received direct from treasuries and the consolidated Treasury Receipts received through the Divisional Forest Officers and the debits in the Forest accounts should thus be checked with the corresponding credits in the treasury accounts, a register in suitable form being maintained for the purpose of this comparison. Differences should be settled promptly by correspondence with the Divisional Forest Officer or the Treasury Officer as may be necessary.

502. Debits and credits arising out of inter-divisional adjustments, where permissible under Article 245 of the Account Code, Volume III, should be set against corresponding credits and debits respectively, Ordinarily, when such transactions are paired, a note of agreement should be recorded in red ink by the auditors of both the divisions against the relevant entries in the Cash Accounts; but if the number of transactions is large, a suitable register may be prescribed, in addition, to facilitate watch over unadjusted transfers.

503. Transactions with other departments, Governments, etc., should be classified as pertaining to the Remittance or the Settlement Account concerned according to the rules laid down in the Account Code. Items passed through the inward Remittance Accounts, which are adjustable on the Forest Divisional Books should be dealt with in the manner prescribed in Note 1 to Article 108 and Note 2 to Article 198, Account Code, Volume IV. The clearance of the head Forest Remittances should be watched in a Broadsheet as prescribed for Public Works Remittances.

1. *Transactions between Forest and Public Works officers of the same Audit circle, whether originating in the Forest or Public Works Account, should be classified under the head "Public Works Remittances".*

## **Ledger Account**

504. The Abstract of Contractors' and Disbursers' Ledger (Form F.A.8) should be checked so that it may be verified that all the transactions pertaining thereto have been correctly posted, and that the opening and the closing balances are correct. The closing balances should be reviewed for check that the relevant rules and orders governing their clearances are observed. Outstanding balances which are not cleared within a reasonable period should form the subject of special enquiry.

1. *The instructions in paragraph 545 apply mutatis mutandis to Forest Advances.*

## **Review of Audit**

505. The rules in Chapter 3 apply generally to both the concurrent and the post Review of the audit of Forest Officers' accounts.

## **Abstracts and Summaries**

506. The rules for the preparation of Forest Abstracts and Summaries are prescribed in Chapter 2 of the Account Code, Volume IV.

## **Results of Audit**

507. The results of audit of bills and accounts should be communicated to the Divisional Officer in Objection Statements in form 119 or 120, the latter form being used in those Audit offices in which the system of combined Objection Book and Objection Statement is in force. The Objection Statement will be returned in original, within the prescribed time, through the Conservator.

A list should be forwarded by the Accountant General to the Conservator each month showing the dates on which the Objection Statements were sent to each divisional office. The list will be completed and sent back to the Accountant General by the Conservator after all the Objection Statements for the month have been returned.

508. Observations will be registered and dealt with generally in accordance with the rules in Chapter 29.

## **Progress Reports**

509. Monthly reports of the progress of revenue and expenditure, if required by Conservators, should be furnished to them in such forms as may be prescribed by Government to suit local requirements. An annual summary may similarly be sent, if required.

## **PART V**

### **RESULTS OF AUDIT**

#### **CHAPTER 27. – OBSERVATIONS IN AUDIT**

##### **Introductory**

510. Subject to the general principles and rules laid down in Section V of the Audit Code the procedure for communicating the result of audit to the proper executive and controlling authorities should be as described in Chapters 28 and 29, which pertain to the Public Works and other transactions respectively. The general instructions common to both classes of transactions are stated in this Chapter.

##### **Registration of Observations**

511. Observations arising out of audit should be communicated at the earliest opportunity, but observations should first be registered in detail in the prescribed records maintained in the Audit office.

1. *The instructions in this Chapter apply generally to all observations arising out of audit whether conducted centrally or locally. As an exception, observations against disbursing officers which have arisen out of local audit, but cannot be expressed in money values need not be registered in Objection Books.*

2. *Mere instructions for future guidance need not be registered in the Objection Books maintained in the Audit office. If the pursuance of an observation indicates the need of prescribing a new procedure for general observance, such procedure should be communicated by general letter and not any form or statement intended solely for the communication of observations.*

3. *If the Audit officer, declared under paragraph 30 of the Auditor-General M.S.O., is the head of a purely Audit office, as distinct from a combined Audit & Accounts office, he shall watch compliance with his observations through Audit Memoranda. In such cases the audit observations shall be registered by the Accounts officer concerned and not by the Audit officer.*

512. The instructions requiring the registration of all observations arising out of audit are subject to the qualification that observations which are trivial or have been waived by Audit Officers under any of the provisions of Articles 248 and 254 of the Audit Code should not be included in Objection Books, through a separate office record of observations waived should be maintained for production at the inspections of the Auditor General.

*NOTE – The maintenance of a separate record may be dispensed with in the case of observations waived under Article 248(1)(a) of the Audit Code.*

513. Subject to any specific instructions contained in this Manual it is left to the discretion of each Accountant General to follow the method of maintaining the



record of observations in such manner as may be considered suitable according to local requirements. It is not necessary to keep observations separately by major heads, but, on this point, Accountants General should comply with any express requests of the Government concerned.

514. Again for an efficient review of observations and of the progress of their clearance, it is desirable to keep the observations of each financial year separate, even though their clearance may be effected in a subsequent year.

1. *In the case of progressive expenditure, such as that on works under construction in the Public Works Department, an observation to expenditure should be held to relate to the year in which it was first made in audit, even though further expenditure may be incurred in a subsequent year.*

515. All records of audit observations maintained in the Audit office should be written up with care, and watched closely both by the Superintendent and the Gazetted Officer. Even though the Objection Statements have not actually been despatched, an observation once made can be removed from the records of observations only after Gazetted Officer or a member of the Superintending staff has examined that due authority exists for the removal of the observation and put his initials against the item concerned in token of his having done so.

516. As far as possible, the entry of an observation, whether in the Objection Book or in the Objection Statement or Audit Note, should be fully descriptive, so that ordinarily there should be no necessity of referring again to the voucher or account concerned.

### **Clearance of Observations**

517. The adjustment of each individual observation should be watched through the prescribed records until clearance or withdrawal, as the case may be.

518. The Accountant General should look to the Gazetted Officer and the Deputy Accountant General for the progress of adjustment, and unremitting personal attention to this duty on the part of the Gazetted Officer is indispensable.

519. When an observation once made has been withdrawn, either on reconsideration or in the light of information which was not available previously the disbursing officer or other authority to whom the observation was originally addressed should be informed forthwith, as, otherwise, he remains responsible un-necessarily for the removal of the observation.

### **Money Values of Observations**

520. If in order to make a collective presentation, whether to controlling authorities or to the Legislature, of (1) the results of Audit, and (2) the progress of the clearance of audit observations, it is found necessary to express the records

of observations in money values, money columns should be opened therein for this purpose. There are, however, classes of observations which cannot be suitably expressed in money value, or which, if so expressed, do not give an adequate or fair statement of the degree and extent of deviation from rule. It is permissible, therefore, to omit values altogether in certain cases; in other cases, where values alone are misleading, other particulars may be recorded in addition or values may be dispensed with altogether, as may be settled in consultation with the Finance Department.

521. Money values should be recorded in respect of Observations of the classes enumerated below or similar observations.

1. *Want of vouchers (if not received when the relevant accounts are under Audit).*

*NOTE. – In order to comply with the demands of Government for statistical observations information, a separate subsidiary register may be maintained for the record of observations for want of payee's receipts. Observations for want of detailed bills also should be recorded in this register in the absence of any other register prescribed for the purpose, see paragraph 137. This register should be examined every month and the total amount outstanding therein after the end of the second month [third month in the case of payments made in such remote localities as (1) Port Blair, (2) Persia and other foreign countries] following that to which the observations relate should be transferred to the main Objection Book without any details beyond the Serial number or other indication that may be necessary for identification. This procedure may at the discretion of the Accountant General be extended to other definite classes of observations of a similar nature, provided that such observations do not involve substantial deviation from rule, nature, provided that such observations do not involve substantial deviation from rule.*

2. *Want of sanction to advances, losses, etc.*
3. *Want of sanction to special charges.*
4. *Want of any other specific sanction required by rule.*
5. *Overpayments and short recoveries.*
6. *Delays in the recovery of sums due to Government, if not recovered within a reasonable period, which may be prescribed locally in respect of each class of debts.*
7. *Expenditure placed under observation on grounds of financial propriety.*
8. *Want of allotment of funds.*
9. *Excess over allotment.*

**For Public Works transactions only**

1. *Want of sanctioned estimate.*
2. *Excess over sanctioned estimate.*

3. *Want of financial sanction to works.*
4. *Want of administrative approval.*
5. *Excess over administrative approval.*
6. *Expenditure on Deposit works debited to Miscellaneous P.W. Advances.*
7. *Excess over sanctioned limit of reserve stock.*

522. Money values need not be indicated in the records of observations of the following classes.

1. An observation which takes the form of a simple direction for future guidance, or of a call for a document the absence of which is not likely to affect the amount admissible.
2. Stamp not affixed on a voucher otherwise complete.
3. Delays in the settlement of debts due by government.
4. Habitual delays in the submission of account returns, vouchers, etc.
5. Fictitious adjustments and manipulations in accounts, unless an actual loss has resulted.
6. Deviations from rule which are indicative of disregard or evasion of rule, but do not represent charges incurred without proper sanction.
7. Excess over allotment for Public Works Suspense heads when an assurance is received from competent authority that the excess is temporary and will not affect the net allotment for the year. (If, in the absence of such an assurance, the money value of the observation has been registered, a minus entry should be made in the money column for observation on receipt of the assurance.)
8. Errors in accounts, vouch etc., which do not indicate any deficit or surplus.
9. Instructions, and other remarks, regarding the form of accounts, etc.
10. Demands for information not received.
11. Enquiries and remarks on doubtful points.
12. Remarks calling attention to minor errors of procedure.
13. Payment of Grants-in-aid when a certificate of utilisation is awaited from the Inspecting Officer.

## **Overlapping of Observations**

523. When a single transaction relating to a work or distinct object of expenditure becomes open to two or more observations, and it is customary to maintain the statistic of each of the classes of the observations separately, the several observations on the transactions should be booked separately, as if they relate to different transactions. This feature of the system of registration should, however, be borne in mind, and in all statistics and reports wherein the money values of observations of several classes may be commented upon, or presented, collectively, every effort should be made to make due allowance for the exaggeration caused by this overlapping of observations, and the existence of the overlapping, and the steps taken to remedy it, should be mentioned prominently.

1. *The Accountant General may, in the case of non-Public Works transactions, permit all Observations on a transaction to be recorded under a single head – the most serious one – provided that suitable safeguards are adopted in order that (a) the removal each of the observations may be watched, and (b) the general accuracy of statistics relating to observations may be maintained.*

2. *The detailed procedure for eliminating exaggerations due to the overlapping of observations may be prescribed by the Accountant General. It should be set out clearly in the Office Manual.*

524. In some cases, it will be found impracticable to make allowance for the elimination of exaggerations, e.g., when a public Works Department voucher, relating to a number of works, is not received in audit and the amount of the total expenditure covered by it is held under observation “for want of voucher”, one or more parts of it may relate to expenditure on works which is separately held under observation for, say, “excess over estimate”, and “excess over allotment”, and it may not, therefore, be possible, without introducing a system of complicated registration, to determine the amount by which the separate observation “for want of voucher” will cause an overstatement of the total observation. In such cases, it will be found advisable to exclude, from all collective statistics, the whole figure relating to a particular class of observation and to mention this fact prominently in all reports and statements connected with the statistics.

## **Observation on In sufficient or Irregular Sanctions**

525. There is a class of important observations which cannot be omitted from collective reports or statistics, but must be excluded from the ordinary records of the observations booked against disbursing officers. These are observations on insufficient or otherwise irregular sanctions accorded by any authority above the disbursing officer. A record of these observations should be kept in special Registers in Form 121. A separate Register should ordinarily be maintained for the record of observations relating to irregular sanctions of the Administrative Ministeries (other than the Ministry of Finance) of Government and it should be reviewed periodically by the Accountant General. The Accountant General shall,

at his discretion, determine the number of registers to be maintained for similar observations relating to sanctions accorded by other authorities and prescribe the manner in which the registers so maintained should be reviewed periodically. Correspondence relating to such observations should be addressed to the authority who accorded the sanction. The disbursing officer or officers should, however, be informed simultaneously that the sanction has been held under observation. If at any time before the removal of the observation it is considered necessary to retrench the amount disbursed, such retrenchment order shall be communicated to the disbursing officer through the sanctioning authority.

### **Periodical Abstracts of Observation**

526. If a Government so desires, abstracts of outstanding observations should be prepared in suitable form and submitted to it or to any authority specified by it on such dates as may be settled in consultation with the Ministry of Finance. See Article 244 of the Audit Code.

### **Financial Irregularity**

527. The instructions relating to the preparation of the Appropriation Accounts and Audit Reports are given in Chapter 30. The detailed procedure for the registration of special irregularities and for collecting such statistics as may be required for the preparation of the Audit Report may be laid down by the Accountant General. See also Articles 241 and 253 of the Audit Code.

528. A record on the alphabetical card index system may, at the option of the Accountant General, be maintained, in Form 122 against the name of each Government servant responsible, of all serious financial irregularities with which his name is connected. If he is the head of an office inspected by an officer of the Audit Department, a note of the state of his accounts as adjudged at the inspection should also be made in this form. This record should be treated as confidential. If well maintained, it would give a valuable indication of the attention paid by Government servants to account and audit principles, and would not only make it easy for the Accountant General to advise Government in matters indicating the need for disciplinary action, but also facilitate compliance with any enquiries that the Finance Department or the Public Accounts Committee may make of him in such matters.

*NOTE. – The auditor who makes the entries in the card index and the Superintendent and Gazetted Officer who examine them should attest the entries by placing the dated initials in the column provided for the purpose.*

### **Audit Expenditure against Grants, Appropriations, and Units of Appropriation**

529. In regard to Observations for “Want of allotment of funds” and “Excess over allotment, it should be remembered that observations falling under these heads are capable of being looked at from two distinct points of view. In cases in

which the further orders of a controlling authority will be sufficient to regularise the actual expenditure, there is a financial irregularity the clearance of which has usually to be watched by the Audit office on behalf of the Executive Government. But, inasmuch as an irregularity under either of these heads may cause a deviation from the Grant or Appropriation as specified in the Schedule of Authorised Expenditure, there may (but not necessarily will) exist a financial irregularity the clearance of which has to be watched by the Audit office on behalf of the Legislature. This distinction should be observed and made clear where necessary, when preparing any reports or statistics which are likely to be laid before the Legislature or the Public Accounts Committee.

530. The scope of audit of expenditure against provision of funds is defined in Chapter 1 of Section IV of the Audit Code. The observations made should always be expressed in money value (paragraph 521), separate records being maintained in connection with –

- (i) audit on behalf of the Legislature, and
- (ii) audit on behalf of the Executive Government

1. *The maintenance of a separate Objection Book in respect of observations covered by (i) above is not necessary, as the notes of excess over Grants and Appropriations, are required to be made in a separate register maintained vide paragraph 665 for the purpose. For (ii) above a separate Objection Book should however, be maintained if Government requires that such excesses should be reported to it. Forms 124 and 127 may be utilised for the purpose after alteration of the headings where necessary. The Accountant General has full discretion to decide which section or sections should maintain the Objection Book.*

531. Observations relating to allotment of funds are removed, during the course of the year, on receipt of orders regarding the necessary allotment, re-appropriation or a Supplementary Grant as the case may be. As stated in Article 56 of the Audit Code, no allotment or re-appropriation within the Grants of a year can be authorised at any time after expiry of the year. In consequence of this rule observations for “want of allotment” and “excesses over allotment”, if the official year has closed, cannot be met by the issue of a formal order of appropriation. Subject, however, to any rules laid down by the Finance Department of the Government concerned, such observations may, at the request of competent authority, be removed formally, provided –

- (i) that there are known savings from which the necessary re-appropriation could have been made if the year were still current,
- (ii) that, if there are no such savings and the expenditure under Observation is subject to the vote of the Legislature, either there is no net excess over the Grant concerned requiring the vote of the Legislature or, if there is such an excess, it is held separately under observation for (a) inclusion in the Appropriation Accounts and Audit Report, and (b) watch for

the receipt of the intimation regarding the grant of the necessary excess vote by the Legislature,

- (iii) that, if there are no such savings and the expenditure is not subject to the vote of the Legislature, either there is no net excess over the Appropriation concerned requiring regularisation or, if there is such an excess, it is held separately under observation for (a) inclusion in the Appropriation Accounts and Audit Report, and (b) watch for the regulation in the manner provided in the Legislative Rules.

Observations on the ground of "Want of allotment" or "Excess over allotment" may be removed on submission to Government of the Appropriation Accounts and Audit Report in which they are included.

## CHAPTER 28. – OBSERVATIONS ON PUBLIC WORKS TRANSACTIONS

### Objection Statement and Audit Note

532. In the matter of communication to Divisional Officers of the results of the audit of divisional accounts, a broad distinction should be observed between (1) observations on the substance of the accounts on the score of deviation from financial rules or standards of financial propriety on the one hand, and (2) miscellaneous remarks, observations and enquires on minor matters, and observations on the form of the accounts and vouchers, as distinguished from their substance, on the other. The former should be entered in an Objection Statement, Form 123, and the latter in an Audit Note, the form of which may be prescribed by the Accountant General.

*1. Observations arising out of the audit of Public Works transactions not passing through the accounts of Divisional Officers are not dealt with in the Works Audit Department.*

533. The Accountant General will prescribe the detailed instructions regarding the classification of audit observations and remarks for the purpose of paragraph 532 but the general instructions given in paragraphs 534 to 537 should be observed in all cases.

534. The objects to be achieved are: -

- (a) that all irregularities in transactions as well as other points arising out of the examination of accounts and vouchers, should be registered, in one shape or another, unless they are trivial or the observation has been waived by competent authority, vide paragraph 512;
- (b) that they should be intimated at once to the Divisional Officer, and thereafter pursued until they are regularised or explained satisfactorily and
- (c) that the Superintending Engineer should be given an opportunity of reviewing, month by month, in respect of each division, through the Objection Statement relating to it –
  - (i) each irregular transaction which cannot be regularised without his orders or those of a higher authority as soon after its occurrence as possible;
  - (ii) all irregular transactions collectively, which unless there be further expenditure subsequently, can be regularised under the orders of the Divisional Officer himself, but



regarding which no evidence of the issue of such orders has reached the Audit office; and

- (iii) such of the other points raised in audit as may be considered important or indicative of serious disregard of rule.

The reports mentioned in (c)(i) and (ii) above should be confined to irregular transactions noticed in the accounts of the division audited during the month though in respect of each item reported, the total amount held under observation (including the amount of any previous observations) should be indicated in the report.

The points mentioned in (c)(iii) above will be reported at once to the Superintending Engineer only if the amounts involved are considerable, or the deviation from rule is serious; ordinarily, matters falling under this category should be reported to him only when it is noticed that they are not receiving adequate or prompt attention from the Divisional Officer.

535. In the preparation of Audit Notes, a distinction should be observed between (1) remarks and observations indicating errors of omission or commission, on the part of the Divisional Accountant in the compilation or preliminary examination of the accounts, and (2) points relating to the substance of the transactions brought to account. As far as possible, points for which the Divisional Accountant appears to be wholly responsible and points for which the disbursing officers or other executive officials are responsible, wholly or in part, should be recorded in separate sections of the Audit Note. Further details of the procedure for the preparation and disposal of Audit notes may be prescribed by the Accountant General who may also prescribe the form for it. See also paragraphs 357 and 359.

536. All Observations entered in the Objection Statement must be recorded simultaneously in an Objection Book. Form 124 and the general instructions in paragraph 563 observed. Of the observations entered in the Audit Note, only those should be brought on to the Objection Book for which the maintenance of a money value record is necessary, vide paragraph: 520 to 522. Such items should be marked "Obs" in red ink in the Audit Note, so that, when they are cleared, on the return of the Audit Note, the need for the adjusting entry in the Objection Book may not be overlooked, or, if the Accountant General prefers, a money column may be inserted in the form of the Audit Note.

537. As soon as they have been passed by the Gazetted Officer, the Objection Statement and the Audit Note should be sent to the Divisional Officer for his explanations and replies with the remarks that the latter should be returned direct and the former through the Superintending Engineer so that the may add his comments and orders.

## **Object on Statement**

538. The Objection Statement is divided into two parts –

- I. Observations regarding estimates and allotments for works.
- II. Miscellaneous Observations.

539. In Part I, only observations of the following main classes should be registered, the entries of amounts being made in the separately money columns provided for the purpose: -

- (1) Want of sanctioned estimate.
  - (2) Excess over sanctioned estimate,
  - (3) Want of allotment, and
  - (4) Excess over allotment.
- The first entry in this part hold be in respect of the total amount of observations outstanding in the Objection Book under each of the four classes named, and it should be made in red ink, thus –

Total up to date amount of expenditure held under observation on these grounds, including that pertaining to works detailed in this part.

*NOTE. – If the rules of Government so authorise, and subject to a limit prescribed by it, expenditure on repairs may not be placed under observation for want of allotment during the first few months of the financial year.*

Then, should be set forth observations of these four classes noticed in the audit of the accounts of the month to which the Objection Statement relates, and when this is done, observations which are still within the powers of the Divisional Officer to remedy may, with advantage, be set out together at the commencement, preceded by the following remark made in red ink in column 3 of the form: -

List of works the progress expenditure on which has not yet exceeded the limits of the powers of the Divisional Officer to sanction on an estimate, or pass as an excess, as the case may be, but regarding which no intimation of the sanctions or orders of the Divisional Officer or higher authority has reached the Audit Office.

Next, should be detailed, under another red ink heading, all other observations of these four classes, i.e., observations which it is known definitely cannot be removed without the orders of the Superintending Engineer or higher authority.

540. Observations, of the classes “For want of estimate” and “For excess over estimates” may not always be indicate of irregularity on the part of the disbursing officer, as he may be acting under the orders of superior authority. In order that observations for which he is personally responsible may be distinguished from

those which should not be booked against him personally, these two heads may be suitably sub-divided into two each, if the Government concerned desires this distinction to be brought out in any reports or statistics of observations.

541. Part II deals with all miscellaneous observations not entered in the Audit Note. In this part, observations should be divided into two classes – (1) vouchers awaited, and (2) other items - , a money column being reserved for each. The first entry, which should be in red ink, should be as follows: -

Total amount of observations awaiting adjustment including those relating to the items detailed in this Part.

Below this should be detailed the items to be reported specially; those relating to previous months' accounts should be shown separately from those arising out of the accounts of the month to which the Objection Statement primarily pertains, and necessary particulars of each observation should be stated concisely but clearly, in the column provided for the purpose.

1. *In the case of "vouchers awaited", the number as well as the amount of vouchers not received in the Audit office should be stated, and the observations relating to the accounts of one month should be kept distinct from those connected with the accounts of another vide paragraph 555.*

2. *In respect of unsettled observations of previous months which may be included in the Objection Statement under paragraph 544, the particulars of the observation should include a brief history of the observation itself. An entry in the money column will be necessary only if money column of the Objection Book is written up, vide paragraphs 520 to 522.*

542. The last three columns of both parts should be left blank – the first two for the explanation of the Divisional Officer, and the remarks of the Superintending Engineer, respectively, and the last column for the record, on the return of the Statement, of the action taken by the Audit office on reviewing the Statement (Paragraph 547).

### **Watch over Observations**

544. In respect of individual observations entered in the Objection Statement, the Audit office will exercise the necessary watch through the Objection Book, which should therefore, be reviewed closely by the Superintendent and the Gazetted Officer when reviewing and passing the monthly Account. Delay in settling an observation or circumstances which have come to light since it was made may warrant its report to the Superintending Engineer even though such action was not taken originally. Such observations should be brought to the notice of that officer, either through the Objection Statement then going out or otherwise. Items which have remained unsettled in spite of two or more reports to the Superintending Engineer or are otherwise serious or important should be reported specially to higher authority.

545. Advances and advance payments which have been made under proper authority, and debts due to Government which do not indicate any financial irregularity, should not be placed under observation or entered in the Objection Book with the object of watching recovery or adjustment otherwise. The realisation of such assets is watched separately through one of the accounts prescribed in the Account Code, Volume III, or this Manual, and an entry in the Objection Book is necessary only when there is a real observation, e.g., for want of sanction for want of necessary certificate, and so on.

546. Each auditor is responsible that observations which arise out of (1) the audit of periodical returns and (2) the Audit inspections of Public Works offices, are duly brought on the Objection Book, before the observations are intimated to the Divisional Officers concerned, in all cases in which the maintenance of a money value record of the observation is necessary; see also Rule 2 to paragraph 511. He should see further that the observations which arise upon that part of the audit work which he has transferred to another sanction of the office (paragraph 345) are duly entered in his own Objection Statement before despatch, unless a separate Objection Book is maintained by the other section.

547. Objection Statements, on return, should be reviewed by the Gazetted Officer who, if necessary, will make a further reference, by letter, to the Superintending Engineer, or address higher authority, before filing the Statement. Any sanctions or orders recorded by the Superintending Engineer or the Divisional Officer on an Objection Statement should be scrutinised and noted, as soon as possible, in the Works Audit Register, and any observation removed thereby should, at the same time, be adjusted, vide paragraph 557.

*1. It should be seen that the explanation and replies of the Divisional office are signed by the Divisional Officer himself and not by the Divisional Accountant, and that if a statement contains a sanction or order which is to be the authority for the removal of an observation or the passing of a transaction in audit, the sanction or order, as the case may be, is signed by the competent authority.*

548. A suitable register should be maintained in the Works Audit Department through which can be watched the prompt disposal of Objection Statements and Audit Notes. The Superintendent should review this register weekly and take any action that may be necessary, and at least once a month the register should be laid before the Gazetted Officer.

*1. Office copies of Audit Notes may be dispensed with if the original documents are written up legibly and do not contain many corrections and office notes.*

549. It should be remembered that the Objection Book has no corresponding Ledger head in the accounts, and consequently any item which appears in it must have been taken to some prescribed head of account, the entry in the book being nothing more than a reminder that it has only been adjusted provisionally. The auditor and the Superintendent will be responsible that all entries are made with due care, so that the book may at all items represent a complete and

accurate record of all observations made, of their clearance effected on receipt of the necessary order, explanation or information, and of the balances outstanding.

### **Objection Book**

550. The objects of the Objection Book, Form 124 are (1) to serve as a continuous record of the observations and clearances of items placed under observation during and to end of each month separately for each division, (2) to afford a ready means of reviewing the outstanding observations, and (3) to facilitate the compilation of such statistics of observations as may be required from time to time.

551. Observations connected with the settlement of Remittance Account transactions should not be entered in the Objection Book, as a separate book is provided for them (vide Articles 110 and 142 of the Account Code, Vol. IV).

552. A set of pages of the Objection Book should be reserved for each distinct class of observation of which a separate record may be required for any purpose. The main classification of observations is given in paragraphs 538 to 541. The head "Miscellaneous" is usually divided into a number of convenient requirements, e.g., "For want of sanction to special charges", "Overpayments and short recoveries" and "Delays in adjustment of debts due to Governments". In cases in which the Audit office is required to verify the existence of the necessary administrative approval to works (vide Articles 231 and 232 of the Audit Code), it will be necessary to open two or more heads, viz. (1) For want of administrative approval, and (2) for excess over administrative approval.

### **Registration of Observations**

553. A set of pages of the Objection Book should be reserved for notes of overlapping observations (paragraphs 523 and 524).

554. Under each head, the observation relating to each distinct transaction should be treated as a separate item, and a serial number should be assigned to it. When the collective expenditure on a work or an object of expenditure is placed under observation, the whole work or object should be treated as one item. In the cases of works, etc. the transactions relating to which are of a progressive character all subsequent observations should be held as relating to the same item, unless the nature of the observation requires it to be registered as an observation of another class.

555. The amount placed under observation during the month in respect of any item should be noted against it in black ink in the appropriate column of the month concerned, and below this entry should be noted in green ink (as the denominator of a fraction the numerator of which is the entry of the amount placed under observation during the month), the progressive total of the amounts placed under observation to end of the month. In the case of observations classed as "Miscellaneous" full particulars of the observation should be placed on

record. In the case of items, for which the money columns are not required to be filled in vide paragraphs (520 to 522), the auditor will set his initials in the amount column of the month in which the item has been placed under observation. The postings of all items placed under observation should be verified by the Superintendent at the time of his concurrent review of the accounts of the month, and, in token of this, after the entries of the month have been abstracted he should initial the entries in the abstract (vide paragraph 558).

1. *If, in the case of any observation the money value of which was not recorded originally it transpires subsequently that it should be recorded, the total amount under observation at the time of the discovery should be entered against the item concerned in the money column of the current month, with a suitable explanation in the column "Remarks", which should be attested the Superintendent.*

2. *Observations regarding "Vouchers awaited" should be recorded in the Objection Book as two items, viz., (1) number of awaited vouchers, and (2) amount of awaited vouchers, the observation pertaining to the accounts of different months being shown under different groups. The numbers may be written in red ink or otherwise distinguished, so that they may not be included the amounts when totals are struck.*

### **Clearance of Observations**

556. An observation should be removed as soon as the necessary sanction, voucher, or document is received, or when the audited accounts shown that the expenditure under observation is adjusted or recovered, or when the delay, defect or doubt, as the case may be, has ceased to exist or has been explained. The removal of an observation should be indicated in the Objection Book by an entry of the amount adjusted in the column "Amount cleared" for the month following that of which the accounts were last audited, the progressive total of the adjustments being also noted at the same time in the manner prescribed for the posting of the amounts placed under observation. In the case of items, for which the money column of the observation was not filled in, the adjustment should be indicated merely by the initials of the auditor in the column for the month concerned. As a precaution against error, a red ink line should be drawn across the page in all remaining columns. In the case of observations, classed as "Miscellaneous" (vide paragraph 538), the reference to the order, account, voucher or other document on the authority of which the observation has been removed should also be noted in the column provided for the purposes.

1. *Brief notes of, or references to, all correspondence or other action taken towards clearance of any observation should be kept in the column "Remarks" of the Objection Book.*

557. All entries regarding the adjustment of observations should be attested by the Superintendent. In respect of observations removed by sanctions and orders, or by accounts, vouchers or other documents the examination or acceptance of which can be completed before the receipt or audit of a Monthly Account, the Superintendent will be responsible that the adjustment is effected without delay and that the adjustment entry is attested by him at the same time as any sanction or orders is noted in the Works Audit Register (vide paragraph

547). Adjustments dependent upon the receipt or audit of a Monthly Account should be made as soon as the awaited event takes place.

### **Monthly Closing**

558. After the Superintendent has completed the concurrent review of the accounts of a month (vide paragraphs 353 to 355) all entries in the column "Amount placed under observation" and "Amount cleared" for the month should be totalled, separately for each class of observations, and a general abstract should be prepared in a separate section of the Book. The Superintendent should examine and initial this abstract.

1. *The progressive totals of each class of observations should be carried forward from month to month and the unadjusted balance from year to year, but in respect of observation relating to allotments see paragraphs 559 and 560.*

### **Annual Closing**

559. The Objection Book should be closed annually and the balances of outstanding observation (except those in respect of allotments, vide paragraph 560) should be carried forward to the following year's Book, the entries being attested by a member of the Superintending staff. In the Objection Book of the new year, all such items should be noted (in relevant groups) in a separate section thereof. If the outstanding balances thus brought forward relate to two or more years, the balances of each should similarly be registered in a separate section. This action however, cannot be taken completely until the Supplementary Account of the year has been audited, but it is permissible in anticipation of this event to transfer to the new year's Objection Book such items of the old Book as may be affected by the accounts of the new year audited before the Supplementary Accounts. The Superintendent is, however, responsible that any corrections due to the Supplementary Account are carried out neatly in the new Objection Book, in due course by plus or minus entries, as the case may be, made with suitable remarks.

560. Unsettled observations for (1) "Want of allotment" and (2) "Excess over allotment" should not be carried forward to the new year's Objection Book; but the Gazetted Officer Incharge should see that necessary action has been taken in accordance with paragraphs 259 to 531.

## CHAPTER 29. – OBSERVATIONS ON OTHER TRANSACTIONS

### Objection Statement Form and Preparation

561. In most cases audit observations should be intimated direct to the disbursing or other responsible authority in special printed audit memoranda and other half-margin forms. The Treasury Officer should be addressed only when recoveries have to be ordered, or in respect of observations for the removal of which he is directly responsible such intimations, together with important treasury irregularities and directions or enquiries arising out of account, should be sent to him through Objection Statement (Form 125). The auditor should have before him, at the time he deals with the accounts or vouchers, the requisite Objection Statements, special printed audit memoranda and other half-margin forms, and should write these up, as each point requiring notice becomes evident during the course of his scrutiny of the accounts and audit of the vouchers. All observations whether communicated direct to responsible authorities or to the Treasury Officers, should be entered in the Objection Book. A Register of half-margins should be kept up in each audit section showing the issue, return and disposal of these audit memoranda and half-margins.

*NOTE 1. – All copies of retrenchment orders issued to Treasury officers should be forwarded simultaneously for the information of the persons affected, direct in the case of gazetted and non-gazetted Government servants who draw their own bills and through the head of the office in the case of other non-gazetted Government servants.*

*NOTE 2. – Printed audit memoranda and other half-margin forms should be dealt with in the same manner as the Objection Statements.*

562. There should be two Objection Statements for each month, - one relating to the first schedules of payments (which ought to reach the Treasury Officer before the end of the month as a guide to him in his next month's payments), and the other to the second schedules and the Cash Account. The auditor will be responsible for seeing that the observations which arise upon that part of the audit work which he has transferred to another section (paragraph 28) are duly entered in the Statement before despatch, unless a separate Objection Book is kept by that section.

*NOTE . – The Accountant General may at his discretion arrange in order of time etc., all the processes of the work to be done in connection with the first schedules of payments subject to the restriction that in no case shall the completion of the work, including the review of audit and issue of audit observations, be delayed beyond the 10<sup>th</sup> of the following month. Important observations should however, continue to be sent out as soon as they are detected. The Accountant General, Pakistan Revenues is allowed 15 days extra for the completion of the work connected with the first schedules received from those treasuries which are situated in remote localities.*



## **Despatch**

563. Each Objection Statement will issue in original, over the signature of a Gazetted Officer, after the review of audit and observations prescribed in paragraphs 38 to 41. Before despatch (which must not be delayed) the observations must be neatly posted into the Objection Book (Form 127) by the auditor. Each Superintendent should keep a memorandum book for note for the objection Statements which he passes should ascertain daily that all have gone out, and should take precautions to secure the entry in the Objection Book of all the items in the passed Statement, whether or not their amounts are carried into any money column.

## **Disposal and Returns**

564. The return of the Objection Statements must be watched with equal care. They are due to be returned by the Treasury Officer within the time prescribed under Article 242 of the Audit Code, and he should not be allowed to keep them back on the ground that one or two of the observations require further enquiry. These can be extracted for separate disposal, while the other items are replied to.

## **Auditor's Responsibility**

565. The auditor is responsible for the prompt disposal of the Objection Statement when returned. If a recovery is ordered, or a sum is debited under Advances Recoverable against a named Government servant he is responsible for watching the recovery. Though the Government servant concerned be transferred to another department, the item will not be removed from the Objection Book of the old to that of the new department, but a note of the transfer will be made; it will, of course, be noted on the Last-Pay Certificate by the Officer in charge of the treasury from which he last drew pay and may also, with advantage, be intimated to the one who will pay him in future. On the occasion of a transfer of a gazetted Government servant against whom an order of retrenchment has been issued, the auditor concerned should ascertain what amount is still outstanding and should send a slip of warning to the new Treasury Officer.

*1. If it is necessary to make a recovery from a Government servant who has passed under the jurisdiction of another Accountant General, warning should be given on the Last Pay Certificate or by a special letter if the certificate has already been issued. In such cases the observations should be entered in the Objection Book, but with a note that requisition for recovery has been sent to the new Audit office.*

## **Retrenchment Slip**

566. The consideration whether the pay and allowances drawn are admissible involves disallowances of improper claims and watching the recovery of money improperly drawn. When it is considered necessary to order the recovery of any erroneous payment, the Accountant General should send warning to the Government servant or the head of the office concerned by a slip in form 126, in which the ground of the retrenchment should be stated clearly (an advice being sent invariably to the Treasury Officer at the same time). This slip will give the Government servant from whom retrenchment is made, an opportunity of forwarding to the Accountant General an explanation which may cause the recovery to be dispensed with. The withdrawal or modification of an order for recovery should be communicated both to the Treasury officer and the Government servant concerned.

557. On similar slips should be notified short payments or over deductions: they should be noted, too, for future guidance in the Objection Statements, but need not be entered in any money column of the Objection Book, for the Audit Department has done its duty when it has warned a Government Servant that he has a further claim, and cannot compel him to prefer it. See Article 252 of the Audit Code.

## **Objection Book**

### Form and Contents

568. The Objection Books (of which there must be one for each Treasury or Departmental Account) are the permanent office record of entries which have been made in the Objection Statements prepared upon the examination of each schedule of payments and of the Cash Account. But, besides these Observations, they contain also note (1) of all amounts debited under Advances Recoverable, (2) of all amounts credited or debited to Suspense and (3) of items adjusted but not cleared even though not under observation. They are kept in Form 127 and the observations are detailed under the following heads: -

Advances Recoverable.

Suspense Account –

Receipts.

Payments.

Items adjusted but awaiting final clearance.

Service payments for recovery.

Unlike the others the first two have corresponding Ledger heads. It is imperative that entries pertaining to two months' accounts should not be entered on the same page.

1. *When the gazetted Government servants' bills or other classes of bills are audited by separate sections, separate Objection Books may be kept in those sections.*

2. *For observations in respect of appropriation audit see paragraph 530.*

569. The amount of entries which may not require action by the Treasury Officer, though noted for his future guidance (e.g., over-charges of fund subscriptions or income tax), should not be posted in any money columns and the money columns under "Mode of adjustment" may be scored through.

### **Advances Recoverable**

570. Under "Advances Recoverable" will appear payments which may be classified as "Advances Repayable" under Article 36 of the Account Code, Volume I. Neither loans to municipalities or private persons made under orders of the Central or Provincial government and bearing interest, nor advances to cultivators (takavi), nor advances for rest-camps (bardashthana), nor permanent advances, nor special classes of advances need appear here, as they are recorded in separate registers.

1. *If large or frequent advances are made under the operation of any general rule, the Accountant General should arrange a special procedure for auditing, watching and recovering them.*

571. This column will show also advances made in other audit circles (paragraph 282) and advances which enter through formal transfers in account; the entries will thus differ from those of the Classified Abstracts by the amounts of these two classes, though the provincial total of the broadsheet will agree with that of the Detail Books, which will include transfers.

572. After the Objection Books for June have been closed, it may be found necessary in the June Final accounts to adjust amounts already placed under observation or to place fresh items under observation. In opening the objection Book for the new year, separate pages should be provided, after the pages containing the entries of the outstandings of the previous year, to record the observations made in June Final. Similarly, in the Adjustment Register there should be a separate page or pages for the record of adjustments made in June final. The entries in these records should be totalled monthly at the time of closing the Objection Book for subsequent months, and the net debit or credit resulting there-from should be worked out and added to or deducted from the balance of the Objection Book for the month, so as to work out in a separate entry at the foot of the Objection Book the correct balance of observations outstanding at the time. Unless they are the direct outcome of transactions incorporated by book adjustment in the general accounts for June Final, the adjustments in respect of outstandings of the previous year need not be included in the Adjustment Register of June Final (Form A.T.M.128) but may be carried out in the new year. The above procedure will be followed till the accounts for June Final are closed. When the accounts for June Final are closed, the

separate observations and adjustments under the heads "Objection Book Advances" and "Objection Book Suspense Account" should be totalled, and the totals posted into the June Final column of the Broadsheet (see paragraph 582) for the past year, and the correct closing balance worked out. The difference between these totals should also be added or deducted, as the case may be, at foot of the June Objection Book for the past year, so as to make its balance agree with the Broadsheet and the Ledger. This agreement should be made and certified by the Superintendent.

*NOTE 1. – Items under observation, the amounts of which are not entered in the money columns of the Objection Books, need not be transferred to the Objection Book for the new year until the June Final accounts are closed. The settlement of any such items prior to that date should be noted in the old Objection Book.*

*NOTE 2. – The transfer of other outstanding items to the new year's Objection Book may at the discretion of the Accountant General be deferred until after the close of the June Final accounts the adjustments made in the meantime being noted against the entries in the Objection Book.*

### **Suspense Accounts**

573. Under "Suspense Account" are provided two columns, one for credits and one for debits, but no item should be taken under this head, except with the special sanction of the Gazetted Officer in charge. See also Article 37 of the Account Code, Volume I.

In the column for 'receipts' will appear only sums shown for credit to a Debt head, but imperfectly described. Any item of revenue receipt, of which full particulars are not given must be taken to the credit of the minor head "Miscellaneous", under the revenue head to which it appears to belong. But such items must be rare; or does the fact that they have been so credited and included in the aggregate receipts of the month relieve the Accountant General of the duty of ascertaining by correspondence what their real nature is and of transferring them to the credit of the proper head by debit to the head originally credited; they may be made the subject of special correspondence with officers concerned, but must, in all cases, be notified in the Objection Statement and their amount entered in the column of the Objection Book headed "Items adjusted by awaiting final clearance".

In the 'Payments, column will appear items not only of charge for which such particulars are not given as will enable the Audit office to classify them properly but also charges written back on disallowance from the Exchange Accounts or charges disallowed from the inward Settlement Accounts which are not susceptible of final adjustment against some other head. If, however, the only point of doubt is whether a particular item of expenditure should be treated as Central or as Provincial, it should not be debited to "Suspense" but to a proper Service head of account and shown as appertaining to the Government which actually incurred the expenditure. If it is decided subsequently that the expenditure should be finally recorded against another Government, the

correcting adjustment should be made in the accounts of the year in which the decision is taken, unless it was anticipated and provided for in the Grant or Appropriation of the previous year, the accounts of which have not been finally closed.

### **Items adjusted but awaiting final Clearance**

574. The third head will contain those items, to which technical Observations is made, unexplained receipts (see paragraph 573), payments on abstract contingent bills not covered by countersigned bills, and in fact all items which cannot be admitted finally in audit. It will be observed that this column has no corresponding Ledger head, and consequently any item which appears in it must have been taken to some prescribed head of account, the entry here being nothing more than a reminder that it has only been adjusted provisionally.

1. *If Extract Registers of Deposit Receipts do not arrive in time for audit before closing the Objection Book, the amount shown in the Cash Account should be noted in the third column of the Objection Book; but no entry need be made in any money column. When registers of payments are not forthcoming, their amounts should be detail with in the same manner, Particular care must be taken to write off these observations when the registers are received.*

2. *Cash remittances, even though a complete voucher is absent, should not be entered in the Objection Book at all, as a separate register is provided for them. Deficiencies in such remittances will, however, come in the ordinary course into the Objection Book as "Advances Recoverable".*

### **Service Payments for Recovery**

575. In the last column will appear all sums taken against service heads for which orders of recovery have been issued for, when a payment is made on account of a completed service on a proper voucher, the fact of the payment is not altered because some portion of it represents an overcharge. The payment must be accepted and must be recorded against the Grant or Appropriation for which it was made; but at the same time it should be recorded as under observation.

1. *The amount of gratuity to be refunded under the rules of Government by a person re-employed should be noted in the Audit Register for recovery. Recoveries will be credited to the Government (or Governments) which had met the charge on account of the gratuity. The fact of the complete refund of the gratuity should also be noted in the History of Services or in the Establishment Returns, according as the person concerned is a gazetted or a non-gazetted Government servant.*

### **Adjustment Register**

576. As the items held are under observation are adjusted in whole or in part -

‘Advances’, by credit to Advances Recoverable,

‘suspense’, by credit or debit to that head,

'Uncleared items', by being cleared,

'Service payments for recovery', by recovery or by removal of the observation,

the adjustment is to be posted in the Adjustment Register (Form 128) and also against the original item in the Objection Book.

577. The mode of adjustment adopted with reference to each item will be shown in the column "How adjusted" and the Superintendent or Assistant Superintendent will initial each entry in proof of his having examined and found it correct in every particular.

*1. If an advance or suspense item debited in district or department A is recovered in district or department B, the adjustment of it must be recorded in the Adjustment Register and Objection Book of district or department A only. This is another source of difference between the Objection Book and the Classified Abstract – vide paragraph 571.*

578. In the Objection Book, in the columns f amount under "Mode of adjustment" will be entered each successive fragment disposed of; each entry in the Adjustment Register must have its distinct answering entry in these columns and both entries will be initialled by the Superintendent at the same time.

*1. In the case of observations against which o amounts are entered in the money columns of the Objection Book, no entries should be made in the Adjustment Register.*

*2. the entry in the Objection Book of each adjustment may be certified by the initials of the superintendent, provided that the entry is made in the Adjustment Register clearly, and in all cases in which the order communicating the observation has not been complied with fully, on the authority of an order signed by the Gazetted Officer-in-Charge. The Gazetted Officer will, of course, review not only the objection Book, but also the Adjustment Register at frequent intervals.*

579. If, in the case of items awaiting clearance, a real observation is afterwards found to exist (e.g., recovery is ordered of part of the charge), only the part cleared will be entered and the rest will still remain outstanding till disposed of. Care must be taken that the real observation, when found, is duly communicated to the Treasury Officer or other authority or Government servant and noted in the Objection Book below the original observation or as foot-note to it.

580. But if the explanation of the items shows that it belongs to the "Advances Recoverable" or "suspense" class (e.g., a deposit repayment is objected to for want of a voucher, which, when it is received, turns out to be for a less amount than the charge), the item will be adjusted so far as regards the column "Awaiting clearance", but again be brought on the Objection Book, in the new month, under "Advances Recoverable" or "Suspense" Reference will be made both in the adjustment and in the new observation to the transfer entry by which the amount is debited to the new head.

## **Closing of Objection Book**

581. After despatch of the Objection Statements on the second Schedules of Payments and the Cash Account, the money columns in the Objection Book should be totalled, the balance of the past month should be added, the totals of adjustment should be made in the adjustment Register and entered in the Objection Book, and the balances struck. The Superintendent will sign the certificate at the foot of the page or last page of the Objection Book for each month, which will be closed and balance don the 29<sup>th</sup> of the following month.

1. *The difference between the totals under "Advances Recoverable" in the Objection Book and in the Classified Abstract is explained in paragraph 571. In the same way the totals under "suspense" differ by the items written back on disallowance from the Exchange and Settlement Accounts (paragraph 573). There will also be differences when an item adjusted in the accounts of one district or department is entered in the Adjustment Register of another (see Rule 1 under paragraph 577). The Superintendent will sign the certificate after personal inspection of the Adjustment Register of the other district or department.*

2. *The outstanding balance in each column of the Objection Book is to be carried forward from month to month and from year to year.*

3. *The Accountant general, Pakistan Revenues is allowed one month extra for closing his Objection Books, which should be closed and balanced on the 29<sup>th</sup> of the second month.*

4. *The due date for closing the objection books relating to Forest Accounts is the 6<sup>th</sup> of the second month following that to which the accounts relate.*

## **Broadsheet of Advances and Suspense**

582. A Broadsheet in Form 129 is maintained of the debits, credits and balance under the heads "Objection Book Advances" and "Objection Book Suspense Account". The debits and credits are posted monthly from the Objection Book and adjustment Register and their Provincial totals are agreed monthly with the postings in the Ledger and the Broadsheet submitted to the Gazetted Officer in charge for inspection. The opening balances are brought out in it in the column for June final as stated in paragraph 572. The monthly balances in the new year's Broadsheet can then be struck, and will agree with the Ledger balance month by month.

As the original entries under Suspense receipts are wholly unconnected with the original entries of charges under Suspense, there should be one Broadsheet for Suspense receipts and one for payments.

All the balances shown in the Broadsheets of Advances and Suspense, should for the purpose of verification and control be resolved monthly into items of actual transactions which should be reviewed completely by the Gazetted Officer in charge. A list of items more than 3 months old showing inter alia the reasons for delay in their clearance and the act on taken to expedite their clearance should be drawn up monthly and submitted to the supervisory officer

(deputy Accountant General) for review. The items more than 6 months old will similarly be reviewed monthly by the Accountant General himself. It is not necessary that the above review by the supervisory officer or the Accountant General should cover all the broadsheets each month. On the other hand the monthly review should be so arranged that each one of the broadsheets in question comes under review once in a quarter. The same procedure should apply mutatis mutandis to the reconciliation and clearance of the differences between the figures in the Broadsheets and the Ledger.

*NOTE 1. – The drill mentioned in sub-para 3 above regarding the monthly review of items outstanding for more than 3/6 months will apply equally to all broadsheets relating to the various debt, deposit, suspense and remittance heads that may be required to be maintained in the audit and accounts office. The detailed procedure of how this drill is to be gone through in actual practice may be laid down in the relevant Manuals of the Accountant General's office.*

*NOTE 2. – The general accounts of Advances, Recoverable and Suspense upon the Ledger should be broken up into as many detailed heads as are convenient for the purposes of audit and account. One of these heads should be "Objection Book Advances" or "Objection Book Suspense Account" and the balance of it should be agreed with that of the Broadsheet made up as prescribed in this paragraph.*

### **Broadsheet of Departmental Adjusting Account**

583. For each detailed Ledger head subordinate to the Suspense head "Departmental Adjusting Account", the departmental auditor will maintain a Broadsheet of debits and credits in Form 130. The original entries in the Broadsheet should be posted monthly from the schedule of receipts and the second schedule of payments of each treasury, and from the suspense slips representing items transferred from other sections. The adjusting entries, which will be minus credits or minus debits, should be posted from the Departmental Abstract and the differences worked out. The net total difference for the audit circle should be agreed with the postings in the Ledger and a memorandum of reconciliation prepared as shown in Form 130, wherein the progressive difference from the beginning of the year will be resolved into the individual items of which it is composed. The Superintendent will then sign the certificate at the foot of the Broadsheet, which should be submitted to the Gazetted Officer in charge, with the memorandum of reconciliation, not later than the 10<sup>th</sup> day of the second month following the month to which the Broadsheet relates.

*NOTE. – If the number of suspense slips received in a section is sufficiently large, a receipt register may be maintained in a suitable form, and the total amount transferred through the suspense head as worked out in that register may be posted as a single original entry in the Broadsheet.*

The Gazetted Officer and the Superintendent should exercise special care to see (i) that the adjustment of the credits and debits to the Departmental adjustment Accounts is not neglected (2) that the clearance is effected in the accounts of the month to which the transaction relates and (3) that in any case no difference is allowed to remain unadjusted for more than one month.



## **Watching and Testing**

### **Abstract of Observations**

584. An abstract in Form 131 must be attached to each Objection book. The previous year's balance posted in the first column on the opening of the book will be the preliminary balance in last year's abstract as detailed in the list prescribed in paragraph 586. Later on, this will be corrected in red ink into the June Final balance as worked out in the last year's Objection Book and Abstract of Observations. The other entries in the first column will be made at the closing of each month. The adjustments of each month should be distributed over the periods of observation from the information in the Adjustment Register and posted in the proper line at the time of closing the book for the month.

### **Review of Observations**

585. It is the duty of the Gazetted Officer concerned to watch carefully all outstanding observations. Items left unsettled for three months and six months should be entered in separate parts of the same register. A summary of all relevant correspondence should be recorded against each item in the second part (six monthly outstandings) and all subsequent correspondence should also be recorded. This register should be submitted to the Gazetted Office at least once in each month. On the occasion of each such submission he should review carefully all items in the second part. Items in the first part he should review at least once in every quarter.

*NOTE. – If the results of the review enjoined by paragraph 582 are satisfactory as disclosing very few items the Accountant General may at his discretion dispense with the review of outstanding observations through this register and have the individual items entered in the quarterly analysis.*

### **List of Outstandings**

586. A list must be made up annually for each district or department or sectional Objection Book, of all the items outstanding at the close of June arranged in chronological order (that is in the order in which they appear in the Objection Book) and in the same form as the Objection Book. The total of each district or department list should equal, and must be compared with, the balance struck at the bottom of the column for preliminary balance in the abstract prescribed in paragraph 584 in the Objection Book, and the comparison should be made and initialled by the Superintendent after agreement of the advances Recoverable and Suspense balance with the June Preliminary balance in the Broadsheet mentioned in paragraph 582.

The list should be inserted in the new Objection Book as part of it.

*NOTE. – The list may at the discretion of the Accountant General, be made up after the close of the June final accounts (see Note 2 to paragraph 572) and the procedure described in this paragraph modified suitably.*

## **Observations on Transactions appearing in Inward Remittance Accounts**

587. The procedure laid down in this Chapter will apply to the upkeep of Objection Books and Adjustment Registers in respect of items appearing in the Inward Remittance Accounts which are held under observation.

### **Combination of Objection Statement and Objection Book**

588. An alternative plan by which the Objection Book is replaced by the file of original Objection Statements on their return from the treasury has been tried with success in some Audit offices and it may be adopted by any Audit office at its option.

The Objection Statement is drawn out in Form 132, which adds to the ordinary Objection Statement the adjustment columns of the Objection Book. It also contains on the final sheet of the observations on the second Schedules of Payments the closing entries of the Objection Book.

As under this plan the Objection Statement must contain all the observations hitherto entered in the Objection Book, even observations for want of detailed bills and those communicated to the officers concerned by separate audit memoranda should be included in it.

1. *This scheme need not be applied to observations made by Special Audit Branches (e.g. Gazetted and Pension Audit), or by the Account Current Branch where district arrangement is not observed.*

Every adjustment should be recorded at once in the Adjustment Register and also in the Objection Statement. If, however, any adjustment cannot be entered simultaneously in the latter owing to its not having been returned by the treasury a distinguishing mark should be placed against the item in the Adjustment Register in order that the record may be copied into the Objection Statement on its return.

The Abstract of Observations (Form 131) will be maintained under this alternative plan also. This abstract and the Adjustment Register will be closed on the 29<sup>th</sup> of the month, as laid down in paragraph, 581. The closing entries will be made in the final sheet of the observations on the second Schedules of Payments on its return from the treasury.

## **CHAPTER 30 – INSTRUCTIONS FOR THE PREPARATION OF APPROPRIATION ACCOUNTS, COMMERCIAL ACCOUNTS, FINANCE ACCOUNTS AND AUDIT REPORT, THEREON.**

### **Nature of Reports to be prepared**

589. As explained in Article 259 of the Audit code, while paragraph 13 of the Pakistan (audit and Accounts) Order, 1952, imposes on the Auditor General the duty of reporting on the accounts, paragraph 11(4) *ibid* prescribes that the Auditor General shall prepare and present both Appropriation Accounts (in the case of accounts kept by him) and Finance Accounts. In addition he is required to submit a compilation of the Commercial Accounts incorporating the trading, manufacturing and profit and loss accounts and balance sheets of the commercial concerns and undertakings of the Government as well as the accounts of the Statutory corporations together with his Audit Reports prepared in each case pursuant to the provisions of the audit and Accounts Order and the various Statutes of the Corporations. These Accounts together with the Reports are respectively called the “Appropriation Accounts and the Audit Report”. Commercial Accounts and Audit Report and the “Finance Accounts and the Audit Report”. The nature and object of these Accounts and Reports are explained in Chapter 2 of Section V of the Audit code. With reference to paragraph 13 of the Order mentioned above these reports so far as they relate to the accounts of the Central Government are submitted by the Auditor General to the President and those relating to the accounts of Provincial Governments to the Governor of the Province concerned. Both the documents are laid by the latter authorities before their respective Legislatures. Under the existing arrangements “Appropriation Accounts and the Audit Report” “Commercial Accounts and Audit Report” are examined by the Committee on Public Accounts under the rules referred to in Article 258(2) of the Audit Code.

*NOTE. – For convenience of reference, the term “Appropriation Accounts and Report” is used in this Chapter to denote the “Appropriation Accounts and the Audit Report” “Commercial Accounts and Report” to denote the “Commercial Accounts and the Audit Report” and the term “Finance Accounts and Report” to denote the “Finance Accounts and the Audit Report”.*

### **Extent of Application of these Instructions**

590. Except where the contrary is specifically provided or appears from the context, the general instructions contained in this Chapter and in Chapter 2 of Section V of the Audit Code apply to all officers who prepare Appropriation Accounts and Reports, Commercial Accounts and Reports and Finance Accounts and Report. On the other hand, the detailed instructions regarding the form and arrangement of these Reports given in these paragraphs and in the ‘Skelton Draft Appropriation Accounts and Audit Report’ and the ‘Skelton Draft Finance Accounts and Audit Report’ (printed separately) are primarily intended for the preparation of the Provincial Accounts and Reports of the railway

Department and of the Defence, they can be applied, in the preparation of the Appropriation Accounts and Finance Accounts and Reports of the Central Government also. Special instructions relating to the preparation of the Appropriation Accounts and Reports of the Railway Department and of the Defence Service are given in the Manuals of the Audit Officers concerned.

### **Responsibility for Preparation**

591. As stated in Article 258 of the Audit Code, there are separate Appropriation Accounts and the Reports for each Provincial Government excluding Railway and for Railway and for the three Principal spending departments of the Central government, viz., Defence, Post office and Telegraph and Telephone as well as for the other departments of the Central Government. The Appropriation Accounts and the Report relating to the Post office and the Telegraph and the Telephone Departments are, however, prepared together in one volume. The Appropriation Accounts and the Reports relating to a Provincial Government are prepared by the Provincial Accountant General concerned. The Appropriation Accounts of Railway are prepared by the Railway Board concerned and the Audit Report on these accounts by the Director of Railway Audit. The Appropriation Accounts and the Audit Reports relating to the Post office and the Telegraphs and Telephone Departments are prepared by the Comptrollers Posts, Telegraphs and Telephones. The Appropriation Accounts of the Defence services are prepared by the Ministry of Finance (Military) and the Audit Report on these accounts by the Director of Audit, Defence Services. The Appropriation Accounts and Report in respect of the remaining departments of the Central Government are compiled in one volume, prepared by the Accountant General, Pakistan Revenues. Due to the merger of the provinces of West Pakistan into One Unit with effect from the 14<sup>th</sup> October, 1955, the Appropriation Accounts and Reports of the Government of West Pakistan are also compiled in one volume, prepared by the Accountant General, West Pakistan. Separate Commercial Accounts and Report are compiled by the Director of Commercial Audit for the Central Government (including Statutory Corporations functioning under the control of that Government) and each Provincial Government (including Statutory Corporations, etc., if any functioning under them).

*NOTE. – If there is any doubt about the particular Appropriation Account and Report in which a financial irregularity should be included, the deciding factor should be the source from which the funds irregularly applied were provided, that is to say, the irregularity should be brought to the notice of the Legislature or the Government which actually provided the money.*

592. Like the Appropriation Accounts and the Reports, there are separate Finance Accounts for each Provincial Government including Railway but there is only one Compilation containing the Finance Accounts for all the transactions of the Central Government including those of the Defence Service and the Post office and the Telegraph and Telephone Departments. As in the case of the Appropriation Accounts and Reports, the Finance Accounts relating to the Provincial Governments are prepared by the Provincial Accounts General and

those relating to the Central Government by the Accountant General, Pakistan Revenues.

No separate Reports are prepared on the Finance Accounts. The Reports on the Appropriation Accounts also contain comments on the Finance Accounts.

593. In order to enable the Accountant General, Pakistan Revenues to prepare the documents referred to in the two preceding paragraphs, all other Accounts and Audit Officers should supply him with the necessary material concerning the Central receipts and disbursements with which they have dealt in such form and detail as the Accountant General, Pakistan Revenues may require. The Accountant General, Pakistan Revenues is authorised to edit such material before including it in the report, and if he considers this to be desirable, to omit any portion of it. Irrespective of the responsibilities of other Audit Officers with reference to the instructions in this Chapter, the Accountant General, Pakistan Revenues, as the Compiler of the Appropriation Accounts of the Central Government (Civil) and Audit Report, should take steps to ensure that all comments of an adverse character which it is proposed to include in the Appropriation Accounts or Audit Report are shown in draft in the first instance to the departments concerned of the Central Government, unless there is clear evidence to show that such comments have already been communicated by the Audit Officers concerned direct to the appropriate departments of the Central Government.

Similarly, the various area Audit and Account Officers in West Pakistan should supply to the Accountant General, West Pakistan, the necessary material concerning the receipts and disbursements of the Government of West Pakistan with which they have dealt in, in such form and details as the Accountant General, West Pakistan may require. In the matter of editing, etc., of such material the responsibility of the Accountant General, West Pakistan is analogous to that of the Accountant General, Pakistan Revenues.

*NOTE. – The material prescribed in this paragraph should be prepared very carefully. The responsibility for the accuracy of facts and figures it contains will devolve upon the officers furnishing it. When, however, the material is originally prepared by Audit Officers subordinate to the officer who forwards it to the Accountant General, Pakistan Revenues/Accountant General West Pakistan, the officer forwarding it is expected to edit it and to take the entire responsibility for its contents.*

594. The Dates of submission of the material mentioned in paragraph 593 will be settled in consultation between the supplying officer and the Accountant General, Pakistan Revenues/Accountant General, West Pakistan, as the latter is responsible for the punctual submission of the Reports. The material should be supplied in duplicate, but should not be printed. One side only of the paper should be used, so that one entire copy may be placed on record for future reference when the other has been cut and pasted as may be convenient.

595. In respect of expenditure incurred in England by the High commissioner for Pakistan, the Appropriation Accounts and the Audit Report thereon are compiled by the Director of Audit and Accounts. They are transmitted by the Director, Audit and Accounts to the Accountant General, Pakistan Revenues and included by the latter in the Appropriation Accounts and Reports prepared in Pakistan vide Article 7 of the Audit Code.

### **General Instructions for the preparation of the Accounts and Reports**

596. The more important instructions which should be followed in the preparation of Appropriation Accounts and Reports, Commercial Accounts and Reports and the Finance Accounts and Reports are contained in Chapter 2 of Section V of the Audit Code. As stated in paragraph 590, these Accounts and Reports should followed respectively the models of the 'Skeleton Draft Accounts and Audit Reports', and the 'Skeleton Draft Finance Appropriation Accounts and audit Report'. It should be understood, however, that these models are illustrative and it is open to the Accountant General to modify or amplify them as may be necessary to suit the material which from year to year it falls to him to handle. In two respects, however, there should be no substantial departure from the model, viz., (a) the order of arrangement of subjects and (b) the tabular statements for the exhibition of figures which when relevant to the circumstances of a province should be given in the exact form prescribed. In dealing with the various matters due regard should also be paid to the instructions given in the models. No subject heading should, however, be given in any of these Accounts and Reports when there is nothing under it to bring to notice.

597. The points to be borne in mind in preparing the Appropriation Accounts and Report, Commercial Accounts and Report are mentioned in paragraphs 598 to 649 and those in connection with the preparation of Finance Accounts and Report in paragraphs 650 to 653 below.

### **Appropriation Commercial Accounts and Audit Report**

#### **Title of the Compilation**

598. The compilation relating to the accounts of a Provincial Government should be described on its title page as the "Appropriation / Commercial Accounts \_\_\_\_\_ and the Audit Report \_\_\_\_\_"  
(year of accounts) (calendar year of issue of the report)

\_\_\_\_\_” the name of the Government being printed at the top. The title page should be printed in the manner indicated in the 'Skeleton Draft Appropriation Accounts and Audit Report'. This form should also be adopted mutatis mutandis for the compilation relating to the accounts of the Central Government. In the latter case the name of the department concerned, e.g., 'Civil', '(Posts and Telegraphs)', etc., should be inserted after the words "Appropriation Accounts".

## **Form and Arrangement**

### **Commercial Accounts and Report**

599. As indicated in the 'Skeleton Draft Appropriation Accounts and Audit Report', the volume should be divided into two parts and the following arrangements adopted:

#### **Part I**

- (i) Prefatory Remarks.
- (ii) General review of the results of audit.
- (iii) Points outstanding from previous Reports.

#### **Part II**

- (i) The Appropriation Accounts, with explanatory notes and audit comments.
- (ii) Annexures A and B, the Annexure A being meant for giving the cases of financial irregularities remaining un-finalised in respect of transactions accounted for in a previous year concerning which further information has become available and transactions in a later year concerning which it is desirable that the Government should possess early knowledge, and Annexure B for exhibiting a list of Departments which have not conducted the physical verification of Stocks of Stores in their charge and have not furnished the requisite certificates to the Officer concerned.

A detailed description of the nature of the information to be given in Part I and instructions relevant thereto are given in the 'Skeleton Draft Appropriation Accounts and Audit Report'. Similar information in regard to the matters connected with Part II is given in paragraph 604 et seq.

### **Commercial Accounts and Report**

599-A. The Commercial Accounts and Report should be prepared in the following manner: -

Prefatory Remarks.

Introductory

## Part I

(Relating to the Accounts of Government Commercial undertakings)

General Review,

General Remarks and

Audit Certificate

Section I – Audit Report.

Section II – Accounts, Reviews and Audit Comments.

## Part II

(Relating to the Accounts of Statutory Corporations, corporate Bodies etc.)

General Review.

Section I – audit Report.

Section II – Accounts Review and Audit Comments.

600. The Appropriation Accounts and Report of the Posts and Telegraphs Department should in addition contain a review of finance of that Department This review should be prepared by the Director General but should be audited by the Comptroller and an audit certificate duly signed by him attached.

### **Subjects for inclusion**

601. The more important subject which should be included in these Accounts and Reports are detailed in Articles 263, 264 and 267 of the Audit Code and the manner in which relevant comments should be drafted is indicated in Articles 265 and 266 *ibid*.

Some illustrations of the principal types of irregularities and other matters which, subject to the relevant rules in Chapter 2 of Section V of the Audit Code, may be included in the Appropriation / Commercial Accounts and Report are given below:

- (a) Any expenditure on a service which has not been duly authorised in the Appropriation Account.

*NOTE. – In the absence of an authoritative definition of the term “new service”, the Accountant General should be guided by such case-law as may have been evolved by the Committee on Public Accounts concerned; and in doubtful cases he should take the orders of the Auditor General.*



- (b) Any re-appropriation required to be brought to the notice of the Public Accounts Committee under the rules referred to in Article 258(2) of the Audit Code.
- (c) If the Finance Department has so required or agreed, any expenditure on an object disapproved by the Legislature or requiring, but incurred without obtaining, its approval.

*NOTE. – In the case of the Central Government, the Ministry of Finance will keep the Accountant General informed of all such cases.*

- (d) Any important expenditure incurred without necessary sanction or contrary to a valid condition or restriction imposed by the Legislature.
- (e) Any large claim against a foreign Government, State acceded to Pakistan, local body or other outside party which has been outstanding for an unduly long time.
- (f) Any irregularity connected with a contract, vide Articles 124 to 129 of the Audit Code.
- (g) Remissions of revenue (except land revenue remissions) and abandonments of claims to revenue, which are required to be reported to the Audit office by Head of Departments, losses of Government money or property (whether or not recorded as expenditure in the Appropriation Accounts).

*NOTE. – All losses or deficiencies, etc., of an important or unusual character relating to the particular appropriation account should be mentioned in the notes at the end of that account, irrespective of whether the loss, deficiency, write off or nugatory expenditure is actually debited in the account or not. When any such case is mentioned, it would ordinarily be sufficient to give only a brief statement of the circumstances which led to it. A marked tendency to increase of losses, extraordinary or uneconomical payments or claims to compensation, however, will form the subject of comment.*

In the case of losses of stores, the test of importance should be the net value after crediting any sums recovered, and not the gross value of the stores lost. Small losses by fire, or in transit, or in other circumstances beyond the control of any responsible person need not be mentioned in the account; but a heavy loss will probably lead to an increased charge and consequently a note explaining the charge may become necessary.

All important cases of remissions and abandonments of claims to revenue in the Railways, Posts and Telegraphs and the Supply and Development Departments above a certain fairly

high monetary limit to be fixed by administrative authority should be mentioned individually.

- (h) Any extraordinary or apparently unnecessary expenditure such as -
  - (1) payments made as acts of grace,
  - (2) compensation paid for damage sustained,
  - (3) payments in excess of amounts admissible under statute contract or rule,
  - (4) payments necessitated by failure to enforce the terms of a contract, and
  - (5) irrecoverable balances of advance payments made on account of service, etc., which were ultimately not rendered.
- (i) Any uneconomical or apparently wasteful expenditure due to –
  - (1) the inception of works without adequate investigation of their utility or feasibility,
  - (2) the execution of works by a Government agency which lacks the ability or the facilities to execute them properly,
  - (3) the unsatisfactory working of Government commercial undertakings,
  - (4) the fixation of the rents of residential buildings, and
  - (5) other similar causes.
- (j) Any irregularity in connection with the withdrawal and disbursement of money, designed to bring expenditure into closer accord with allotments such as –
  - (i) withdrawal of money in advance of requirements, particularly towards the close of a financial year; and
  - (ii) postponement of payments which are due and fully matured.
- (k) Any important irregularity in the realisation of revenue.

- (l) Any instance of the absence of administrative regulations and procedure sufficient to secure a proper and effective check upon monetary transactions.

*NOTE. – Any serious delay in the issue of necessary financial or account rules (statutory or non-statutory) by a Government should receive suitable notice in the Audit Report unless the Accountant General considers that the rules to be framed are not so important as to cause any serious loss of efficiency, or is satisfied that there will be no further delay. When making any comments, he should, however, state the causes of the delay, particularly in cases in which it would be unfair to comment without indicating the causes.)*

### **Instructions for drafting comments on Irregularities**

602. Subject to the general instructions contained in Chapter 2 of Section V of the Audit Code, the following instructions should be observed in drafting comments on irregularities to be included in the Appropriation / Commercial Accounts and Report: -

- (i) Relevant points bearing directly upon the nature and extent of the irregularity should also be mentioned, and the comment should be based on facts and not on inferences. Dates should be given when they are necessary for a clear presentation of the case. It is unnecessary to give a narrative account of the discovery of the irregularity.
- (ii) If, in any case, it is absolutely necessary to refer to any correspondence with the Auditor General or with the executive Government, the subject matter of the correspondence should be summarised, as briefly as is compatible with clear exposition. Similarly, if it is necessary to refer to the infringement of any rule, whether statutory or not, the gist of the rule should be concisely summarised and the actual or possible effect of the violation on the financial interests of the State clearly explained.
- (iii) In reporting cases of financial irregularity, extravagant expenditure incurred or savings effected at the instances of Audit, the actual amounts involved should, as far as possible, be stated. Otherwise, figures should not be given unless they are necessary for a clear presentation of the case.
- (iv) The name of the official personally responsible for an irregularity should not be mentioned, and his designation should not be cited if that gives an unmistakable clue to his identity. Subject to such preservation of anonymity, the report should indicate the status of the official responsible.
- (v) Care should be taken to avoid asperity in comments. The use of such words as “fraud” or “embezzlement” which denote

crime should also be avoided unless the crime has been proved. It would 'generally be sufficient to use some colourless word, e.g., "loss", in such cases.

- (vi) the wording of a comment should ordinarily make it clear whether it relates to a voted or to a charged item. The report upon the civil accounts of the Central Government should, when possible, indicate the province, if any, in which an irregularity forming the subject of comment occurred.
- (vii) Unless in any case it be otherwise prescribed in this Chapter, it is not necessary for the Accountant General, Director Commercial Audit to obtain the approval of the Auditor General before making a comment; but doubtful and difficult cases may be freely referred to him and his advice may be sought when necessary.
- (viii) Cases may arise in which it may not be possible or advisable to give publicity to the full details of an irregularity by including them in the Report. If the details which may properly be published are considered inadequate to enable the Auditor General to judge of the gravity of the case, further information should be furnished to him, by confidential letter if necessary.

#### **Procedure for dealing with Irregularities, etc.**

603. As stated in Article 268 of the Audit Code, it is very desirable that the Government concerned should be given an opportunity to make such observations and comments as it thinks fit to make before important cases of financial irregularities are included in the Appropriation Commercial Accounts and Report. As further stated in that Article, the procedure for reporting such cases to Government should be such as may be settled between the Audit Officer concerned and the Finance Department of the Government. The following procedure may be followed in connection with irregularities pertaining to Central subjects: -

- (1) (i) In handling reports on irregularities connected with Central subjects, the accounts of which come under his audit, the Accountant General, Pakistan Revenues should adopt the following procedure; -
  - (a) If the subject is administered directly by a Ministry of the Central Government, he should, in the first instance submit his report on the irregularity to the Ministry concerned. If the action taken by that Ministry is not considered adequate, he should make a report to the Ministry of finance.

- (b) If the subject is administered through a Local Administration, he should address his first report to that Administration and also send a copy simultaneously to the Ministry concerned and the Ministry of Finance.

*NOTE. – The procedure prescribed for the Accountant General, Pakistan Revenues should also be adopted by the Comptroller, Posts and Telegraphs and by the Audit Officers other than the Provincial Accountants General who have to furnish material to the Accountant General, Pakistan Revenues for the preparation of the Report prepared by him.*

- (ii) In the case of Central subject the accounts of which are audited by a Provincial Accountant General, the procedure adopted for these reports should be as follows: -

- (a) If the subject is administered directly by a Ministry of the Central Government, irregularities connected with it should be reported to that Ministry as well as to the Ministry of Finance of that Government, and the former will inform the latter of the action taken.
- (b) If the subject is administered by a Provincial Government as the Agent of the Central Government, irregularities should be reported simultaneously to the department of the Provincial Government entrusted with the administration, to the Finance Department of that Government and to the Ministry of Finance.

- (2) In respect of such cases, i.e., cases likely to be mentioned in the audit report or in the notes appended to the Appropriation Accounts themselves, draft paragraphs should be prepared during the course of the year as soon as the necessary preliminary investigation of the case has been completed or reaches an advanced stage, and a copy of the draft paragraph should be supplied at once for consideration and comments to the same authorities to whom the reports under clause (i) above were addressed.
- (3) Similarly, after comments from the administrative authorities and the Finance Department have been received, the final draft of the paragraph for the Appropriation Accounts or the Audit Report should be prepared without waiting for the compilation of the Appropriation Accounts or the report, and copies should be supplied to the same authorities.

The above provisions apply mutatis mutandis to the Commercial Accounts and Report compiled by the Director of Commercial Audit.

*Instructions for the preparation of Part II – Appropriation Accounts*

604. The following instructions should be observed in connection with the preparation of Part II – Appropriation Accounts.

605. Grand Summary. – Prefixed to the Appropriation Accounts, there should be a grand summary of the appropriation results of the year compiled in form 133.

606. Below the grand summary should be given an audit certificate in the following form unless the Audit Officer deems it necessary suggest a modification of it as a result of the audit conducted under his direction. No modification in this certificate should be made without prior consultation with the Auditor General: -

“The account above has been examined under my direction in accordance with the provisions of the Pakistan (Audit and Accounts) Order 1952. I am assured that my officers have obtained all the information and explanations that they have required and according to the best of my information I certify that the account above is correct subject to the observations in the report.

KARACHI,

Auditor General of Pakistan”.

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The above provisions apply mutatis mutandis to the Commercial Accounts and Report compiled by the Director of Commercial Audit.

607. The Appropriation Accounts. – As the standard form of Appropriation Account, the Auditor General has selected Form 134, which should be compiled with due regard to the instructions attached to it.

608. There should ordinarily be a single appropriation account for each grant voted by the Legislature, including charged appropriations connected with the service for which the grant is voted, and for the complete appropriation authorised for each wholly charged head of expenditure. If, however, the Committee on Public Accounts or the Finance Department desires that two or more accounts should be prepared in respect of a single big grant, this may be done, an abstract of the complete grant being prefixed to the separated accounts. For the purposes of appropriation audit, a grant so divided should continue to be treated as a single grant, and transfers from services falling under one of the appropriation accounts to services falling under another should be treated as transfers within a grant.

*NOTE. – In cases of this kind, it will ordinarily be desirable to press for the introduction of a new grant to cover that part of the expenditure which it is proposed to exhibit in a separate appropriation account.*

609. The Appropriation Accounts should be arranged serially by grants and appropriation, the distinguishing number of each grant or appropriation with its name being printed at the top of each page which deals with it. If a particular account deals with charged items only, or voted items only, the fact should be prominently recorded upon its face.

610. Below the title of each account which forms the subject of comment in the Report the words "See also the Audit Report" should be printed in thick type. To facilitate reference in such cases, an index in Form 135 should be carefully prepared and inserted at the end of the compilation.

611. Where the Appropriation Accounts relate wholly or in part to transactions, the audit of which devolves upon an Audit Officer other than the Accountant General who prepares the report on the Appropriation Accounts, the latter should obtain an Audit certificate in respect of such transactions included in the Appropriation Accounts. The certificate should, as far as possible, be in the form given below: -

"I have examined the above account and according to the best of my information as a result of a test audit of the books and in consideration of explanations given to me the account is correct subject to the observations in my report on the account. "

612. If so desired by the Finance Department, the Compiling Officer should send to each authority responsible for controlling expenditure against a grant an advance copy, in manuscript or proof, of the appropriation account of the Grant.

613. Sub-heads. – An appropriation account should be detailed, not necessarily by the minor or other subordinate heads of account prescribed for the classification of expenditure in the general accounts, but by such sub-heads as may be locally selected for the purpose. These sub-heads should be arranged as far as possible under the major and minor heads of the general accounts classification.

614. The selection of sub-heads for the Appropriation Accounts rests with the Finance Department; but that department will not ordinarily, without the consent of the Auditor General, prescribe sub-heads under which expenditure cannot be compiled from the general accounts without a change of classification in the latter. A contemplated prescription of this kind should, therefore, if the Government desires to press, it, be referred by the Accountant General for the orders of the Auditor General. Similarly, if the selection of sub-heads is such as to make it difficult, though not impossible, to apply the essential principles of appropriation audit, the Accountant General should represent to the Finance Department the desirability of revising them in the next year's estimate. If the Finance Department do not accept this proposal, the advice of the Auditor General should be sought.

615. While it is for the executive Government to select the sub-heads, the Accountant General is entitled to criticise the selection in his Report if it is such as to hamper appropriation audit or to obscure the presentation to the Committee on Public Accounts of the true results of the year. (See Note under Article 52 of the Audit Code). In offering such comments, the following points, among others, should be borne in mind:

- (a) A single sub-heads should not cover expenditure so large or activities so various as to necessitate extensive analysis in the explanatory notes.
- (b) On the other hand, excessive sub-division into sub-heads is undesirable, as it adds to the bulk of the compilation and tends to distract the attention of the reader from essential points.
- (c) Such items as outlay on grants-in-aid should, if of appreciable size be accommodated in separate sub-heads.
- (d) Lump sum deductions for probable savings should preferably be shown under separate sub-heads.

616. The figures relating to each selected sub-head should be separately compiled in the Appropriation Accounts. The explanatory notes if any relating to each sub-head should, as prescribed in paragraph 619, be printed immediately below the relevant line of figures.

617. The figures of expenditure entered in the Appropriation Accounts must be the final figures of the year under report, as they stand after the general accounts have been closed. Every effort should be made to include in them all changes made by entries in the supplementary accounts for June, as it is of the counts of the Central and Provincial Governments in Pakistan should tally exactly before the general accounts of the year are closed and no change should be made in the Appropriation Accounts if it cannot be incorporated in the Combined Finance and Revenue Accounts by the Auditor General.

618. Notes on the Accounts. – The explanatory notes on the Appropriation Accounts should be prepared by the Officers compiling, the accounts.

619. The notes explanatory of each sub-head should be printed immediately below the relevant line of figures and the column or columns to which the explanation relates may be mentioned at the commencement of each note.

620. The main object of the note under a sub-head is to explain divergencies between that final allotment and the actual expenditure under the sub-head.

621. The responsibility for furnishing the necessary explanations rests upon the officer compiling the accounts. If he finds it necessary to collect information from departmental officers, he must make his own arrangements for doing so,



invoking, if necessary, the assistance of the Finance Department. Even where his explanations are based upon such information, he will be understood, in the absence of a specific statement to the contrary, to endorse the departmental explanations and accept them as correct.

622. (a) It is unnecessary to explain the reasons for individual re-appropriations, withdrawals, surrenders or supplementary provisions unless –

- (i) they are of appreciable size, or
- (ii) the expectations with which they were made or obtained have fallen notably short of fulfilment.

(b) Trivial discrepancies between the final figure of the allotment for a sub-head and the actual expenditure under it need not be explained. If possible an agreement should be reached with the Government and the Committee on Public Accounts, prescribing a money limit, possibly modified by a percentage limit below which discrepancies may be disregarded as trivial. These limits should not, however, prevent important matters of principle from being mentioned.

623. In drafting explanations the following instructions should be observed:

- (i) Brevity should be carefully studied and unnecessary repetitions avoided. Information should be supplied in the simplest form compatible with the object of bringing the fact clearly to the notice of the authority which authorised the supply of funds.
- (ii) General terms should not be employed. It is, for example, no adequate explanation of a saving on the purchase of stores to state that “fewer stores were purchased”. The reasons for the smaller purchases should be given.
- (iii) Criticism should be avoided. Its proper place is in the audit comments which follow the accounts and notes. Attention may, however, be drawn to any misstatement contained in a departmental explanation which it is found necessary to reproduce.

624. The following points should be borne in mind in explaining discrepancies:

- (i) The provision under the sub-head is the unit voted by the Legislature if there is no appreciable saving or excess on the sub-heads as a whole, it is unnecessary, in the absence of very special circumstances, to explain discrepancies in respect of items falling within the unit.

- (ii) In explaining uncovered variations between the final grant or appropriation and the actual expenditure, the reasons why it was impossible to surrender unwanted funds or to obtain an additional provision should be fully set forth.
- (iii) If variations are due to several causes, the approximate amount due to each of these should be stated.
- (iv) In explaining savings, those which are due to temporary postponement of expenditure should be distinguished from the results of economy, retrenchment or deliberate abandonment of project schemes. If a service or work for which provision was made in the budget is deliberately abandoned in order to make funds available for expenditure for which no such provision was made the fact should be mentioned.
- (v) Comments should be made, where necessary, upon failure to realize "Probable Savings" for which allowance was made in the budget.

625. When a variation under a sub-head cannot be explained in a note of reasonable brevity, the explanation should be incorporated in an appendix to the account, a reference to this fact being made in a note below the sub-head.

626. If there is an excess over a total Grant or Appropriation, the main reason for the excess should be summarized in a separate note at the end of the account. A similar course should be followed when the percentage of total savings is notably high.

627. In addition to explanations of variations between authorized provision and expenditure, it is frequently desirable to supply other information in the explanatory notes. The following are examples of such information:

- (a) Although the Appropriation Accounts do not deal with receipts, cases often arise in which there is some correlation between important items of expenditure and the corresponding receipts, which may be expected to vary in proportion to each other. If this expectation is for any reason not fulfilled, the reasons should be explained, unless it is fully apparent from a subsidiary statement or account attached to the Appropriation Account.

*NOTE. – The Appropriation for Defence Services is a net one, i.e., the total net expenditure on Defence Services after deducting receipts is limited to the amount appropriated for these services. The Appropriation Accounts of Defence Services should include an examination of the receipt side of the account also, though not in great detail in order that the Appropriation Account may completely fulfill their function.*

- (b) If important items of expenditure are mutually so related that variations in one of them should normally affect another the actual figures of all should be set out in the notes and comment made upon notable divergences.
- (c) If a debit to a particular account is offset by a credit elsewhere, the fact should be stated in the notes.
- (d) If similar features of different appropriation accounts are explained by a single cause or series of connected causes, a note should be inserted in some suitable place exhibiting the cumulative effect of such cause or causes, and a reference to this note should be made in dealing with each of the accounts concerned.
- (e) On the completion of a special scheme or other temporary object of expenditure which is of appreciable importance, suitable remarks regarding its unadjusted assets and liabilities should be made in the note below the relevant sub-head. If any stores or other classes of property were acquired by charge to the grant for the scheme, the actual or intended disposal of such property should be explained and any deficiencies noted or losses incurred should be mentioned. When an institution or department has been closed or transferred to another department or Government, the effect upon the accounts of the closure or transfer should be indicated.
- (f) When any important immovable property is purchased, relinquished or exchanged for other property, such details of the transaction as may be known should be incorporated in the note below the relevant sub-head. Thus, in the case of a sale, particulars of original cost may, if available, be given, and compared with the sale-proceeds and with any estimate which may have been included in a project estimate.
- (g) Where the Appropriation Accounts are not compiled by the Audit Officer, the compiling officer should endeavour, when drafting the Audit Officer may be expected to offer upon the figures of the sub-head concerned.
- (h) In general, it should be remembered that it is desirable to give an Explanation of every transaction which cannot be presumed to have been contemplated by the Legislature or the Government when voting or allotting the funds from which it was financed.

## **Subsidiary Statements and Accounts**

628. In respect of certain classes of expenditure, it is desirable to attach to the Appropriation Accounts subsidiary statements and accounts, examples of these are given in the following paragraphs.

629. Statements of New Works. – (a) In the detailed budget estimates provision is ordinarily made for individual works if the expenditure upon them is expected to exceed a prescribed monetary limit; and, in addition, funds are provided in lump for minor items of works expenditure and, in some cases, for unforeseen charges also. Expenditure on individual works is not, however, as a general rule, shown separately in the appropriation accounts, the outlay being shown as a whole against one or more sub-heads.

(b) In order to bring out the extent to which the approved programme of expenditure has been followed, detailed statements in Form 136 should be appended to the Appropriation Accounts. A separate statement of this kind should be appended to each account which deals with appreciable expenditure upon new works; and, if necessary, such statements should be sub-divided. Thus outlay upon new Civil Works should be exhibited separately under the four headings “Buildings”, “Communications”, “Miscellaneous” and “Tools and Plant – New Supplies” and the portion dealing with “Buildings” may itself be sub-divided to such extent as the Finance Department may desire. Similarly, Irrigation works should be sub-divided into “Works”, “Extensions and Improvements” and “Tools and Plant – New Supplies”.

(c) Notes should be included in each statement in Form 136, explaining marked variations between the estimated and actual expenditure upon individual works or groups of works, as the case may be. Examples of suitable notes are appended to the specimen form.

630. Statements on similar lines may at times be usefully employed in setting out the progress of expenditure arising out of a concerted programme of outlay upon objects other than new works; such, for examples as a political or other mission or a scheme of inquiry or reorganization.

631. Trading Accounts. – Trading Accounts are designed to show the commercial results of undertakings of commercial character which are financed, directly or indirectly, out of public funds.

632. The Director of Commercial Audit will make arrangements to incorporate in the relevant Commercial Accounts the Trading and Profit and Loss Accounts and Balance Sheets of Government commercial undertakings or departments Statutory Corporations and corporate bodies and/or such other accounts as may be prescribed in consultation with the Finance Department of the Government concerned. Such accounts should ordinarily set out, in addition to the figures of the year under report, those of the year immediately preceding it.

633. Similarly in respect of quasi-commercial undertakings, the officer compiling the accounts should move the Finance Department to decide the nature and form of the subsidiary accounts and statements, if any, which should be appended to the Appropriation Accounts. The orders of the Auditor General should, however, be taken if the decision of the Finance Department involves a substantial change in the form of any regular account or a material departure from any general form prescribed for a similar purpose with the approval of the Comptroller and Auditor General.

634. Every Trading Account included in the Commercial Accounts should bear the signature and designation of (1) the officer in immediate charge of the undertaking, (2) the accountant or other person responsible for the book-keeping and the compilation of the accounts and (3) the officer responsible for their audit. The last named officer should append a certificate of audit in such form as may be prescribed for the Purpose. In case of statutory corporations, however, their published accounts will be included in the Commercial Accounts along with the names of signatories to these account.

635. Stores Accounts. – The appropriation Account of a grant covering expenditure on the purchase of stores which will be brought gradually into use furnishes no evidence that the stores actually purchased were really required and that they have been properly utilized. Irregularity in the disposal of public stores is equivalent to irregularity in the handling of public money. In order, therefore, that the appropriation account of such a grant may be complete, it is desirable that it should be supplemented by a Store Account showing the transactions in connection with stores actually carried out during the year. This is particularly desirable where the value of stores is considerable.

636. There is another reason for regarding a Store Account as the necessary complement of the appropriation account in such cases. The appropriation account is no guide to the adequacy of stocks. If it shows a saving or an excess over the appropriation for purchase of stores, the real nature of such saving or excess cannot be determined without reference to condition of the stock account at the beginning and end of the year. The latter alone can show the true extent of the drafts actually made upon the stock in hand. A Store Account is therefore essential if it is desired to keep a watch over the actual consumption of stores.

637. The Store Accounts of departments or undertakings not under the audit of the Audit Department should not be appended to the Appropriation Accounts, Commercial Accounts without the consent of the Finance Department of the government concerned. The officer compiling the Appropriation Accounts, Commercial Accounts should ask for such consent where the extent of the stocks purchased or held renders this desirable.

638. Store Accounts should be in such form as may be locally prescribed for the purpose, and should give the following information:

- (a) The values of -
  - (i) the opening balance;
  - (ii) receipts during the year, distributed, if so desired, over principal sources of receipt;
  - (iii) utilizations, sales and other disposals during the year;
  - (iv) depreciation, shortages, etc., written off during the year;  
and
  - (v) the closing balance.
- (b) The results of stock verification and of revaluation, if any.
- (c) The agency employed for such verification and revaluation, where, as in the case of Salt and Opium Stores, the stocks are large and of a more or less homogeneous character, the accounts may with advantage show quantities and, if possible, rates in addition to values.

It may be advantageous to exhibit stores balances by categories, and this method will be specially helpful when high balances have to be explained.

639. As in the case of Trading Accounts, Store Accounts should bear the signature of the officer in immediate charge of the stores and of the accountant responsible for the preparation of the accounts. If, under paragraph 13(2) of the Pakistan (Audit and Accounts) Order, 1952, the audit of the Store Accounts has been entrusted to an Audit Officer, an audit certificate should be signed by the latter. When an account not under such audit is appended to the appropriation account, the explanatory note under the relevant sub-head should mention this fact.

640. Accounts of Expenditure from Grants-in-aid. – Separate accounts of expenditure, by grantees, from grants-in-aid should be appended to the Appropriation Accounts in case where the submission of an audited account or the subjection of the accounts of expenditure to Government audit is made a specific condition of the grant. All such accounts should be signed by the grantee or by his responsible accountant and should bear a certificate of audit.

641. Where grants-in-aid are sanctioned for expenditure on the public service by, or under the control of a Government official, separate accounts of such expenditure should not be attached to the Appropriation Accounts unless the Finance Department of the Government concerned so desire.

642. Accounts of Depreciation and other Reserve Funds. – Where a Depreciation or other Reserve Fund has been instituted for a particular

department or undertaking of Government, the accounts of such funds should be appended to the Appropriation/Commercial Accounts in such form as may be prescribed for the purpose by the auditor General.

643. Accounts of Lump Sum Provision. – Where a lump sum provision is made in a grant or appropriation, for distribution by re-appropriation over different sub-heads of the grant or appropriation, it is desirable, if the transactions are numerous, to append to the Appropriation Accounts a statement showing the actual utilization of the provision. If the transactions are comparatively few, it should ordinarily be possible to deal with them in the explanatory notes under the relevant sub-head.

644. Explanations of Complicated Accounting Procedure. – Where it is desired to give a detailed explanation of complicated accounting procedure, such as the nature and meaning of a particular Suspense head, this should ordinarily be done in an appendix attached to the Appropriation Accounts. It is desirable to avoid over-loading the explanatory notes below the sub-heads.

645. Whenever a statement, account, review or report bears the signature and designation of the officer preparing it, the date and the name of the station also should be mentioned.

### **Audit Comments**

646. Appended to each appropriation account should be audit comments of the Accountant General. These should deal with the Appropriation Account itself and with any subsidiary accounts, statements or appendices attached to it. Similarly, audit comments of the Director of Commercial Audit on the Proforma Accounts of each commercial institution as well as on the Accounts of Statutory Corporations, etc., should be printed in the Commercial Accounts.

*NOTE. – In cases where subsidiary accounts subject to audit are incorporated in the administrative Reports of the Departments concerned, but not appended to the appropriation account, the audit comments below the appropriation account will, in addition, mention whether the subsidiary accounts have been audited by the Accountant General concerned and also the general results of such audit, i.e., either that the results are satisfactory or other appropriate remarks.*

647. The comments should deal with irregularities of the types described in paragraph 601 and with those connected with budgeting or control over expenditure, where these have not been deemed of sufficient importance to justify inclusion in the general review of the results of audit. They should not ordinarily contain remarks about the improvement or deterioration in budgeting or control of expenditure but whenever it is thought necessary or justifiable to express a definite opinion (instead of leaving the facts to speak for themselves) that there has been 'improvement' or 'deterioration' in budgeting or control of expenditure, such comments should be very carefully tested first for correctness

in the light inter alia of the other side's explanation. Comments of this kind should not be made on a superficial view, say, of a net percentage figure.

*NOTE. – The main test of the adequacy of expenditure control is the extent to which there exist at the close of the financial year, differences between expenditure and authorized provisions under individual heads or sub-heads, uncertified, in the case of excesses, by the provision of additional funds and, in the case of savings, by surrender to the finance Department. The statistics of expenditure placed under objection also shed a valuable side-light on the efficiency of control. Any comments made should be illustrated by facts and figures and should be directed mainly at establishing the need for scrutiny of methods of control. An apparent misuse of delegation of powers of re-appropriation is, however, a subject for legitimate comment.*

648. The following, among other matters, may with advantage be mentioned in the comments: -

- (i) instances of postponement to a later year of payments or adjustments which should have been made during the year under report;
- (ii) instances of payments or adjustments carried over from a previous year;
- (iii) important assets awaiting realization and the progress made in realizing them; and
- (iv) progress made in the recovery of recoverable expenditure, including such expenditure regularly debited as final outlay.

649. As indicated in paragraph 639, an Audit Officer cannot certify to the correctness of the Stores Accounts where the audit of stores transactions of the department concerned has not been entrusted to the Auditor General under paragraph 13(2) of the Pakistan (Audit and Accounts) Order, 1952, and unless a Store Account has been audited in detail and with care it is difficult to comment on it with authority. The Audit Officer may, however, assist the Public Accounts Committee in their investigation into the stores transactions by comments on some aspects of these transactions in the Appropriation/Commercial Accounts. Comment may for example, deal with the following points -

- (1) Whether the closing balances as disclosed in the Stores Accounts appear to have been excessive.
- (2) Whether the amounts written off by way of depreciation, shortages, etc., during the year appear to be abnormally high.
- (3) Whether the stock verification and revaluation, if any, has been made by proper authorities.
- (4) In one province the Public Accounts Committee has desired that the Stores Accounts should indicate surplus stores, if any.



The Audit Officer may comment in cases where such surplus appears to be abnormal and after enquiry from the departmental officers he may also be in a position to say whether adequate measures are being taken to dispose of the surpluses.

The foregoing list is by no means exhaustive and what is really desired is that all Audit Officers should continuously realize that they are expected not merely to reproduce the Store Accounts but to audit them with reference inter alia to the points mentioned above. No comments need, however, be made in the Appropriation/Commercial Accounts unless there is anything special to be said. Remarks such as “the closing balances appear to be suitable” or other equally colourless remarks do not help any one and may even be misleading and dangerous, as they may lead the Public Accounts Committee to refrain from investigation in a case where a correct appreciation of the position can be formed only after examination of the departmental witness.

### **Finance Accounts and Audit Report**

Title of the Compilation

650. As in the case of the Appropriation Accounts and Audit Report, the finance Accounts and Audit Report relating to the accounts of a Provincial Government should be described on its title page as the “Finance Accounts \_\_\_\_\_  
(year of accounts)  
and the Audit Report \_\_\_\_\_”,  
(calendar years of issue of the Report)

the name of the Government being printed at the top. The title page should be printed in the manner indicated in the ‘Skeleton Draft Finance Accounts and Audit Report’. This form should also be adopted for the compilation relating to the accounts of the Central Government.

### **Form and arrangement**

651. As indicated in the ‘Skeleton Draft Finance Accounts and Audit Report’, the Finance Accounts and Report should be divided into two sections as described’ in Article 275 of the Account Code, Volume IV.

### **Instructions for preparation**

652. A detailed description of the nature of the information to be given in each Section and instructions relevant thereto are given in the body of the ‘Skeleton Draft Finance Accounts and Audit Report’, Articles 272 to 275 of the Audit Code, and paragraphs 301 to 302 of this Manual. In reviewing the balances under various heads the following information should be furnished: -

- (1) a statement of each ledger balance which is to be explained;

- (2) an explanation of the nature and conditions of the liability involved in it;
- (3) a statement of the nature of the detailed accounts kept of the transactions connected with it, and how far the final results of these detailed accounts work up to, and agree with, the balance on the Ledger; and
- (4) information as to whether the person or persons by whom the balance is owned or from whom it is due, admit its correctness, and, if they do not where the difference lies: this would not apply to such items as deposits or ordinary advances, but it should be explained how far the latter are believed to be really recoverable.

653. In the Report on Central Finance Accounts, the Accountant General, Pakistan Revenues, who is responsible for the audit of transactions in connection with the Debt Redemption Scheme of the Central Government should, in addition to other necessary information, insert a formal audit certificate so that there may be from year to year an assurance that the conditions of the Scheme have been scrupulously observed. This certificate need not be in a set form, but should state clearly the terms of the undertaking given and should contain the Audit Officer's assurance about their observance.

#### **Instructions to be followed in the preparation of the Accounts and Reports for Press**

654. In preparing these Accounts and Reports for press, every endeavour should be made to keep the cost of printing at the lowest level consistent with the presentation of a clear, intelligible and readable production. The following points, in particular, should be borne in mind: -

- (a) Before a report is sent to press, the general arrangement of its printing should be carefully considered, and the instructions given should be sufficiently clear and precise, particularly, in respect of the matter referred to in clause (g) below, to obviate the necessity of calling for a second proof. The manuscript should be legibly type-written and should be sent in its final form.
- (b) The size of each report should be "royal octavo".
- (c) Expenditure charged on the revenues of a province should be printed in italics.
- (d) Index letters for footnotes should be printed in the definite order from the top to the bottom of columns and from left to right of the statement.

- (e) Heads of accounts against which there are no figures should not be printed. A head without figures on one side of the account may, however, be printed when the same head has figures against it on the other side of the account.
- (f) Deduct figures appearing in detailed accounts of revenue and expenditure by minor heads of Part A of the Finance Accounts should be printed in roman type with minus sign before them.
- (g) Different distinctive types should be employed imprinting the headings of main and subordinate heads in Part 'B' of the Finance Accounts and Reports. It is to be noted, however, that it is the employment of the type of various sizes which enhances the cost of printing the employment of different types of the same size does not increase expense. "Small pica" and "11 point" types are convenient media for the letter-press of the report. The Appropriation Accounts, with their explanatory notes, should be uniformly printed in "brevier" "mono-brevier" or "point".
- (h) Paisa should be omitted from all figures. Elsewhere than in the Appropriation Accounts it will frequently be convenient to express sums in thousands of rupees. When this is done, the usual prefix "Rs." should be omitted, and it should be explained, in a prefatory note to the Report, that figures not preceded by this sign represent thousands of rupees.
- (i) Tabular statements containing four or more columns are expensive to print and should, as far as possible, be avoided. A statement such as the given below: -

<b>Year</b>	<b>Pakistan Revenues</b>	<b>NA.AW.P.</b>	<b>East Pakistan</b>	<b>S.A. W.P.</b>	<b>West Pakistan, Lahore</b>
	Rs.	Rs.	Rs.	Rs.	Rs.
1948-49	13,725	19,314	21,246	17,455	12,394
1949-50	12,967	14,650	29,670	16,788	13,006

can readily be replaced by the following simple and inexpensive form: -

	1948-49	1949-50
	Rs.	Rs.
Pakistan Revenues	13,725	12,967
N.A. W.P.	19,314	14,650
East Pakistan	21,246	29,670
S.A.W.P.	17,455	16,788
West Pakistan, Lahore	12,394	13,006

*NOTE. – Columns of statements and accounts containing more than three column should be numbered in all cases.*

- (j) A balanced account with no more than two or three entries on the credit side and very numerous entries in the debit column occupies an unnecessary amount of space. Instead of printing it as a tabular statement, it will often be possible to divide it into three separate statements, recording respectively, balance, receipts and issues on the lines of the example given below: -

**STATEMENT I. – Balance**

	Rs.
Balance on 1st July 1948	2,68,325
Receipts (Statement II)	<u>6,41,455</u>
	<u>9,09,780</u>
Issues (Statement III)	<u>7,48,345</u>
Balance on 30 <sup>th</sup> June 1949	1,61,435

**STATEMENT II. – Receipts.**

Twenty items (set out in detail).

**STATEMENT III. – Issues.**

Twenty items (set out in detail).

- (k) Unnecessarily large spacing between lines and unnecessary blanks should be avoided.
- (l) A single set of totals will suffice for each appropriation account, even if it covers several pages. It is unnecessary to “carry forward” page totals.

655. No more copies of these Accounts and Reports than are really necessary should be printed. The number required for the use of the government concerned should be ascertained from the Finance Department. The number of copies required by the Auditor-General is stated in paragraph 656. The compiling officer himself should estimate his requirements for his office library, for circulation among his establishment and for supply to the officers with whom he exchanges publications. A number of copies may be offered for sale if the Provincial Government concerned so desires. The number of copies to be sold may be determined in consultation with the Central publication Branch, Karachi.

**Submission of the Accounts and Reports to the Auditor General**

656. Proof and final copies of the Appropriation/Commercial Accounts and Reports should be submitted to the Auditor-General so as to reach him on or

before the dates mentioned below. The number of final copies required in each case is also indicated.

Name of the Appropriation Accounts and / or Report	Due date of proof copies	Due date of final copies	Number of final copies
Provincial appropriation Accounts and Reports	15 <sup>th</sup> January of the year following the financial year to which the Accounts relate.	28 <sup>th</sup> February of the year following the financial year to which the Accounts relate.	Eighteen.
Provincial Commercial Accounts and Report.	Do	Do.	Eighteen
Appropriation Accounts (Posts and Telegraphs) and the Audit Report	15 <sup>th</sup> February of the year following the financial year to which the Accounts relate.	21 <sup>st</sup> March of the year following the financial year to which the Accounts relate.	Seventy Two
Central Appropriation Accounts (Civil) and the Audit Report.	22 <sup>nd</sup> March of the year following the financial year to which the Accounts relate.	30 <sup>th</sup> April of the year following the financial year to which the Accounts relate.	Seventy Four.
Commercial Accounts and the Audit Reports	Do	16 <sup>th</sup> May of the year following the financial year to which the Accounts relate.	Seventy Four
Appropriation Accounts of the Defence Services.	15 <sup>th</sup> March of the year following the financial year to which the Accounts relate.	15 <sup>th</sup> April of the year following the financial year to which the Accounts relate.	Seventy Tow.
Commercial Appendix to the above and the Audit Report.	22 <sup>nd</sup> April of the year following the financial year to which the Accounts relate.	31 <sup>st</sup> May of the year following the financial year to which the Accounts relate.	Seventy Two
Audit Report on the Accounts of Defence Services.	15 <sup>th</sup> April of the year following the financial year to which the Accounts relate.	15 <sup>th</sup> May of the year following the financial year to which the Accounts relate.	Seventy Two.

Appropriation Accounts of Railways.	15 <sup>th</sup> May of the year following the financial year to which the Accounts relate.	15 <sup>th</sup> June of the year following the financial year to which the Accounts relate.	Seventy Two.
Audit Report on the Accounts of Railways.	15 <sup>th</sup> June of the year following the financial year to which the Accounts relate.	15 <sup>th</sup> July of the second financial year after the financial year to which the Accounts relate	Seventy Two

The due dates for submission of proof and final copies of the Finance Accounts and Reports to the Auditor General are given in Article 276 of the Account Code, Volume IV. The Auditor General requires twenty copies in the case of Provincial Finance Accounts and Report and seventy four copies in the case of Central Finance Accounts and Report.

If, for any special reasons, the due date for the submission of any of these Accounts and Reports to the Auditor General cannot be observed, the fact should be intimated to him as soon as possible, in any case, the intimation should reach him on the due date prescribed for submission of proof copies.

The Auditor General requires two proof copies in all cases.

*NOTE 1. – The Finance Accounts and Report will be printed finally only after the discrepancies noticed by the Auditor General in the course of checking the proof with the Combined Finance and Revenue Accounts of the Central and Provincial Governments in Pakistan have been settled and the Appropriation Accounts brought to final shape. An intimation of the final settlement of discrepancies will be sent to Accountants General by the Auditor General in the case of the Finance Accounts as well as the Appropriation Accounts. If no discrepancies are noticed, the Accountants General will be informed accordingly. The Appropriation Accounts should be considered to have been brought to final shape when the corrections made in the Finance Accounts as a result of the Auditor General's comments on the proof copies of the Finance Accounts have been carried out in the corresponding figures in the Appropriation Accounts and the latter have been arranged and sent to Press for proof. The final printing of the Finance Account should not be held up by Accountants General pending receipt of the Auditor General's comments on the proof copies of the Appropriation Accounts after the figures in the Finance Accounts have been finally corrected.*

*Similarly, the Appropriation Accounts and Report will be printed finally only after the discrepancies noticed by the Auditor General in the course of checking the proof with the combined Finance and Revenue Accounts of the Central and Provincial Governments have been settled. There should be no corrections in the figure of actual expenditure shown in the Appropriation Accounts after the Finance Accounts have been sent for final print.*

*Unless otherwise directed by the Auditor General for special reasons which will be communicated to the Accountants General separately, his orders for final printing of the Finance Accounts and the Appropriation Accounts after the stages indicated above will not be necessary.*

*In the Railways and Defence Appropriation Accounts, however, the check of actuals prescribed above is conducted by the Director of Railway Audit and the Director of Audit, Defence Services. The intimation of the reconciliation of the two sets of figures sent by these officers to the Financial Adviser (Communications) and the Financial Adviser, Military Finance should be regarded as having been issued on behalf of the Auditor General and as meeting the requirements of this note.*

*NOTE 2. – Deleted.*

*NOTE 3. – Where the figures for expenditure in England shown in the Appropriation Accounts prepared by the Accounting Officers in England differ from the Corresponding figures shown in the Pakistan Books, the figures as shown in the Pakistan Books should be adopted in the Appropriation Accounts and Reports prepared in Pakistan.*

*NOTE 4. – Two copies of appropriation / Commercial Accounts and Reports should bear the writer's signature in original. The space for the Auditor General's signature in these two copies as well as in two copies of Finance Accounts and Reports should be left blank and the Auditor General will put his signature in original in these copies.*

*NOTE 5. – The Accountant General/Director of Commercial Audit in charge at the time when the Report is printed off finally is responsible for it and should therefore sign it.*

657. These Accounts and Reports should be forwarded to the Auditor General with a covering letter in which Accountants General /Director of Commercial Audit should mention points in their Reports which they consider to be most important. No discussion of these points in the letter is necessary but the Accountant General should furnish in it such further information on any subjects included in the Reports which it was impossible to incorporate there. This letter should also mention cases, if any, included in the Appropriation Accounts and Reports at the request or with the concurrence of the Finance Department, which might otherwise have been excluded from it.

Copies of these Accounts and Reports may be supplied to the Finance Department, in advance of their transmission by the Auditor General, for such preliminary action as they consider necessary; but the stipulation should be made that the copies should be used for purely department purposes and not supplied to members of the Legislature or other non-officials until the document is signed by the Auditor General and formally submitted to Government.

658. As soon as possible after the submission of final copies to the Auditor General, the Accountant General should ascertain from the Provincial government and communicate to the Auditor General the date on which that Government will lay its next budget estimates before the Legislature in order to enable the Auditor General to submit the Accounts and Reports to the Provincial Government before that date. He should also arrange that copy of the Revised Estimates of the following year and of the budget together with a copy of the budget Speech of the Finance Minister of Government for the second succeeding year is supplied to the Auditor General.

659. Correction slips should not be issued for errors and misprints discovered in the Appropriation/Commercial Accounts and Reports after their presentation to the committee on Public Accounts unless they are important when, however, a correction is issued, it should be issued in the name of the preparation of the Report. The Auditor General requires one copy of corrections in excess of the number of copies of the Accounts and Report supplied to him.

### **Publication of the Accounts and Reports**

659-A. Provincial Accountants General will year by year take such steps as are open to them to see that presentation of the Accounts and Reports to the Legislature is prompt and that publication also is not delayed. The fact of presentation will be reported to the Auditor General at once and additional ten copies of each Accounts and Reports furnished to him; these copies will be placed in the Press Room of the Bureau of Public Information, Government of the Pakistan.

### **Consideration of the Accounts and Reports by Legislature**

660. The procedure which the various Legislature follow in dealing with these Accounts and Reports is described in the rules referred to in Article 258(2) of the audit Code. The following points may also be noted in this connection.

661. In considering the Appropriation/Commercial Accounts and report the Committee on Public Accounts does not function as an executive body. It has no power, even after the most minute examination and on the clearest evidence to disallow any item of expenditure or to issue any kind of order. It may offer advice upon any question arising out of the Accounts or Report, but its function is advisory only and its findings must be cast in the form of recommendations to the executive Government or to the Legislature.

662. The Accountant General/director of Commercial Audit who prepared the Appropriation/Commercial Accounts and Report should be present in person at such meetings of the committee on Public Accounts as he may be invited to attend. His presence is in all cases desirable, and particularly at those meetings at which evidence is taken; but it will rest with the Finance Department of the Government concerned to secure the issue of the invitation. If no invitation is received, the matter should be reported to the Auditor General.

663. Deleted.

664. In those provinces in which the detailed proceedings of the meetings of the Committee on Public Accounts and of the evidence given there at are published, the Accountant General/Director of Commercial Audit should keep a record of all engagements and promises which he may make in the course of the proceedings in order to ensure that they are duly honoured. In other cases, the printed proceedings should constitute such a record.



665. As laid down in Article 276 of the Audit Code, it is the duty of the Finance Department of the Government concerned to communicate the orders of Government on matters arising out of these Accounts and Reports but the Accountant General/Director of Commercial Audit who initially prepared the Reports is responsible for watching the action on them and should maintain a suitable register for the purpose. (See also Articles 277 and 278 of the Audit Code).

666. A report on the manner in which these Accounts and Reports are dealt with by Provincial Governments and their Legislatures should be submitted to the Auditor General. This report should contain information on the following points: -

- (1) The actual method of election of members of the Public Accounts Committee and the Chairman.
- (2) The actual composition of the Public Accounts Committee, i.e., whether it includes any members of the Operation.
- (3) The time when the Public Accounts Committee, sits and also whether the accounts (Appropriation/Commercial and Finance) were made available in any way to the Legislature or the public before the sitting of the Public Accounts Committee.
- (4) The manner in which the accounts are treated by the Public Accounts Committee and the attitude displayed towards audit criticism.
- (5) The disposal of the report of the Public Accounts Committee by the Legislature.
- (6) The time and manner of the presentation of the Finance Accounts to the Legislature.

Essentially the object of this report is to ascertain whether the Public Accounts Committee plays effectively its part in the scheme of Parliamentary financial control.

## **PART VI**

### **Inspections and Local Audit**

#### **CHAPTER 31. – INSPECTIONS AND LOCAL AUDIT**

##### **General**

667. As explained in Chapter 8 of Section III of the Audit Code central audit conducted in Audit offices has to be supplemented for certain purposes by inspections and local audit of transactions of certain Government institutions and offices. These inspections and local audit should be conducted by a selected staff of the Audit office consisting of several peripatetic papers.

##### **Inspections**

668. The necessary instructions in accordance with which inspections of Public Works offices and treasuries are conducted are given in Chapters 32 and 33. If in addition to these instructions any detailed or supplementary instructions are considered necessary for the guidance of the Inspecting Officer such instructions of any form of questionnaire is prohibited. The Inspecting Officer will remain responsible for the efficiency of the inspection work as a whole, though in accordance with the local instructions or local usage, some of the items of works may be entrusted to the subordinate staff.

##### **Local Audit**

669. The Classes of accounts with which the local Audit staff has to deal are so varied that it is not possible to lay down any general rules and instructions which may be applicable to all local audits. The instructions in this Chapter and elsewhere in his Manual mention some of the important matters to which attention should generally be given by the Local Audit staff and the Officer in charge of that staff. The detailed instructions for their guidance should be included in the local manuals.

670. It should be borne in mind that the essential object of accounts of any institution is to present a definite financial picture and that an intelligent audit is impossible unless there is some consideration of the general financial picture as well as investigation of the details of the transactions, the mass of which work to the financial result. The Local Audit staff should, therefore, before taking up the audit of any particular institution study the system of accounts and books prescribed to see why they have been prescribed and how far they fulfil the desired end. They should consult the periodical administration report or any other Government publication where the accounts of income and expenditure of the institution appear, so that they may obtain a correct perspective of the financial side of the institution and make their audit both intelligent and useful

instead of allowing it to become merely a process of checking registers in a disconnected and mechanical way.

671. As laid down in Article 1 of the Audit Code the primary function of Audit is to verify the accuracy and completeness of accounts. All possible attention should, therefore, be devoted to the examination of initial records and accounts. Initial records such as Cash Book, etc. should be invariably checked with the counterfoil of receipts and the treasury remittance books. It should also be ascertained whether the Treasury Rules are being properly followed by the departmental officers.

The local audit of expenditure should be of a limited character. It should be seen (a) that the vouchers not required to be sent to the Audit office are kept on record duly cancelled; and (b) that entries in the local accounts are properly vouched. It should also be examined that expenditure on contingencies, works, etc., is being properly regulated according to the financial rules and the accounts indicate no laxity in supervision and control.

672. The Local Audit staff should also examine the leave accounts and Service Books of the non-gazetted Government servants employed in the offices and institutions visited by them to ensure that they are kept in a satisfactory manner. A small percentage, say 5 to 10 of all leave accounts, should be checked and cases of the irregular grant of leave should be noticed. In the case of offices which are not inspected locally, the leave accounts of non-gazetted Government servants should be checked when the Inspecting staff visit for other inspections the headquarter stations of the area within the jurisdiction of which those office are located. The local check can be supplemented by the central check where the work is much in arrears. The leave accounts of such persons as are likely to retire before the next inspection takes place should be checked carefully.

673. The balance sheet and the profit and loss account of commercial concerns require special attention. In theory the settlement of the form and contents of the balance sheet is the responsibility of the management, and the function of Audit is restricted to reporting upon it. In practice, however, the balance sheet is almost invariably submitted to Audit for approval before it is finally settled Audit should see that the balance sheet satisfies the following conditions: -

- (i) it should be properly drawn up;
- (ii) it should be true;
- (iii) it should be correctly stated;
- (iv) it should be in accordance with the books; and
- (v) it must not convey misleading impression of the state of affairs of the concern.

The first, second and fourth of these conditions should not present any special difficulties, and if the first four are complied with, the last will almost certainly be fulfilled.

674. Whether a balance sheet is in accordance with the books, and whether what is stated therein is true, are generally questions of fact capable of verification; but the difficulty arises when in audit it has to be decided whether the various items are correctly stated as this is frequently a matter of opinion. Before a balance sheet can be regarded as correctly stated, it must conform to sound accounting principles. What is true is not necessarily correctly stated; for instance, it may be true to state that stock is taken at cost, but it would not usually be corrected to take it so, if at the date of the balance sheet there had been a fall in market value. It will be the duty of Audit to call attention to such points in the Audit report.

675. When the Officer in charge is present at the audit of a commercial concern he should attend personally to the more important matters: for instance, he should himself do a considerable portion of the Cash Book audit, examine the vouchers for large amounts and for unusual charges and check the postings of these amounts into the General Ledger. He should personally vouch the Journal paying particular attention to depreciation, bad debts, work in progress, valuation of floating assets, reserves and all indirect charges and check the postings to the General Ledger. He should himself conduct the audit of sanctions. He should check the Trial Balance with the ledger accounts, and see that all accounts are properly ruled off and that only the Balance Sheet items remain.

In the absence of the Officer in charge, these duties will devolve on the senior member of the staff.

## CHAPTER 32. – INSPECTION OF PUBLIC WORKS OFFICES

### Introductory

676. The Accountant General should arrange for the inspection and test audit of the accounts of each Public Works division, by a Gazetted Officer of his establishment, according to a programme of inspections the principles of which are settled from time to time in consultation with the Auditor General. Ordinarily heavy and important divisions should be inspected once a year.

1. *Ordinarily junior Gazetted Officers with less than five years' service should not be entrusted with this work, otherwise than as assistance to a senior Officer.*

677. The Inspecting Officer should be assisted, at the inspection of each divisional office, by a staff adequate to complete the inspection of any office, the work of which is not exceptionally heavy, within six days. The staff must include at least one experienced accountant. Inspection work is important and requires special qualifications and the staff should be selected carefully.

678. The work of test audit and inspection should be conducted ordinarily at the headquarters of the Division Officer, but it is open to the Accountant General to require the account records of a few sub divisions or subordinate offices, every year to be inspected in the offices concerned.

679. The Divisional Officer should be given sufficient notice of the probable dates of inspection and requested (i) to obtain from his subordinate offices, the necessary books, papers, etc., which should be specified, and (ii) to be present at his headquarters to meet the inspecting Officer in time to discuss the results of the inspection with him.

1. *In the case of many records, a general scrutiny has to be applied to all entries made therein since the date of the previous inspection. In some cases, it may be sufficient to require the records of a shorter period to be produced. In others, it may be desirable to ask for the production of documents covering a longer period, e.g., works Abstracts for a few works. Again, it may be advisable to name certain records specifically, e.g., a number of measurement books selected by reference to audited vouchers. The records required for production should be selected by the Inspecting Officer himself, who should take care not to disclose the name of the month, the accounts of which it is proposed to test audit, nor to specify (without simultaneously naming a few other works) the works the accounts of which are to be examined in detail.*

*If important records are not produced at an inspection every possible step should be taken to secure their production. If such efforts are unsuccessful, the omission should be mentioned specifically in the report and such records should be obtained for examination in the Audit office if such examination is considered to be necessary.*

2. *Whilst it is desirable to give Divisional Officers enough time for the collection of the necessary records, the notice of the inspection should not be longer than is necessary for the purpose. The tour programmes of Inspecting Officers should be treated as confidential until the notice of the inspection is addressed actually to the Divisional Officer concerned.*

3. *The provisions of this paragraph do not apply to cases in which the Accountant General deems a surprise visit to an office, by an Inspecting Officer, necessary.*

680. The following documents should be supplied to the Inspecting Officer from the Audit office: -

- (i) a complete set of the audited accounts for one month, with schedule dockets and vouchers, and also foils of paid cheques relating to the accounts of that month.
- (ii) one or two abstract travelling allowance bills of the division cashed during any month at the treasury at which the Divisional officer is authorised to present establishment bills, if the government has not authorised the submission to the Audit office of the journals of lower subordinates and members of the petty and irrigation revenue establishments.
- (iii) the last annual Account of Interest-Bearing Securities as well as the last periodical returns of Stock, and Tools and Plant, if still in the Accountant General's office, where any such accounts and returns are rendered to the Audit office, and
- (iv) a memorandum, signed by the Deputy Accountant General of points noted from time to time since the previous inspection as requiring special attention or examination on the spot (vide paragraph 397), e.g., delays in the clearance of any arrears in work or of any outstanding suspense or other balances.

681. The Deputy Accountant General should single out one major work or two minor works, whether completed or in progress, for a complete analysis and examination of their accounts since commencement and supply to the Inspecting Officer all Schedule Dockets (with vouchers) relating to such works.

1. *The Inspecting Officer will, however, be at liberty to analyse in detail the accounts of any other work or, works, in case he finds this desirable on the spot but he should report this to the Deputy Accountant General.*

### **Objects of Inspection**

682. The primary objects of this inspection are (i) a test audit of such accounts, vouchers, etc., as are not audited in the Audit office or as cannot be checked completely except at a local audit, (ii) an examination of the initial accounts from which the accounts rendered by Divisional Officers are compiled, or on which they are based, so that it may be seen that those accounts are properly maintained in the prescribed forms and (iii) a review of the work of the Divisional Accountant posted by the Accountant General so that it may be seen that the Accountant discharges his duties with efficiency. See Article 149 of the Audit Code.

### **Test Audit of Accounts of one Month**

683. All un-vouched cash and transfer entry charges, as shown in the Schedule Dockets taken from the audit office, should be audited in detail. It is not sufficient that the total amount of such charges should agree with the total of the vouchers produced for examination. It should be seen (1) that there is one record a voucher correct in all respects, in support of each item of expenditure for which a voucher is not required to be submitted to the Audit office (vide Article 232 of the Account Code, Volume III), and which appears in the several Cash Books and the Transfer Entry Book, (2) that the charge is in order, (3) that it is traceable into the Schedule Docket concerned, and (4) that in the Schedule Dockets there are not items treated as un-vouched charges which should not have been so classed. It should be seen in particular that all the vouchers were checked by the Divisional Accountant at the proper time and duly cancelled, as required by Articles 215 to 216 of the Audit Code and the Financial Rules of Government.

684. The audited vouchers of the selected month, taken from the Audit office should be examined so that it may be seen (1) that the quantities for which payment have been made are traceable, with the supporting details, in the records of measurement quoted in the vouchers, (2) that, in each case the record of measurement itself is in order, (3) that the rates at which payments were made for the several items of works or supply as shown in a voucher are in accordance with the terms and conditions of the relevant agreement, indent, or order, etc., and (4) that those terms and conditions had been duly sanctioned by competent authority before the liability was incurred, and are not open to any objection from an audit point of view.

685. The foils of paid cheques brought from the Audit office should be checked in detail with counterfoils, Cash Books and Vouchers so that it may be verified that payments have been made actually to the persons entitled to them. The endorsements and acknowledgements of the payees on cheques should be examined intelligently as to whether they give rise to any suspicion of a fraudulent payment. The endorsements on the paid cheques should be connected with the quittance on the relevant voucher or vouchers and inter alia it should be investigated whether any divisional employee figures in them. The Inspecting Officer himself may exercise the scrutiny prescribed in this paragraph or may entrust it his staff. The fact of the necessary scrutiny having been exercised should be record in the office notes relating to the inspection.

Cheques which have been paid by the treasuries of another account circle need not be obtained for the purpose of the scrutiny laid down in this paragraph unless the Deputy Accountant General directs otherwise.

*NOTES. – The Accountant General may at his discretion prescribed that only a percentage of the paid cheques of the selected month should be checked as laid down in this paragraph; the percentage to be prescribed should not, however, be less than 10 per cent.*

686. (a) It should be seen next that, if any of the vouchers and transfer entries of the month, including those taken from the Audit office, affect the Stock account, or the accounts of works, the charges against or credits to those accounts are shown correctly under the appropriate sub-head or suspense account and in the Contractors' Ledger or the materials accounts concerned. If any charges relate to collection of road metal, the corresponding entries in the Road Metal Return kept under the rules of Government should be traced.

(b) All transfer entries involving the rectification of errors should be examined and it should be seen (1) that the rectification was necessary and in order, and (2) that the original error does not disclose a defect in the system of accounting or indicate any financial irregularity.

687. The Stock accounts of the selected month should be examined and it should be seen that they are maintained in accordance with rule, the points of special importance being (1) that the quantities of both receipts and issues have been taken to account correctly, (2) that both receipts and issues are valued correctly, and (3) that the issue to works have been classified under the appropriate sub-heads or suspense accounts and carried to the ledger or materials accounts concerned.

688. After the Works Abstracts of the month have been checked, the total charges on each work should be agreed with the total of the relevant Schedule Dockets, and it should then be seen that the Works Abstracts have been posted correctly into the Register of Works and that all entries in the latter were reviewed by the Divisional Officer at the proper time.

### **General Examination of Accounts**

689. The initial accounts of cash and stock, the measurement books, muster rolls and detailed accounts of works, for the entries period covered by the inspection, should be examined generally and it should be seen that they are maintained and checked in accordance with the prescribed rules, and that the writings do not indicate any attempt to tamper with the records or to evade the requirements of rules. The recorded transactions should be surveyed intelligently, and, if necessary doubtful and abnormal items should be examined closely. Points requiring special attention are detailed in the following paragraphs. The more important items of work, to which the Inspecting Officer should devote his personal attention, are given in Annexure A to this Chapter. He should also bear in mind the directions contained in Article 152 of the Audit Code.

690. Cash Books. – (a) It should be seen specially that all receipts of cash as shown in the counterfoils of Receipt Books, which have been used by the Divisional Officer, or which are still in sub-divisional offices, are traceable, under proper dates and with correct particulars, in the cash books. In respect of counterfoils of receipts books used by officers other than the Divisional Officer,



which have already been recorded after check by the Divisional Accountant, only a small percentage of the items need be traced.

(b) Next, it should be seen that the entries in the current month's cash books are correct, and that the resultant book balances agree, in each case, with the cash in hand plus the amounts of imprests and temporary advances which should be supported by the latest acknowledgements of the officers concerned, as recorded in the last accounts or elsewhere (vide Article 234 of the Account Code, Volume III). The verification of the actual balances of cash is not incumbent upon the Inspecting Officer and it should always be dispensed with in cases in which the officer in charge of the cash chest is not present at the station see also Article 151 of the Audit Code in this connection. If in any case the cash balance 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. A not of the count, specifying the amount counted both in words and figures should be made in the Cash Book or account concerned.

(c) It should also be seen that all recent transactions relating to new imprests and temporary advances, or to additions to existing ones, are in order and that the memorandum of un-cashed cheques, etc., as recorded in the divisional cash book of a selected month is correct in all respects.

691. Stock Accounts. – Subject to the general directions in Articles 143 to 147 of the Audit Code, the Accountant General will determine the audit procedure with the concurrence of the Government. Such a procedure should, however, provide for the examination of the accounts in the following respects:

(a) It should be seen (i) that issues of stock materials to works are classified correctly under the two categories "Issues to Contractors" and "Issues direct to Works". (Article 126 of the Account Code, Volume III), that the rules of Government are observed in respect of "Issues to Contractors" and that contractors are charged correctly in all cases and do not derive, directly or indirectly, any un-authorised monetary benefit or aid in consequence of any arrangements in force; (ii) that there is no unnecessary accumulation of stock materials of any class; and (iii) that "Issue Rates" and "Storage Rates" are fixed in accordance with the rules prescribed by government.

(b) A few selected items of stock which were certified by the Divisional Officer in the Registers of Stock, as having been verified, should be examined in detail so that it may be seen that both the quantity and value accounts thereof were duly corrected in accordance with the recorded results of the verification.

(c) It should be ascertained that action has been taken with regard to the adjustment of profits and losses due to revaluation, stock-taking or other causes, and these are not indicative of any serious disregard of rule, and that adequate action has been taken as to the disposal of surplus and unserviceable materials.

(d) All important items of new purchases should be examined and it should be seen that the purchases have been made to the best advantage of Government either by invitation of tenders or through comparison of quotations from different markets dealing with the stores purchased.

(e) A few items of market rates filled in the Register should be examined so that it may be seen that they are based on the latest quotations or other reliable information.

692. Measurement Books. – It should be seen specially (i) that a few records of measurements, selected at random, are correct arithmetically, and (ii) that the arrangements in force for the taking of measurements and for the checking of measurements taken by officials of low standing, and the results of the check measurements are not such as to indicate laxity of financial control.

693. Muster Rolls. – The points to be seen specially are (i) that the disbursement of the labour charges and with it the certification of the disbursements is not entrusted, as a rule, to officials of a low standing; (ii) that there is evidence that the record of attendances is checked, at intervals, by responsible officers of the sub division; and (iii) that the cost of labour is not so largely in excess of the value (at current rates) of the work done as to indicate either loss to Government or need for closer financial control.

694. Accounts of Works. – The following points should receive special attention: -

- (i) whether there has been any tendency to keep the accounts of works open longer than necessary; if cases are found in which there has been apparent delay in the closure of the accounts some charges should be scrutinized for verification whether they indicate any tendency to utilize savings towards unauthorized expenditure;
- (ii) if cases of marked excesses over estimated rates or amounts are found some such cases should be examined for verification that there has been no financial irregularity or serious error in accounting;
- (iii) whether abandonment of work, as evidenced by smaller quantities executed than were estimated for has been accompanied invariably by corresponding savings in cost;
- (iv) whether material modifications of or deviations from the sanctioned estimates of large works or projects have received the sanction of competent authority.

- (v) whether the sub-head "Contingencies" of works the accounts of which are kept by sub-heads contains charges not pertaining to this sub-head;
- (vi) whether charges on account of work-charged establishments are in order;
- (vii) whether the arrangements in force in regard to "Advance Payments" and "Secured Advances" to contractors are such as not to involve risk of loss to Government, or as not to permit unauthorized aid to contractors;
- (viii) whether all balances in suspense account "Secured Advances" are covered duly executed indentures which are on record in the divisional office;
- (ix) if materials have been purchased for issue to contractors, whether the prescribed rules have been observed;
- (x) a few old items outstanding in the Suspense account "Contractors – Other Transactions" should be examined and any delay in their adjustment investigated it being seen in particular that there has been no omission to make the necessary recoveries in cases in which any "On account" or "Advance" payment has been made to the contractor in connection with the work;
- (xi) if the sub-head "Additional Charges for materials issued to Contractors" (vide Article 127 of the Account Code, Volume III) has been opened in the accounts of any work the accounts of which are kept by sub-heads, a few charges falling under this category should be examined for verification that they were correctly debitable to Government and not to the contractor concerned;
- (xii) the materials accounts of a few works should be examined so that it may be seen that, without sufficient reason, materials are not collected in excess of the requirements of works, that charges debitable to contractors are not shown in materials accounts, that the rules relating to the verification of materials are observed, and that differences are adjusted in accordance with rule;
- (xiii) whether the outturn from manufacture operations is priced at rates fixed by competent authority in accordance with rule, and whether, if there is a loss or likelihood of a loss on any operation, the causes at work have been investigated and it has been seen that they do not indicate any financial

irregularity of the fact that the departmental operations are less economical than acquisition of materials by purchase would be; and

- (xiv) if any closed accounts of completed or abandoned works were re-opened, the debits or credits booked against the re-opened account should be scrutinized specially and it should be seen that no irregularity has been committed.

695. The Works Abstracts and connected accounts relating to one or two selected works (vide paragraph 681) should be examined in detail from the commencement, and all transactions recorded in them should be analysed and, if necessary, compared with the details of the sanctioned estimates, and with contract agreements, measurement books, stock accounts and other relevant documents, including the schedule dockets (with vouchers) brought from the Audit office.

696. (a) The accounts of interest-bearing Securities should be examined and it should be seen that the rules relating to them are observed and that a few entries of the register maintained for the purpose should be compared with those in the Cash Book or other account, and vice versa with the object of ascertaining that the dical returns, as being on hand, should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgements of the deposits bearing dates subsequent to the dates of the last account, or the acknowledgements of the authorized custodians, as the case may be.

(b) If the Contractor's Ledger (monthly extracts) is not required to be submitted to the Accountant General's office, for audit the transactions covered thereby should be audited at the inspection (see Article 233 of the Account Code Volume III). The following registers should also be audited at the inspection if under the rules of Government they are required to be so audited: -

Register of Rents of Buildings and Lands (monthly extracts).

Register of Stock.

Register of Tools and Plant.

The extent of the audit to be applied to these Registers and the procedure to be observed in each case, will be settled by the Accountant General in consultation with the Government and laid down in his Manual.

698. (a) All accounts records not specially mentioned in paragraph 683 to 697 should also be examined generally and it should be seen –

- (1) that the prescribed procedure and forms are in use,

(2) that they are kept up-to-date, and

(3) that there are no financial irregularities or serious errors.

(b) Further, it should be seen generally -

(1) that the clearance of Suspense and other balances receives proper attention,

(2) that transfer entries in rectification of errors are in order.

(3) that the arrangements for the control of expenditure against allotments are satisfactory, and

(4) that, if there was any abnormal rush of expenditure towards the end of the financial year, it did not involve any financial irregularity, actual loss, manipulation of accounts, or relaxation (actual or probable) of the procedure prescribed for the measurement of work or supplies or for the examination of the claims of contractors and supplies before payments.

(c) The accounts and documents enumerated below should receive special attention: -

Register of Cheque (and Receipt) Books, Register of Measurement Books Standard Measurement Books, Road Metal Returns, Contract agreement Register of Transfers awaited, and Service Books of subordinate establishments.

*1. Advices of Transfer Debit received from other divisions should be inspected in particular and it should be seen that any minus debit advices were signed by the Divisional Offices concerned personally.*

699. If there is a workshop attached to the division, the system of accounts in force should be Reviewed and it should be seen (1) that it is in accordance with the procedure prescribed, (2) that it is suitable, and (3) that the Proforma accounts are maintained with reasonable accuracy.

700. For the purposes of verification of the correctness and genuineness of the entries in the office copy of the Monthly Account and the supporting registers and office copies of schedules, number of selected entries should be compared with the corresponding entries in the original accounts taken from the Audit office, and vice versa.

### **Review of Divisional Accountant's Audit**

701. The Divisional Accountant is charged with certain audit functions, and with the responsibility for inspecting periodically the accounts of sub-divisional offices

on the spot vide Articles 215 to 228 of the Audit Code. The procedure observed by him in discharging these duties, and the results achieved, should be reviewed by the Inspecting Officer, who should further consider all the observations recorded in the Register of Divisional Accountants' Audit Objections, Audit Code, Form 6, record his remarks against each item, and note for incorporation in his Inspection Report, for report to the Accountant General, or for other suitable action, any observation which, after discussion with the Divisional Officer where necessary, the Inspecting Officer decides not to withdraw, When an observation is withdrawn he should (quoting rules if possible) the full reasons for taking such action.

1. *A few cases of leave granted to subordinates should be examined and it should be seen that leave was not granted in any case before the applicant's title to it was certified by the Divisional Accountant and that the certificate was in order.*

2. *The audit applied by the Divisional Accountant to Travelling Allowance journals should be reviewed generally and it should be seen that they are scrutinized with care and before payment. In regard to any Abstract Travelling Allowance Bills brought from the Audit office (vide paragraph 680), it should be seen that in support of every claim for which a journal was not submitted to the Audit office there is on record, in the divisional office, a journal duly countersigned by the controlling authority and checked by the Divisional Accountant. These journals should be rechecked as a test of the accuracy of the Divisional Accountant's audit.*

3. *It should also be seen with reference to the prescribed rules that standard rents as well as the allowance fixed for maintenance and repairs which are due to be reviewed during the period under audit were reviewed punctually and revised where necessary, a test check being applied to the calculations in a few cases for verification of their accuracy.*

### **Arrears**

702. Any arrears or confusion in the account work of the division should receive the special attention of the Inspecting Officer, who, in consultation with the Divisional Officer and the Divisional Accountant, should devise the remedies to be applied and report the same immediately for the orders of the Accountant General; see also paragraph 368. It should also be seen that irregularities brought to notice at the previous inspection, as well as those noticed by the Divisional Officer or the Superintending Engineer at their respective inspections of offices, have been remedied and that the correct procedure is being observed in respect of all matters the procedure relating to which was considered defective previously.

### **Inspecting Officer's Reports**

703. The result of the Inspection should be drafted in three documents viz: -

- (i) Inspection Report – Part I.

Observations relating to important points and cases of serious financial irregularities, which are generally brought to the

notice of the higher authority,, and the replies to which are routed through the next higher authority.

(ii) Inspection Report – Part II.

Observations relating to irregularities not so important as to be brought to the notice of the higher authority, but important enough to be pursued with the head of the office inspected, and

(iii) Test Audit Note.

Observations relating to minor points settled on the spot at the instance of Audit or needing correction on the part of the head of the office inspected.

The Inspection Report, as well as the Test Audit Note, as soon as signed, should be forwarded to the Deputy accountant General. They should be accompanied a note by the Inspecting Officer enumerating the items (if any) of the Inspection Report which involve considerable losses, writes off or infructuous expenditure or other irregularities of great importance. He should be careful to obtain, all relevant facts in connection with each such item and discuss it specially with the Divisional Officer, if possible, and in the note he should state that he has done so.

704. The Inspecting Officer should submit to the Deputy Accountant General a confidential report, written in his own handwriting, on the work and qualifications of the Divisional Accountant, as judged mainly by the quality of the work done by him during the entire period covered by the inspection, especially by the results of the audit checks applied by him. No opinion on the work of the Accountant should be expressed in the Inspection Report.

1. *The Inspecting Officer should form an opinion as to the Divisional Accountant's knowledge of the rules and procedure relating to audit and accounts. It should be seen that the Divisional Accountant's personal copies of the codes and other books of reference supplied to him are correctly posted up-to-date.*

2. *The Accountant General, if he desires, may require the Inspecting Officer to submit, similar reports on any clerks of the division who, with the permission of their official superiors, have offered themselves as candidates for appointments under the control of the Accountant General.*

### **Disposal of Reports**

705. Both the Inspection Report and the Test Audit Note should be examined generally in the Works Audit Department, before they are sent out of the office, and, under the orders of the Deputy Accountant General, remarks which are not in order should be expunged or modified and those which are not considered to be of sufficient importance should be transferred from the Report to the Note.

706. The Test Audit Note should then be sent to the Divisional Officer for remarks and return, and points raised in it should be dealt with and settled in the manner prescribed for Audit Notes vide Chapter 28.

707. The Inspection Report should also be forwarded to the Divisional Officer, but in a tabular form providing separate columns for the record, against each item, of the replies and explanations of the Divisional Officer, of the remarks of the Superintending Engineer, and of the final disposal by the Accountant General. The Divisional Officer should be requested to return the report within specified period (which should be fixed under the orders of Government) through the Superintending Engineer. A copy of the report should be sent simultaneously to the latter and his attention invited specially to any important items or to serious irregularities or other points requiring special or prompt attention. A copy of the report, as sent to the Superintending Engineer, should be forwarded at the same time, to the Government for information.

708. If, on a consideration of the note by the Inspecting Officer mentioned in paragraph 703, it is held that any item in the Inspection Report is of such importance that it might find a place in the Appropriation Accounts and Report, it should form the subject of special correspondence with the Divisional Officer or the higher authorities.

709. The Inspection Report should be treated as an Objection Statement and dealt with in the manner laid down in paragraph 511 and 546. In the ordinary course, therefore, only those items will be reported to the Government which the Superintending Engineer is unable to, or does not, settle to the satisfaction of the Accountant General, or which it is necessary to report, in view of possible inclusion in the Appropriation Accounts and Report or for any other special reason. It is open, however, to Government to require that the explanations of the Divisional Officer and the remarks of the Superintending Engineer shall be forwarded to it for perusal; in such cases the tabular form of the Inspection Report and the procedure indicated in paragraph 707 should be amended suitably.

**ANNEXURE A**  
(see paragraph 689)

The Audit Officer inspecting a Public Works Division should devote his personal attention to all the items of work specified in Articles 152 and 153 of the Audit Code and paragraphs 701 to 704. He should also personally carry out the following items of work:

- (1) Review of all regular contracts and of a percentage of other agreements made since the last inspection.
- (2) Review of the Register of revenue, other than rents, including a review of the procedure for its assessment and realization,



special attention being paid to cases where a falling off is noticed in the revenue derived from any particular property, but see Articles 139 to 142 of the Audit Code.

- (3) Review of the system and extent of check-measurements by Divisional and Sub-divisional Officers and review of the check of measurement books by Divisional Accountants.
- (4) Review of the balances of stock, the system of acquisition of stores and of stores verification, but see Articles 143 to 147 of the Audit Code 3.
- (5) Review of the accounts of manufacture operations as prescribed in paragraph 694 (xiii).
- (6) Review of the banking arrangements, to see that they are generally satisfactory.

*NOTE: - It should be seen in particular. –*

- (a) *in whose custody the current cheque books are kept and by whom the cheques are filled in;*
  - (b) *what stock of blank cheque books and receipt books is in hand, where the books are kept, and what account is kept of them the balance of books in stock should be verified; and*
  - (c) *whether the certificate of account of cheques is duly recorded by the drawing officer on each cheque book.*
- (7) Review of the cash book on the lines indicated in paragraph 690, including a review of the arrangements for the custody of cash and of withdrawal of money from the cash chest.
  - (8) General review of the accounts of works: the nature and extent of detailed scrutiny being left to the Inspecting Officer's discretion.
  - (9) Review of the following registers and accounts, the nature and extent of the check being left to the discretion of the Inspecting Officer: -
    - (a) Muster rolls.
    - (b) Transfer entry book.
    - (c) Suspense and Deposit Registers.
    - (d) Schedule of rates.

- (e) Register of rents of buildings and lands.
- (f) Establishment work.
- (g) Monthly accounts.

1. *It is within the discretion of the Accountant General to add other items to the list according to local needs and circumstances. It is also open to the Inspecting Officer to extend his personal scrutiny to any other points which in his opinion require such scrutiny.*

## CHAPTER 33. – INSPECTION OF TREASURIES

### Introductory

710. The accounts of each district treasury will ordinarily be inspected once in three years by a Gazetted Officer deputed from the Audit office. Treasuries which need special attention may, however, be visited more frequently if it is so settled between the Accountant General and the Government. In that case treasuries should be divided into categories – those requiring annual inspection and those requiring inspection less frequently – and inspections should be regulated accordingly. The case of each treasury should be carefully reviewed before it is transferred to the category of those requiring more frequent inspection than once in three years. The categorization should not as well be adhered to rigidly and invariably. Special inspections may be made and the time table of inspections varied, at the discretion of the Accountant General, as circumstances may from time to time require.

A small number of sub-treasuries in which payments are made may also be inspected.

711. The Inspecting Officer should be assisted at the inspection of each treasury by a staff adequate to complete the inspection of any treasury, the work of which is not exceptionally heavy, within three days. Previous notice of the dates of inspection is not necessary, but as far as possible, it is desirable to avoid visits to a treasury office on days on which the treasury work is known to be heavy, e.g., when the accounts returns are due to be prepared for submission to Audit, or bills to be examined and paid.

712. The Inspecting Officer should be given a memorandum of points (1) noted from time to time since the previous inspection, in the course of the work of the Central office, as requiring special attention or examination on the spot e.g., delays in the clearance of any arrears in work or of any audit objections, and (2) for enquiry into which at an inspection the desire may have been expressed by the Currency Officer and the Manager of the State Bank in charge of the Public Debt work of the Province or the Government.

1. *The Deputy Accountant General should ascertain demi-officially from the Currency Officer and the Manager of the State Bank in charge of the Public Debt work of the Province, a few days before the proposed date of inspection, whether there are any special points which, those officers may wish to be investigated on the spot by the Inspecting Officer.*

713. The procedure to be observed by Audit Offices at the inspection of treasuries cannot be prescribed in detail. The general principles to be observed are stated in Chapter 8 of Section III of the Audit Code and in the following paragraphs. Consistently with these, Accountants General may lay own working instructions for the guidance of Inspecting Officers.

## Inspection

714. An important function of the Inspecting Officer is to see that the arrangements for the custody and registration of treasure are perfect and complete, that cash and other vouchers and stocks of forms of bills, cheques and Public works receipt books are handled strictly in accordance with rule, and that the arrangements in force, for dealing with tenderers of money and claimants for payments, are business like.

1. *It should be seen (1) that the treasurer has given adequate security covered by a proper bond, and that the bond is registered and kept in safe custody, and is tested periodically as may be prescribed, and (2) that the prescribed certificate of the suitability of strong rooms are obtained periodically from the authorities of the Public Works Department.*

715. At treasuries whose cash business is conducted by the Bank, it should be seen that the procedure prescribed for observance by the Treasury Officer is followed correctly, and that there are no deviations from the prescribed procedure on the part of the Bank. If any deviations are detected they should be brought to notice through the Inspection Report (paragraph 725).

1. *The Inspecting Officer is not required to inspect the Bank.*

716. It is a point of importance to ascertain that the rules and orders relating to coins, currency and remittances of treasure are clearly understood by the Treasury Officer and his staff, and duly observed in practice.

1. *It should be seen whether Currency chests have been opened at all sub-treasuries where these are likely to be useful.*

717. With reference to the rules regarding the deposit of Government securities with Treasury Officers, the Inspecting Officer is required, in addition to any other action that may be found desirable, to see that the registers and forms prescribed for recording the receipt and disposal of the securities have been correctly maintained, and to verify the securities in custody with the entries in the register concerned.

718. The procedure observed in the examination of claims for payments of kinds should receive special attention, and by the application of a few test checks, where possible, it should be seen whether the various prescribed checks are exercised strictly and with intelligence, whether the prescribed registers are properly maintained, and whether there is evidence to indicate that the Treasury Officer does exercise in actual practice all such checks as he is required to exercise personally under the rules of Government. With this object, it will be necessary to review some of the observations on which bill and other claims presented by drawing officers may have been returned for completion, alteration, etc., and in the course of this examination it should also be seen whether there is any tendency to raise frivolous and vexatious observations which hamper administration and create friction between the treasury and other offices.

719. It should be seen that specimen signatures of the drawing officer are properly recorded and that the signatures are referred to by the Treasury Officer, as well as by his staff, where they pass vouchers for payment. It should also be seen that proper arrangements exist for the record of the attested specimen impressions of the special seals received by the Treasury Officer from the Accountant General, etc., and that the special seals embossed on all orders and authorities for payment received as also the signatures of the officers issuing those orders and authorities are verified by the Treasury Officer and his staff before making payments. In the absence of any other evidence, a personal enquiry should be made of the Treasury Officer and a note of his reply should be placed on record.

720. The procedure observed for the identification of for verification of their continued existence should be examined in particular. In the case of pensioners who are specially exempted by Government from personal appearance at the treasury the Inspecting Officer should satisfy himself by conducting a test check that a note of the form in which proof is given, within each year, of the continued existence of such pensions is recorded on the Pension Payment Orders.

721. The procedure for dealing with cheques, the encashment of which is subject to the limitation of assignments, letters of credit, etc., should be examined specially in order to ensure that the rules are complied with.

### **Test Audit**

722. If, under the orders of the Auditor General, the Central Audit of any class of payment vouchers paid at treasuries is relaxed and a test-audit has been prescribed, this should be conducted at the inspection. For this purpose, the original vouchers and other accounts documents requiring examination or verification should be brought from the Audit office and the check thereof exercised previously by the Treasury Officer should be reviewed completely.

1. *The selection of the vouchers, etc., to be test-audited should be made under the order of the Accountant General.*

2. *Pension payments are subjected in the Audit office to a percentage check only (paragraph 160). One month's vouchers should, therefore, be test-audited at the treasury inspections. As this check will be conducted against the Pension Payment Orders (Treasury Officers' portions) filed in the treasury, it will be necessary for the Inspecting Officer to assure himself that these orders are genuine, that they do not appear to have been tampered with, and that, if any of them are orders issued by the Treasury Officer, himself in renewal of original orders of the Audit Officer, they are true counterparts of the originals. It should be seen in particular that pensions in arrears have not been paid without the necessary sanction.*

723. The records connected with objections raised by the Audit office should be reviewed closely. It should be seen that they receive due attention. If they are indicative of defective procedure in the treasury or in any of the Government offices dealing with the treasury, the defect should be brought to the notice of the authorities concerned. The Retrenchment Register should be examined in

particular and it should be seen that it is properly maintained and that no avoidable delay ordinarily occurs in effecting recoveries.

724. Arrears in the submission of account returns should be rare. Should there be any, they should receive the special attention of the Inspecting Officer. In any case, it should be seen that irregularities brought to notice, and instructions given, at the previous inspection have been remedied and that the correct procedure is being observed in respect of all matters the procedure relating to which was considered defective previously.

### **Inspection Report**

725. The results of the inspection should be set forth in a brief Inspection Report, which will be in two parts, one relating to currency, resource and public debt matters and the other dealing with other points. Points of minor importance should be settled personally on the spot or communicated to the Treasury Officer in the form of an Audit Note.

*NOTE I. – Each part will consist of 3 documents viz: -*

(i) Section (A).

Observations relating to important points and cases of serious financial irregularities, which are generally brought to the notice of the higher authority, and the replies to which are routed through the next higher authority.

(ii) Section (B).

Observations relating to irregularities not so important as to be brought to the notice of the higher authority, but important enough to be pursued with the head of the office inspected and

(iii) Section (C).

Observations relating to minor points settled on the spot at the instance of Audit or needing correction on the part of the head of the office inspected.

726. The Inspection Report should be completed before the Inspecting Officer leaves the treasury and it should not be signed until after the Treasury Officer has been given an opportunity of reading and discussing it and suggesting any omissions or modifications. If the Collector is present at headquarters, any important point in the Report should be generally discussed with him if possible.

727. The Inspection Report, as soon as signed should be forwarded to the Accountant General. It should be accompanied by a note by the Inspecting

Officer enumerating the items of the Report which involve considerable losses, or other irregularities of great importance. He should be careful to obtain all relevant facts in connection with each such item and discuss each item specially with the Collector (or with the Treasury Officer in his absence), and in the note he should state that he has done so.

728. The Inspection Report should be examined in the Treasury Audit Department, and any remarks contained in it, which are not held to be in order, or are not important enough for inclusion, should be expunged or modified. The report as finally approved should be sent to the Collector and a copy of the first part of it to the Currency Officer in whose jurisdiction the treasury is situated.

729. If, on a consideration of the note by the Inspecting Officer, referred to in paragraph 727, it is held that any item in the Inspection Report is likely to find a place in the Audit Reports it should form the subject to special correspondence with the collector or the higher authorities.

730. The Collector will pass such orders as he consider necessary on the report and send a copy of the orders to the Accountant General and a copy of the orders on the first part to the Currency Officer will forward his copy of the report and of the orders thereon to the Accountant General indicating whether so far as matters dealt with by the Bank are concerned the action taken is adequate or whether any further action is required. The Accountant General may refer to the Commissioner of the Division any matter brought to notice in the report which he considers should receive attention by the Commissioner or in respect of which he considers that the action taken by the Collector is inadequate. He should report to the Provincial Government all important irregularities and points which are not settled by reference to the commissioner. Any point of importance affecting the Central Government should be brought to the notice of that Government through the Auditor General. If the Provincial Government desires, the general results of the inspections and the final orders passed thereon will be summarized by the Accountant General and submitted to it. This summary may be included in the Accountant General's annual review on the working of treasuries if such a review is, under local arrangements, submitted to the Provincial Government (See Article 257 of the Audit Code).

## APPENDIX I

(See Article 178 of the Audit Code and Paragraph 75 of this Manual)

### RULES FOR THE ACCOUNTING FOR AND AUDIT OF THE PASSAGE CONCESSIONS

N.B. – Information regarding the non-Asiatic domicile of a Government servant will be obtained from the Government concerned.

1. **Maintenance of Personal Passage Accounts** – A Proforma account will be maintained outside the Government Account for each Government servant and for each member of his family, who is eligible for the benefits of the Passage Regulations. This will be called the Personal Passage Account. The account will be in form 137, one form being allotted for each beneficiary. Bound books will be used, a separate volume being maintained for each service or otherwise as may be deemed fit. A suitable index will be maintained for each volume. Each account will be kept in sterling. In it will be recorded: -

- (i) the total value of the benefits Admissible under Regulation 3 or 4, case many be;
- (ii) the cost of each journey as defined in Regulation 2(g), subject to the limit prescribed in Regulation 6;
- (iii) the actual cost of any railway journey permissible under Regulation6;
- (iv) the balance at the credit of the Government servant and of each member of his family;
- (v) any variation in the balance required under Regulation 12.

Whenever a certificate in Form 138 or Form 139 or Form 140 is issued, the number and the date of the certificate should be entered in the Remarks column.

*NOTE 1. – Regulation 12 in Schedule IV of the Superior Civil Services Rules should be followed in recalculating the credits in the Personal Passage Accounts of Government servants and their families on account of increase or decrease in the standard fares.*

In the case of Government servant who purchased a return ticket by the Peninsular and Oriental Steam Navigation Company or by other Steamship Companies prior to the date of reduction of the P. and O. standard fares but who used the return half after that date, the adjustment to be made in his passage account will be as follows: -



- (a) If the return ticket is by Peninsular and Oriental 1<sup>st</sup> Class B. by the all sea route, no adjustment in the passage account of the Government servant is necessary. The refund will not affect the balance at credit in the Passage Account. It would suffice if a note of refund of the amount made by the Steamship Company is kept in the Remarks column of the Passage Account.
- (b) In all cases not covered by clause (aa) the adjustment in the passage account of the Government servant should be made in the manner indicated below: -
- (i) Credit balance prior to the issue of the return ticket.
- (ii) Cost of the return ticket paid at the pre-reduction rates. B
- (iii) Credit balance in the Passage Account after debiting the cost of the return ticket. A – B
- (iv) Cost of the unused half of the return ticket at pre-reduction rates: C
- Real Credit balance on the date of reduction of rates, including the cost of the unavailable return half: A–B+C.
- Proportionate reduction (at X per £) under Regulation 12 of the passage Regulations: Xx(A–B+c)
- Refund by the Steamship Company: R
- Credit balance after adjustment of the refund: A–B+R–X(A–B+C)

*NOTE.2 – The personal passage accounts of all officers of the Pakistan Audit and Accounts Service who are eligible for the passage concessions, with the exception of those on foreign service whose pension contributions are not watched by the accountant General Pakistan Revenues, or such of those officers as are employed under the Provincial Governments, should be maintained in the office of the Accountant General, Pakistan Revenue.*

*NOTE 3. – All the Home Lines carrying passengers to and from Pakistan at present quote their fares in sterling.*

*In the few cases in which the fares are quoted in rupees without any reference to sterling, the rupee fares will be converted into sterling at the same rate as is adopted in covering fares into rupees under Rule 5 below.*

*NOTE 4. – Credit in respect of passage for children under 12 years of age should be at audit rate.*

*The value credited to the Personal Passage Account of an officer for his child can be utilized to meet the cost or part of the cost of more than one passage actually engaged for that child.*

*NOTE5. – A Persona Passage account should be credited with the cost of the appropriate number of passages at the standard return fare rates as defined in Regulation 2(b).*

*NOTE6. – Under the Passage Regulations a Government servant is free to chose the line of steamers by which he will travel and is not debarred from booking a 2<sup>nd</sup> class passage or a passage in any lower class. The saving accruing from the exercise of either of these options will remain at credit in the Personal Passage Account of the person or persons concerned and can be used towards meeting the cost of part of the cost of additional passage or passages engaged even in excess of the number of standard fares whose value has been credited to the Personal Passage Account concerned.*

2. As the account are purely personal, the credit outstanding in the account of each person can only be utilized for the benefit of that person. Whenever any member of a Government servant's family dies or ceases to be eligible for the benefits under, the Passage Regulations, his or her account should be closed by noting the word "Closed" and the reason therefore shown in Form 137. The balance, if any, in the account of a member of a Government servant's family when it is closed may not be transferred to the account of the Government servant or of any other member of his family. When the Government servant himself ceases to be eligible for the passage concessions, the whole set of accounts of that Government servant and of his family should also be closed after due time has been given for advantage to be taken of the benefit permissible under regulations 5 and 13. Any credit outstanding in the account lapses.

3. Procedure for engaging passages.- The application for passage benefits will be made by the Government servant in the Form prescribed by Government. If the Government servant is entitled to the benefit applied for (having due regard to the balance) in the account of the person from whom the benefit is claimed and to the provisions of Regulations 6 and 13) -

- (a) he will be paid before the commencement of the journey the total amount claimed in respect of journeys by land route of the persons included in his claim, and
- (b) an authority in Form 138 will be issued to him certifying the amount (balance) available for each person for journeys by sea or air.

On receipt of the authority in Form 138 the Government servant will forward it to the Steamship/ Air Transport Company or the Agent through whom he wishes to engage the passage or passages. If a passage is engaged through a Passenger Agent that Agent will send the authority in Form 138 to the Steamship/Air Transport Company, or the Agent of that Company with whom the passage is booked. In respect of all passages, whether booked direct or through an Agent the Steamship Air Transport Company or the Agent will then present a bill to the Audit Officer concerned for payment, and will send the authority in Form 138 along with the bill explaining any difference between the claim and the authority.

NOTE.1 – Form 138 will be printed in two foils of which one should be kept as an office copy. The forms will be machine-numbered serially for each year and bound in books of convenient size. As these forms furnish authorities for payment they should be kept under lock and key in the custody of the Superintendent of the Gazetted Audit Department.

NOTE.2 – The Steamship Companies named below have agreed to grant to passengers travelling under the Passage Concessions free conveyance of personal baggage in accordance with the following scales: -

(a) P. & O.S.N.Coy. -

For the officer	7 Cwts.
For his wife	5 Cwts.
For each child	1 Cwt.

The cwt. Being regarded as equivalent to 5 cubic feet.

(b) B.I.S.N. Coy. -

For the officer	7 Cwts.
For his wife	5 Cwts.
For each child	1 Cwt.

(c) Orient Steam Navigation Company -

For the officer	7 Cwts.
For his wife	5 Cwts.
For each child	1 Cwt.

(d) Anchor Line -

For the officer	7 Cwts.
For his wife	5 Cwts.
For each child over 3 years	3 Cwt.
For a child paying quarter fare	1½ Cwt.

(e) Ellerman City Line -

For the officer	7 Cwts.
For his wife	5 Cwts.
For each children	3 Cwt.

(f) Hall Line-

<i>For the officer</i>	<i>7 Cwts.</i>
<i>For his wife</i>	<i>5 Cwts.</i>
<i>For each children</i>	<i>3 Cwt.</i>
<i>(g) Bibby Brothers and Company -</i>	
<i>For the officer</i>	<i>7 Cwts.</i>
<i>For his wife</i>	<i>5 Cwts.</i>
<i>For each child</i>	<i>1 Cwt.</i>
<i>(h) Patrick Henderson &amp; Company -</i>	
<i>For the officer</i>	<i>7 Cwts.</i>
<i>For his wife</i>	<i>5 Cwts.</i>
<i>For each child</i>	<i>3 Cwt.</i>

*The cwt. Being regarded as equivalent to 5 cubic feet.*

*The allowance mentioned above need not be entered in the Passage Certificate (Form 138) issued to Lee Commission passengers travelling by the steamers of the Companies mentioned at (a), (b), (c), (g) and (h) above to long as the scale of baggage allowance fixed by these Companies for ordinary passengers travelling by their steamers is higher than the above-mentioned scale.*

*NOTE 3. – Government servants and their families, when travelling as concession passengers by vessels of the under-mentioned companies in a lower class of accommodation mentioned at (a), (b), (c), (g) and (h) above to long as the scale of baggage allowance than that appropriate to their status are allowed the free conveyance of baggage up to twice the Company's ordinary allowance for the class of accommodation in which they travel.*

*If it is note known, at the time of the receipt of application for concession passage in what class of accommodation the government servant or his family proposes to travel province should be made for alternative rates of baggage allowance in Form 138.*

*(i) The Ellerman Line.*

*(ii) The Anchor Line.*

*NOTE 4. – In the cases of children who are carried at half or quarter fare, for whom no scale of Government allowance of baggage has been laid down, double the Company's allowance for such children will be admissible. No baggage allowance will be admissible to children who are carried free.*

4. The Audit Officer should obtain from the Government servant a receipt for the amount paid to him in cash for the journeys by land route. The payment made should then be debited in the Personal Passage Account of the beneficiary concerned and an intimation sent to then Government servant in

Form 141. A copy of this intimation should be sent simultaneously to the High Commissioner for Pakistan.

Except when the amount claimed in respect of a journey by land route between a Mediterranean port and London is £ 8 or less, the cash payment made to the Government servant will be provisional and adjusted subsequently on receipt of a certificate from the Government servant in the following form: -

I certify that the total cost, the details of which are as stated below actually incurred by me for conveyance on the journey from to is

Details: -

Food.

Lodging.

Transport charges.

OR

I certify that I performed the journey in my own car.

This certificate will be accepted by the Audit Officer as the final discharge in respect of the provisional payment made, and accordingly he will arrange to recover or make a further cash payment, if the Government servant so elects, of the difference between the amount originally paid to the Government servant and the amount certified by him.

5. Payments of cost of passages. – The Steamship/Air Transport Company or the Agent of that Company or the Passenger Agent will present weekly consolidated bills to each Audit Office for payment, showing clearly: -

- (1) The name of the Steamship/Air Liner and also of the Agent, if any, through whom the passage was booked.
- (2) The names of ports between which the passages are engaged (including the journey by land between port and port, if any, covered by the Steamship Company's ticket.
- (3) Class of accommodation.
- (4) Date of embarkation.
- (5) Cost of passage, single or return, in sterling for each person separately, viz., for the Government servant, his wife and each child (with names of wife and children and age and sex of each child).

- (6) Amount in sterling, if any, paid by the Government servant himself as excess over the amounts authorized in Form 138.
- (7) Balance claimed in sterling.
- (8) Equivalent of (7) above in rupees.
- (9) Rate of exchange adopted.
- (10) Net amount claimed in rupees.

The rate of exchange at which sterling fares will be converted into rupees will be 1s. 9 d the rupee provided that if it should ever be found by actual experience that the market rate of exchange exhibits material fluctuations, the Central Government will be prepared, on request, to consider the advisability of reverting to the system of taking the market rate instead of the fixed rate of exchange of 1s. 9d.

*NOTE. – In the few cases in which the fares are quoted by a Steamship/Air Transport Company in rupees without any reference to sterling, only the rupee amounts may be shown in the weekly bills.*

6. If a claim prescribed by a Steamship/Air Transport Company or by an Agent of that Company or by a Passenger Agent is correct and in order, an is supported by the authority in Form 13 (and, in the case of a claim by a Passenger Agent, by a certificate to the effect that the fares charge represent the actual amounts paid by him for the tickets or vouchers to the Steamship/Air Transport Company concerned), payment will be made direct to the Company or to the Agent of the Company or to the Passenger Agent. To enable Audit and Accounts Officers to check these claims Steamship and Air Transport Companies having agencies in Pakistan supply them with up-to-date information regarding the fares charged by them. A claim relating to a passage by sea or air must be verified with reference to the published list of fares for the time being in force of the Company concerned, and if in any case the fare actually charged is not quoted in, or reducible from, such list or cannot be verified owing to no such list being available for the purpose, the Audit Officer should pay the claim provisionally and refer the matter to the Government of Pakistan for order. In the case, however, of a Company which does not supply information regarding its fares to Audit Officers, the claim presented by a Passenger Agent for a passage booked with the Company should in addition to the certificate mentioned above be supported either by documentary evidence, such as printed circulars showing the fares charged for journeys by the Company, or by a certificate from the Company as to correctness of the amount charged. If the requisite documentary evidence or certificates cannot be produced by the Passenger Agent at the time when the claim is presented, payment will be made by the Audit Officer provisionally, the Passenger Agent being asked to produce the necessary documentary evidence or certificate as soon after such payment as possible and

if the requisite documentary evidence is not eventually produced, the matter should be referred to the Government of Pakistan for orders.

Similarly, when a claim for the refund of a passage is presented by an officer and the fare actually charged by the Company is not susceptible of verification with its published rates, the Government of Pakistan may decide that such fare is the "cost of journey" within the meaning of Regulation 2(g). Such claim, however, should always be supported by a certificate from the Company that the fare for the particular journey of the officer or a member of his family was actually charged by it.

When the payment made to a Company or to an Agent of that Company or to a Passenger Agent is finally settled an intimation should simultaneously be sent to the officer in Form 142. If the officer has left Pakistan, the intimation will be sent to his home or other address, if that be known, or otherwise to him c/o the High Commissioner. The actual amount paid to the Steamship/Air Transport Company or to the Agent of that Company or to the Passenger Agent in rupees will be debited to Government (see para. 22 below) while the value of the payment made on account of each passage converted into sterling at the rate of 1s. 9d. the rupees will be entered in the column "Amount admissible and total payment" under the beneficiary concerned in the Personal Passage Account. In cases where the fare is quoted in sterling but the amount actually claimed and paid in rupees is less than the equivalent of the sterling fare for which the claim is admissible, converted at the fixed rate of 1s. 6d. the rupee, the sterling amount to be entered in the Personal Passage Account should be the sterling equivalent of the amount actually paid in rupees converted at the fixed rate of 1s. 6d. the rupee.

*NOTE. – Bills for passage will be payable on presentation in the manner prescribed above, provided that no bill will be payable earlier than on the 1<sup>st</sup> day of the second month preceding that in which the passage is to be used. When a bill is submitted to the disbursing officer before it falls due for payment under this rule, it should be marked by the presenter as "Payable on the 1<sup>st</sup> day of .....", that is, two months prior to the month in which the passage is to be used.*

7. The foregoing instruction will cover cases in which the Steamship/air Transport Company or the Passenger Agent issues in Pakistan on payment in Pakistan a through ticket to London including the journey by land route between a Mediterranean Port and London. If, however, the journey by land route from a Mediterranean Port to London is arranged for by the Government servant himself, cash payment to him will be made by the Audit Officer in Pakistan (vide also Rule 3 above). When a Government servant makes his own arrangements for the journey by land route from London to a Mediterranean Port, he may draw the cost of such journey from the High Commissioner for Pakistan on the authority of a certificate in Form 140 which will be furnished to the Government servant by the Audit Officer in Pakistan, stating the maximum amount admissible for the journey under Regulations 6 and 13.

*NOTE. – Form 140 will be printed in two foils and will be machine-numbered like form 138, vide Note 1 to Rule 3 above.*

8. In the case of a journey commencing from a port outside Asia, the Government servant will make his application for passage benefit to the High Commissioner for Pakistan, such application must be accompanied by a certificate from the Audit Officer concerned in Pakistan stating the amount in the Personal Passage Account at credit of each person for whom the benefit is claimed. This certificate will be furnished by the Audit Officer in Form 139 to the Government servant who should ask for it in sufficient time before he wishes to apply to the High Commissioner. On receipt of an application supported by certificate in Form 139, the High Commissioner will be responsible for furnishing the applicant with the necessary passage voucher stating the maximum cost of the passage which may be engaged for each person from the public revenues, for making payment to the Steamship / Air Transport Company or to the Agent of that Company or to the Passenger Agent for the cost of the passage, for intimating the same to the Government servant concerned and for disposing of and paying the claim, if any, for the journey by land route to Pakistan. The High commissioner will send to the Audit Officer concerned in Pakistan a statement in respect of every payment made by him constitution a debit against a passage account, a statement of refunds, if any, received by him for credit to passage accounts and also a copy of any intimation received by him from the Government servant as to the non-utilization of the passage voucher issued by the High commissioner or the cancellation of the passage voucher issued by the High Commissioner or the cancellation of a passage engaged on such passage voucher.

9. All payments made by the High Commissioner in respect of journeys by sea, air or land routes will be passed on by him through the Remittance Account to Pakistan for final record in the Pakistan books and also in the Personal Passage Accounts. In the latter the sterling payments only need be recorded as indicated in Rule 6 above. In the former all payments will be recorded in Article 230 of the Account Code Volume IV. The consequential gain by exchange will be taken to the deposit head "Exchange on Remittance Accounts" and will be merged in the net balance under that head which will be dealt with in accordance with Article 231 of the Account code, Volume IV.

*NOTE. – The Remittance Account will show the details of the amounts paid for each persons separately distinguishing between payments for sea or air journeys and payments for journeys by land routes and will also mention in connection with debits on account of payment for passages the names of the Steamship/air Transport Company and the Agent if any employed and of the steamer/air liner.*

10. Reconciliation of the Personal Passage Accounts with the books. – Register of Sanctions and Payments will be maintained in Form 143. This register will be opened afresh each year and space should be left at the beginning in which can be recorded any sanction accorded in the preceding year and not acted on by the end of August in the current year.



*NOTE.1 – The date on which Government servant must compulsorily retire from service, whether on the attainment of a prescribed age or on completion of a prescribed length of service, and also the date of actual retirement should be noted in the register or in the Personal Passage Accounts. If a Government servant at the time of proceedings on leave declaration his intention of retiring from service, the fact should be similarly noted so that the Audit office can see that the cost of a single journey only is allowed in such cases. If no such declaration is received but the Government servant obtains return passages whether for himself or for any member of his family, and retires on the termination of leave, the audit Officer should watch for the return of the unused halves of the return tickets.*

*NOTE.2 – The Audit Officer should see that a Government servant who has obtained return tickets for any member of his family makes a declaration that the return halves of the tickets have actually been utilized.*

*When a Government servant obtains a return ticket either for himself or for any member of his family, an entry should be made in a subsidiary Objection Book which should be opened for this purpose. The item in the Objection Book should be cleared on receipt of the charge report of the Government servant concerned on his return to duty in Pakistan or on the receipt from him either of the unused half of the ticket or of a declaration that the return half has actually been used. Through this Objection Book should also be watched the clearance of the provisional cash payments made for journeys by land routes. There is no need to place any amount under objection.*

*NOTE. 3 – Audit Officer should arrange to make recoveries from the Government servants concerned in the following circumstances: -*

- (a) when a Government servant who takes return passages and retires on the termination of the leave, actually utilizes the return half of the ticket the cost thereof should be recovered.*
- (b) when a Government servant who does not return to duty actually uses the return ticket or tickets for the journey back to Pakistan, the cost of the return ticket or tickets should be recovered unless the President is satisfied that the Government servant was prevented by circumstances beyond his control from returning to duty, and*
- (c) when a Government servant who obtains a return passage from the High Commissioner for a short spell of duty prior to retirement does not actually join duty, the entire cost of the return passage, or the cost of the journey to Pakistan only, should be recovered according as the return half of the ticket is or is not used.*

11. As soon as an authority in Form 138 or a certificate in Form 139 is issued entries will be made in columns 1 to 3 and 6 to 8 of the register in Form 143. The entry in column 2 will be first the name of the Government servant and next the names of the members of his family for whom the request is made.

If intimation is received direct or through the High Commissioner as to the non-utilization of an authority in Form 138 or cancellation of a passage engaged, the fact shall be clearly noted in the register against the entries concerned and also in the remarks column of the Personal Passage Account.

If intimation is received from a Government servant as to the cancellation of a passage the cost of which has been paid to the Steamship/Air Transport Company or the Agent of that Company or to the Passenger Agent, the Audit Officer will forthwith apply to the Steamship/Air Transport Company or to the Agent of that Company or to the Passenger Agent for a refund and will watch that the amount of refund due is deducted by the Steamship/Air Transport Company or by the Agent of that Company or by the Passenger Agent from their next week's bill.

*NOTE. – The above procedure will also be followed in cases in which unused halves of returned tickets are returned to the Audit Officer.*

12. When a payment is made to the Steamship / air Transport Company or to the Agent of that Company or to the Passenger Agent, the necessary entries will be made in the register in Form 143 in columns 4, 9, 10, 11 and 12. Similarly entries should be made in the relevant columns of the register when cash payment is made to the Government servant for a journey by land route.

Payments made by the High Commissioner when communicated through the statement mentioned in Rule 8 of the Remittance Account will be similarly entered in this register in column 12 the month of the High Commissioner's account being noted in column 11 instead of the voucher number and date.

Government servants claiming passages should be asked to intimate the date of embarkation for entry column 5 of the register as soon as possible after embarkation.

13. Payment for all kinds of journeys should be posted in the Personal Passage Account from the register in Form 143, each posting being initialed by the Superintendent in both registers. The posting of these payments in the Personal Passage Accounts is of the utmost importance, and it is essential that they should be made correctly and without any delay.

14. The refunds, if any, effected in Pakistan under the last sub-paragraph of rule 11 above and similar refunds appearing in the Remittance Account will be posted as minus entries in the Register of Sanctions and the Personal Passage Account, and will be treated as minus expenditures under the head to which the cost of passage was debited (see Rule 22 below) unless they relate to passages for which payment was made in previous years, in which case the recoveries should be adjusted as receipts. In the case of such refunds appearing through the Remittance Accounts, the conversion into rupees will be effected at the average rate of exchange for the month in which they appear in the Remittance or the Home Account, the gain or loss by exchange being adjusted as in paragraph 9 above.

*Note. – For purposes of the adjustment of refunds, the amount due to Government, after deduction of the amounts if any, paid by a Government servant himself, should be taken into account.*

15. If a Government servant who has taken a return ticket under the passage regulations, is recalled to duty before the expiry of his leave in circumstances entitling him to a free passage (vide F.R.70) and if he uses the return half of the ticket for his return journey half the original cost of the return ticket for the double journey should be deducted from the claim, if any, for travelling expenses preferred by him in respect of his return journey, and credited to the head to which the cost of the whole passage was originally debited (see Rule 22 below).

The necessary minus entries should also be made in the Register of Sanctions and Payments and the Personal Passage Account of the individual Government servant.

16. If a Government servant who proceeded on leave out of Pakistan and availed himself of passages under the Passage Regulations is, on the expiry of his leave, posted to a station other than the station from which he proceeded on leave, and if the cost or a portion of the cost of any sea journey between his old and new stations performed by himself and/or a member of his family was included in the amounts debited to the respective Personal Passage Accounts, such cost (limited to standard fares) or portion thereof will be deducted from the claim for travelling expenses if admissible under the ordinary travelling allowance rules applicable to him, and credited to the head to which the cost of the original passages was debited. The necessary minus entries should also be made in the Register of Sanctions and Payments and the Personal Passage Accounts of the individuals concerned.

17. Any amount forfeited by the government servant as the result of cancelling a passage in circumstances which entitled the Steamship/Air Transport Company to claim such forfeiture shall be debited to the Passage Account concerned.

18. At the end of each month the postings in the Personal Passage Accounts pertaining to that month should be extracted on a separate sheet which will be attached at the end of the register. The entries in this sheet will have to be agreed with the corresponding entries in column 9 of the Register of Sanctions and Payments.

19. Procedure in cases of transfer. – When a Government servant is temporarily transferred outside his own circle of audit, his Personal Passage Accounts will continue to be maintained by his old Audit Officer. But in case of Permanent transfer a copy of his accounts and those of his family should be forwarded to the new Audit Officer along with the last pay certificate.

*NOTE.1 – When the cadre of a service which is controlled by one Government includes a post under the control of another Government, a Government servant of that service holding the post may be treated as temporarily lent to the latter Government by the former. In such a case the personal passage accounts of the Government servant and his family, if any, should continue to be maintained by the Audit Officer of the Government controlling the service.*

*Note 2. – Deleted.*

20. If an authority in Form 138, 139 or 140 has been issued and the Government servant is permanently transferred to another audit circle before payment on such authority has been made,, a copy of such authority should be sent to the new Audit Officer and the fact that this has been done should be noted across the Register of Sanctions and Payments against the entry or entries concerned. The new Audit Officer will enter such authorities in his Register of Sanctions and Payments, indicating in the remarks column the name of the Audit Officer who actually issued the authority. No further payments will be made or adjusted against such authorities by the Audit Officer who actually issued the authority. He will only pass on to the new Audit Officer for necessary action in accordance with the above instructions all further claims for payment or debits appearing in the Remittance Accounts or other information received in connection with such authorities. If a claim for payment preferred by a Steamship/Air Transport Company or by the Agent of Company or by a Passenger Agent is passed on to the new Audit Officer in accordance with this instruction, the fact of having done so should also be intimated to the Steamship/Air Transport Company or to the Agent of that Company or to the Passenger Agent at the same time.

21. Government servants in foreign service. – In the case of Government servants in foreign service whose pay is fixed as the pay which they received from time to time in Government service with or without an addition thereto in the form of a percentage of such pay or a fixed sum, recoveries will be made from the foreign employers at the rate of Rs.50 per month to meet the cost of passages. These amounts will be credited to the receipt head appertaining to the department which lent the Government servant to the foreign employer, or where there is no such receipt head, to the minor head “Collection of payments for service rendered” under the major head “XLVI-Miscellaneous”.

On the analogy of Section XIII of Appendix 3 of the Account Code, volume I, the contribution may be credited to the Government under whom the Government servants is permanently employed at the time of his transfer to foreign service.

The concessions when actually used may be classified in the same way as if the Government servant had been serving under the Government who received the contributions.

*NOTE. – In the case of a Government servant to whom Regulation 9 in Schedule IV to the Superior Civil Services Rules applies the foreign employer is not required to make any contribution towards passage.*

22. Head of Account to which cost of passages should be debited. – The cost of the passages will be booked in the accounts under the head “Allowances, honoraria, etc.,” relating to each major or minor head a separate detailed head

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**This Index has been compiled solely for the purpose of reference and no expression used in it should be considered as in any way interpreting the rules.**

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\* This form is authorized to be printed on both white and blue paper.

† These Forms are standardized in the "A.T.M." series. See Paragraphs 57 to 59 of Auditor-General's Manual of Standing Orders.

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\* This form is authorized to be printed on both white and blue paper.

“† These Forms are standardized in the “A.T.M.” series. See Paragraphs 57 to 59 of Auditor-General’s Manual of Standing Orders.”

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\* This form is authorized to be printed on both white and blue paper.

“† These Forms are standardized in the “A.T.M.” series. See Paragraphs 57 to 59 of Auditor-General’s Manual of Standing Orders.”

†† This form is authorized to be printed as a special form. See Paragraphs 57 to 59 of Auditor General’s Manual of Standing Orders.

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† These Forms are standardized in the "A.T.M." series. See Paragraphs 57 to 59 of Auditor-General's Manual of Standing Orders.

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† These Forms are standardized in the “A.T.M.” series. See Paragraphs 57 to 59 of Auditor-General’s Manual of Standing Orders.

**FORM I**  
(See Paragraph 23)

Distribution statements of Expenditure by Grants/appropriations and Units of appropriation for 19 .

Name of Grant/appropriation

Amount authorized for expenditure

Rs. \_\_\_\_\_

Sub-heads and units of appropriation	July		August		September		Similar other columns up to June Supplementary
	Amount of appropriation	Expenditure	Amount of appropriation	Progressive Expenditure	Amount of appropriation	Progressive Expenditure	

FORMS

[No.11]



[No.2]

FORMS

A.T.M.2.

FORM 2

(See Paragraph 24)

Statement of Progressive Expenditure of the Central Government for the  
Month of \_\_\_\_\_ 19 .

Name of Grant	Amount of original Grant	Modification of Grant	Progressive Expenditure	REMARKS
Appropriation	Appropriation	Appropriation (if any)		
1	2	3	4	5

NOTE 1. – In column 1 show “voted” and “charged” separately.

NOTE 2. – The authority for modifications shown in column 3 should be quoted.

No. \_\_\_\_\_, dated \_\_\_\_\_ 19  
Forwarded to the Accountant General, Pakistan Revenues, Jauharabad.

Accountant General  
Comptroller

**A.T.M.3.**

**FORM 3**

(See Paragraph 35)

**SUSPENSE SLIP.**

No.....

To

The Superintendent,

\_\_\_\_\_ Section.

The following items have been debited/credited under \_\_\_\_\_  
 Departmental Adjusting Accounts in the Classified Abstract of the \_\_\_\_\_  
 Department, as per Transfer Entry No. \_\_\_\_\_ for \_\_\_\_\_ 19 .

The vouchers or other papers relating to the debits/credits are entered here with  
 for audit and adjustment.

Particulars	Amount		Remarks
	Rs.	Ps.	
<b>Total:</b>			

Dated

19 .

Superintendent,  
 Section

**A.T.M.4.**

**FORM 4**

(See Paragraph 36)

NOTE. – Separate lists of slips are sent for separate departments and for receipt and payments.

Register of suspense slips issued by .....

Section intimating adjustment under.....

Departmental Adjusting Account during the month of .....

<b>No. and date of suspense</b>	<b>Amount</b>	<b>Date of delivery to the section concerned for adjustment</b>	<b>Month's accounts in which adjusted (to be filled in by the readjusting section)</b>
1	2	3	4

Superintendent,  
Section.

Certified that all these suspense slips have been duly adjusted in the account as indicated in column 4 above.

Superintendent,  
Section.

Dated.....19 .

T.M. 5.

FORM 5.

(See Paragraph 45)

(To be printed on open foolscap)

**REGISTER OF ALLOTMENT OF REVIEW OF AUDIT**

Reviewing officer	UNITS OF ACCOUNTS																		REMARKS		
(Designation of Reviewing officer)																					
Date of allotment for review																					
Date of submission for review																					
Date of completion of review																					
Date of reply																					
Date of remarks by reviewer																					
Date of final disposal																					
Date of submission to A.G.																					
Initials of D.A.G.																					
Initials of A.G.																					

FORMS

[No.51]

N.B. – The name of the month the accounts of which are allotted to a particular officer should be entered against him in the column “Unit Account”.











[No.8]

FORMS

A.T.M.8.

FORM 8

(see Paragraph 49, Rule 1.)

(To be printed on foolscap breadthways)

Register of payments made of Gazetted Government servants of other Governments,

Government \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

Particulars of payments authorized

Allocation of charge –

Orders Sanctioning Payment		Number of payment	Period for which payment is authorized	AMOUNT						Nature and amount of each	REMARKS
No.	Date			Gross		Deductions		Net			
				Rs.	Ps.	Rs.	Ps.	Rs.	Ps.		
<b>Auditor.</b>				<b>Supdt.</b>				<b>G.O.</b>			
<b>NOTE OF PAYMENTS</b>											
Period for which paid	No. of voucher and date of payment	Amount paid		Initials of Reviewing Officer	REMARKS	Period for which paid	No. of voucher and date of payment	Amount paid		Initials of Reviewing Officer	REMARKS
		Rs.	Ps.					Rs.	Ps.		
		Rs.	Ps.					Rs.	Ps.		

**A.T.M.9.**

**FORM 9**

(See Paragraph 59)

**OFFICE OF THE**

No..... the .....

is informed that under order No..... dated .....  
(Gazette Page.....) he is entitled to draw pay and allowances at the monthly rates shown below from the dates specified.

**DETAILS OF CALCULATION**

	From	From	From	From
Substantive pay .....				
Officiating pay.....				
Special pay.....				
Cost of Living allowance.....				
.....				
.....				
<b>Total:</b>				

The scale of pay is .....  
Increment accrues on ..... every year and, in the absence of instructions to the contrary, this may be drawn till the stage \* ..... is reached.

Signature.....  
Designation.....

*NOTE 1. – It is particularly requested that this slip may be attached to the first pay bill drawn at these rates and that No..... may be entered as the audit number at the top of every pay bill.*

*NOTE 2. – Deductions of fund subscriptions and recoveries of Government dues as noted in the last pay certificate should be effected unless otherwise stated.*

*\* Here state the stage at which a pause or efficiency bar operate.*

Copy forwarded to the Treasury Officer..... for information. He should insert the details of pay given above in any last pay certificate issued by him in favour of this Government servants.

(Signature) .....  
(Designation).....

No.....

Copy forwarded to the

Estate Officer  
Executive Engineer for information  
Unite Accountant.

(Signature) .....  
(Designation).....

**A.T.M.10.**

**FORM 10**

(See Paragraph 71)

(To be printed on open foolscap)

Consolidated quarterly statement of sterling overseas pay for Gazetted Government servants of the ..... for quarter ending..... 19

Name	Particulars of post held	Month or period for which claim is preferred	Amount for the Month of			Head of account (Service)
			£	£	£	

The name and address of nominee to whom payment is required to be made should be furnished separately in the case of a new officer and wherever payment is desired to be made to a new nominee.

**A.T.M.11.**

**FORM 11**

(See Paragraph 72)

(To be printed on foolscap folio)

Intimation of change in the monthly rate/incidence of Sterling Overseas pay.

Name of Gazetted Government servant	Service or Department	Serial No. of the consolidated statement for the month of	DATE OF CHANGE		Reason for change	Head to be debited	Address of Banker
			Old rate	New rate			
			£	£			

No.

Forwarded to the Chief Accounts Officer to the High Commissioner for Pakistan, London, in advance of the monthly statement for favour of requisite action.

Signature .....  
Designation.....

Copy forwarded to Mr.

For information.

Signature .....  
Designation.....

**FORMS.**

**[No.12A]**

**A.T.M.12-A.**

**FORM 12-A**

(Referred to in Paragraphs 85, 115 & 150)

**REGISTER OF GOVERNMENT SERVANTSS LENT OR TRANSFERRED TO FOREIGN SERVICE**

Name \_\_\_\_\_

Date of birth \_\_\_\_\_

		<b>Remarks</b>
1. To whom lent.		
2. Official designation (i.e. of post held substantively before transfer).		
3. Head of account to which pay was debitable before transfer.		
4. Monthly rate of sanctioned pay in Foreign Service.		
5. No. and ate of order with the name of the Government sanctioning transfer.		
6. Rate of monthly contribution for - (a) Leave-salary and pension. (b) Pension only.		
7. When lent and period for which lent.		
8. Where to be recovered.		
9. Whether creditable to Central or Provincial.		

**NOTES – LEAVE**

Name and date of order	Kind of Leave	Rules under which granted	Period of Leave		Remarks
			From	To	

## NOTES. – RECOVERY OF LEAVE SALARY / PENSION CONTRIBUTION

Nature of Contribution and Period	Amount due	Amount recovered	Reference to Recovery	Nature of Contribution and Period	Amount due	Amount recovered	Reference to Recovery	Nature of Contribution	Amount recovered	Amount due	Reference to Recovery
	Rs.	Ps.			Rs.	Ps.			Rs.	Ps	

NOTES.

1. The entries should be attested by the Officer Incharge.
2. In the case of a non-Gazetted Government servant, the fact of the transfer to Foreign Service should be distinctly noted in the last annual Book of Establishment.

A.T.M.12.

**FORM 12**

(See Paragraph 85)  
Certificate of Leave

Granted to

Proceeding out of Pakistan.

1. Government under which employed.
2. Post last held.
3. Nature of leave granted.
4. Date of commencement of leave.
5. Date of expiry of leave.
6. Whether a medical certificate of fitness must be produced before return to duty.
7. Amount of leave, expressed in terms of leave on average pay at the Government servant's credit on the expiry of present leave.
8. Period of leave on average pay which might under Fundamental Rule 81 be granted if the present leave were extended. (Further particulars required in the case of Military Officers in Civil employ).
9. Date of entry under Civil leave rules.
10. Amount of leave at credit at commencement of present leave: -  
 Earned in respect of service under Military rules.  
 Earned in respect of service under Civil rules.

The \_\_\_\_\_ 19 . } (Signature)  
 } (Designation)

*NOTE 1. – No leave salary is payable on this certificate.*

*NOTE 2. – This certificate must be produced before the High Commissioner for Pakistan, London with any application for an extension of leave or permission to return to duty or the grant of a last pay certificate.*

[No.13]

FORMS

A.T.M.13.

FORM 13

(See Paragraph 86)

(Note. – Forms supplied in bound books)

No.....of 19 .

Leave-salary Certificate for leave-salary payable in Pakistan, Burma and Aden.

Mr.....of the ....., having been granted leave for a period of .....years.....months and.....days under order No....., dated the ..... ....., is hereby allowed to draw his leave-salary from the ..... treasury from the .....19 .

2. Monthly rate of leave-salary.

Nature of leave, specifying periods on a average pay, half average pay and quarter average pay, respectively	Form	To	Y. M. D			Monthly rate of leave salary	REMARKS

3. He may be paid (1) pay from..... to ..... at Rupees .....per mensem, and (2) allowances from ..... to ..... at Rupees ..... Per mensem.

4. The payment should be debited to .....

†5. The following deductions are to be made from the leave – salary: -  
General Provident Fund.  
Postal Insurance Fund.  
Income-Tax.  
Other deductions, e.g., advances, etc.

{ Signature .....  
Designation .....

Forwarded to.....  
Through the .....  
Office of the .....  
Dated at..... the .....

{ Signature .....  
Designation .....

† Where the deductions relate to Sterling Branches of Provident Funds this should be indicated clearly under item 5.

**A.T.M.14.**

**FORM 14**  
(See Paragraph 86)

(NOTE. – Forms supplied in bound books with counterfoils bear the number 14-A).

Leave-salary Certificate for leave-salary payable in the United Kingdom.

Leave-salary certificate of	No.	
On	of the	proceeding
	to	
1. Government under which employed	1.	
2. Substantive post	2.	
3. Officiating post (if any)	3.	
4. Statement of present leave	4.	

Nature of leave (specifying periods on average pay, half average pay and quarter average pay separately)	Y. M. D.			From	To	Monthly rate of leave-salary (and allowances, if any) subject to the deductions noted on the reverse	Article and clause of the Fundamental Rules or other Rules or other Regulations

5. Place of payment	5.
6. Date from which first payment is to be made.	6.
7. Amount (if any) paid in advance	7.
8. Government and head of account to which the payment is debitible.	8.
9. Date of leaving Pakistan	9.
10. Date on which the Government servant will, during the currency of leave, complete the term of service or attain the age after which he is required by any rule to retire from the service, as for instance 55 years of age.	10.



11. Period for and terms on which leave may be extended, or commuted otherwise than on extraordinary leave. 11.

		Y.	M.	D.
May be extended	Granted			
	On medical certificate			
	Without medical certificate			
	On same leave-salary by			
(Further particulars required in the case of Military Officers in Civil employ).				
12. Date of commencement of pension service	12.			
13. Date of entry under Civil Leave Rules.	13.			
14. Amount of leave of credit at commencement of present leave.	14.			
	{ Earned in respect of service under Military Rules. Earned in Respect of service while under Civil Rules			

15. Date of being struck off duty 15.

16. Deductions to be made.

Rates.

Indian	Civil Military	Service Family	For	Wife	£	Per mensem from
	Military		..			" " "
	Pensions or Indian Military		sons		£	" " "
	Windows' and Orphans' fund or		daughters		£	" " "
	Superior Services (India)					
	Family Pension Fund Subscription.			Total	_____	" " "
A balance of donation	on	£				And interest £
	for					

is recoverable at £ A month from

	Name of the Funds	Rate of monthly subscription	By whom adjustable	Whether Central or Provincial
Other Funds				
	Nature of Advances	Balance Outstanding	Rate of monthly instalment	Whether Central or Provincial
Advances				

17. Pakistan rate of income tax..... Paisas in the rupee.

FORM 14. – *contd.*

Place		(Signature)
Dated	19	(Designation)

\* In cases of subscribers to Indian Civil Service Family Pensions and Superior Services (India) Family Pension Fund, interest accrued in Pakistan to be given here.

## Abbreviations.

M.C.	Medical Certificate.
E.C.A.	Exchange Compensation Allowance
Y.M.D.	Years, Months, Days.
Art.	Article.

## NOTES.

1. – Distinguish leave granted on medical certificate from leave granted without medical certificate, and if the leave, though technically of the latter description, was granted in consequence of the production of a medical certificate, or on medical grounds, mention the fact.

2. – Leave-salary should be stated in whole rupees only a month (fractions being omitted and the next higher rupee taken where the fraction exceeds one-half) and not in pounds a year and in entering “the rate of leave-salary” it should be stated, in the first place, without reference to the maximum or minimum applicable, and then, if a maximum or minimum applies or if the leave-salary is such that a future change in the current rate of exchange may render a maximum or minimum applicable, the words should be added, “subject to a maximum (or minimum) of etc.”

3. – The rate of exchange for conversion of leave salary into sterling is that prescribed in the relevant rules and orders. The maximum and minimum rates of leave salary are those prescribed in the relevant leave rule.

4. – It must be shown whether a Government servant is entitled to the full amount of leave permitted by the rules.

5. – In line 7 the Articles of the Fundamental or other Rules under which the advance is made should be mentioned.

6. – The date on which any Government servant will, during the currency of leave, complete the term of service, or attain the age after which by any rule he is required to retire from the service, should be shown in line 10.

7. – These rules apply also to leave-salary certificates granted to non-gazetted Government servants when they proceed on leave out of Pakistan and draw their leave-salary out of Pakistan. In such cases the fact that the Government servant is a non-gazetted Government servant should be noted against entry 2.

8. – The following particulars should be noted in line 8: -

(1) the major, minor and detailed head of account;

(2) whether debitable to Central or Provincial revenues; if the latter, the name of the Provincial Government.

(3) whether the expenditure is “voted” or “changed”.

When the head of account to which the leave-salary is debitable during extensions of leave differs from the head to which it was debitable during the period of leave originally granted, this fact should be indicated.

9. – In line 11, if the leave granted is less than 22 months, calculations up to 28 months absence only may be given in the first instance and as soon as the leave is extended so as to bring the total period of absence from duty to 22 months or more, an amendment to the original leave-salary certificate should be issued at once showing the amount of further leave due on medical certificate beyond 28 months.

10. – In the case of Government servants to whom the rules regarding the grant of passages to civilian Personnel of British domicile engaged for service in Pakistan apply, an additional entry should be made showing whether they and their families were given the benefit of Rule VII, and whether they were allowed a similar benefit under either Rule VII or Rule VIII on returning to Pakistan.

11. – In all English leave-salary certificates the particulars of all outstanding advances (including passage advances) should be noted under item 16, and in the case of Motor Car and similar advances the date from which the recovery of monthly instalments should be effected should be stated.

12. – With the exception of privilege leave earned in a Civil Department, which should be taken first a Military Officer in Civil employ may set off the leave he takes against the civil leave or military leave at his credit, as he likes. A definite election in the matter should be obtained from all such officers and the election should be noted in the leave-salary certificate.

**[No.14]**

**FORMS**

**FORM 14. – *contd.***

---

13. – Whether subscriptions or recoveries relate to sterling Branches of Provident Funds this should be indicated clearly under item 16.

No..... Dated..... The..... 19

Forwarded to –

(Signature)  
(Designation.)





**FORM 15. – contd.**

The original copy of the Warrant will be retained by the Paying Officer of the Dominion or Colony, and the triplicate copy by the payee Mr..... for presentation to the Paying Officer whenever he draws leave salary and for eventual transmission to his audit Officer on his return to Pakistan. The Paying Officer will record each payment on the reverse of both the copies and affix his signature on the payee's as well as the original copy in the "signature of the paying officer: column. The signature of the payee Mr..... will similarly be obtained on both copies on the "Receipt of the payee" column.

NOTE 1. – Leave salary is payable in rupees to Government servants residing in Ceylon during their leave.

NOTE 2. – The paying officer, except in the case of a Dominion or colony which accounts direct to Pakistan, is requested to advise the High Commissioner for Pakistan promptly on the Government servant's departure, from such Dominion or Colony, whether for Pakistan, the United Kingdom or any other Dominion or Colony, giving particulars of amounts of pay issued and of any deductions therefrom.

NOTE 3. – In the case of all Government servants on leave (including those who are on leave preparatory to retirement) whose leave extends beyond the financial year ending 30<sup>th</sup> June or who leave one Dominion or Colony for another during the period of their leave, the paying officer of each Dominion or Colony should furnish to the Accounts Officer in Pakistan who authorized the payment of the leave salary, a report in the following form, in respect of all payments made by him in that year. The report may be sent as soon as possible after the last payment by any Dominion or Colony in any financial year (i.e., up to 30<sup>th</sup> June) has been made. In the case of government servant who are on leave preparatory to retirement a supplementary report should also be sent soon after the last payment of leave salary.

Serial No.	Name and designation of the Govt. servant.	Colonial Leave-salary Warrant No.	Gross leave salary issued up to (state the period).	Amount of deductions in respect of Provident Fund and the other Funds, etc., (Give details).	Indian Income-tax deducted (Surcharge, if any, relating to Income-tax or super-tax to be shown Separately.)	
					Income-tax	Super-tax

**[No.17]**

**FORMS**

**A.T.M.17.**

**FORM 17.**

(See Paragraph 86, Note2.)

Audit Officer's letter to the Government servant proceeding on leave out of Pakistan.

To

SIR,

With reference to the order noted in the margin, granting you leave out of

Here enter number and date of the order, name of the authority granting the leave, and page of the gazette in which the leave is notified. Pakistan, I have the honour to say that it is necessary for you to obtain from me a leave-salary certificate to enable you to draw your leave-salary.

2. To enable me to prepare your leave-salary certificate, it is necessary that you send me the information asked for in the enclosed form No.18 and also your formal certificate of giving over charge of your office date and hour, at your earliest convenience.

3. If you are, in or intended to pass through (audit Officer's station), your certificate will be prepared, and your pay and allowances paid up to the date before your leave commences except in the case referred to in paragraph 4 below, on your calling personally at my office, and presenting a last-pay certificate from the officer from whom you last drew your pay and allowances. Otherwise, I shall cause the leave-salary certificate from the officer from whom you last drew your pay and allowances. Otherwise, I shall cause the leave-salary certificate to be sent to the address specified by you, and the pay and allowances to be paid through the officer from whom you draw your pay and allowances.

4. Leave salary due for the first four months of leave on average pay taken by itself or in combination with other leave may be drawn either in Pakistan or out of Pakistan. If you desire to draw it in Pakistan a separate leave-salary certificate for this portion of the leave will be issued, but you will be allowed to draw the pay and allowances for the broken period of the month up to the date of relief only at the commencement of the next month along with the leave-salary for the rest of the month.

5. If you wish to draw your leave-salary in Pakistan under the provision of paragraph 4 above, you should either grant your Agents a power of attorney or leave your bills ready signed in their custody for presentation as they fall due. A guarantee bound undertaking to refund over-payments should be furnished by your agents unless they have executed a general bound of indemnity.



*NOTE – Paragraphs 4 and 5 do not apply to non-gazetted Government servants who have to draw their leave-salary through the Head of the office and should be omitted from the letters addressed to them.*

6. I send herewith a copy of a Memo. of information for the guidance of Governments servants Proceeding on leave out of Pakistan and a blank Form (Report of actual sailing) of the date of leaving Pakistan to be signed and sent to me from the first port at which your vessel touches.

7. If you wish to draw your leave salary in a Colony, please send me three specimens of your signature.

Accountant General.

A.T.M.18.

FORM 18.

(See Paragraph 86, Note 2.)

Information required by the Audit Officer before the leave-salary certificate can be drawn up.

(This form should be returned duly filled up to the Audit Officer one clear week before the date of making over charge).

1. On what date do you intend to make over charge of your office? 1.
2. Before or after noon? 2.
3. At what port do you intend to embark? 3.
4. By what ship will you sail, and on what date? 4.
5. In what country do you wish to draw your leave-salary during leave on average pay for a period not exceeding four months, if any, at the commencement of your leave? If in Pakistan, at what treasury? 5.
6. In what country do you intend to spend vacation or / and holidays? If out of Pakistan, in what country do you intend to draw your pay (and allowances) during vacation or / and holidays? 6.  
(N.R. – The words within brackets above should be scored out by the Audit officer in all cases in which allowances are not payable out of Pakistan).
7. What is your address in England or in Pakistan or elsewhere to which your leave-salary certificate, to enable you to draw your leave-salary, may be sent, in case it is not handed over to you before you go on leave? 7.
8. (a) What advance, if any, do you require now? 8 (a) \_\_\_\_\_  
(b) Do you desire to adjust the advance in Pakistan or England? 8 (b) \_\_\_\_\_
9. Do you intend to pay your Family Pension Fund subscriptions (specify the name of the Fund or Funds) in England or in Pakistan by deduction from your leave salary? 9 \_\_\_\_\_
10. Do you wish to subscribe to the General or any other Provident Fund? If so, to which and for what period of your leave and at what rate? Do you propose to refund during leave the advance, if any, withdrawn from the Fund? 10 \_\_\_\_\_

Nos. 3 and 4 are for Government servants to whom the leave rules in Sections I to V of Chapter X of the Fundamental Rules are not applicable.

No.5 Leave-salary due for the first four months of the period of leave on average pay, if any at the commencement of any period of leave out of Pakistan can be drawn in or out of Pakistan at the Government servant's option. In Pakistan it can be drawn only on the first of each month in arrears by an authorized agent under a guarantee bond or on production of a life certificate. The allowances for a broken period of a month may be drawn any time after the expiration of the leave.

No.8(a) is for Military Officers subject to the Military Leave Rules only.

No.8(b) is for Military Officers subject to the Military Leave Rules only.

No.9 is for members of C.S.P. only.

NOTE 1. – In the case of non-gazetted Government servants to whom Note 11 to Form 14 or paragraph 5 of the Annexure to Chapter 4 applies, an additional question should be inserted to obtain the information required under that note.

NOTE 2. – With the exception of privilege leave earned in a Civil Department which should be taken first, a Military officer in Civil employ may set off the leave he takes against the civil leave or military leave at his credit, as he likes. When form 18 is sent to such an officer question 11 should be added in manuscript. 'Is the leave to be set off against the military leave or against civil leave at your credit? The answer should be noted on his leave-salary certificate.

NOTE 3. – Where subscriptions or recoveries relate to Sterling Branches, this should be indicated clearly against Question 10.

Date at \_\_\_\_\_ } (Signature).  
The \_\_\_\_\_ of \_\_\_\_\_ 19 \_\_\_\_ } (Designation)

To the Accountant General.  
To the Comptroller.

(See Paragraph 87)

Register of Last Pay Certificates.

No.	Date.	Name of Govt. servant and the service or Department to which he belongs, his designation and the station to which he is proceeding.	Description of emoluments last drawn.	Monthly rate.	Date up to which paid.		Date of making over charge or on which leave ended.	Deduction.	Recoveries, if any, to be made and how.	Amount of advance and how to be recovered.	Pay and allowances admissible.	Joining time admissible.	Last pay certificate to whom made over.	Initials of Gazetted Officer.	
		Mr..... of the ..... proceeding on ..... to.....	Pay : Offg. Pay..... Overseas pay..... special pay.. Leave salary .....	R.	P.		A.M. P.M.	Funds: --  Other deductions: -			Rs.	P.			

ATM.20.

**FORM 20.**  
[See Paragraph 87.]  
Register of Leave-salary Certificate.

[No. 20.]

No.	
Date	
In whose favour	
Government under which employed.	1
Substantive post.	2
Officiating Post, if any	3
Nature of leave (specifying periods on average pay, half average pay, and quarter average pay, and quarter average pay separately)	
Y.	
M.	
D.	
From	
To.	
Monthly rate of leave-salary (and allowance, if any) subject to the deductions noted in column 16 and exchange compensation allowance where admissible).	
Article and clause of the Fundamental Rules or other Regulations.	5.
Place of payment.	
Date from which first payment is to be made.	6.
Amount (if any) paid in advance.	7.
*Government and head of account to which the payment is debitible. *The following particulars should be noted in this column – (1) the major, minor and detailed head of account; (2) whether debitible to Central or Provincial revenues; if the later, the name of the Provincial Government; (4) When the head of account to which the leave-salary is debitible during extensions of leave differs from the head of account debitible during the period of leave originally granted, such variations should also be indicated.	8
Date of leaving Pakistan.	9.
Date on which the Government servant will, during the currency of leave complete the term of service or attain the age after which by any rule, he is required to retire from the service, as for instance, 55 years of age.	10.
Y.	
M.	
D.	
Period for, and terms on, which leave may be extended, or commuted otherwise than to extraordinary leave † († If the leave granted is less than 22 months, calculations up to 28 months absence only may be given in the first instance, and as soon as the leave is extended so as to bring the total period of absence, from duty to 22 months or more, an amendment to the original leave salary certificate should be issued at once.	11.
Date of commencement of pension service.	12.
Date of entry under Civil Leave Rules.	13.
Earned in respect of service under Military	
Earned in respect of Service under Civil Rules.	
Date of being struck off duty.	15.
Deductions to be made.	16.
Initials of Accountant General	
How finally disposed of.	
REMARKS	
Further particulars required in the case of Military Officers in Civil employ.	14. Amount of leave at credit at commencement of present leave.

NOTE. – The numbers put over some of the columns correspond to those given in Form 14.

**FORMS.**

ATM.21.

**FORM 21.**  
[See Paragraph 87.]  
Register of Leave-salary Warrants.

No.	Date.	1					Date from which payment is to be made.	2					3.	4.	Initials of Accountant General.	How finally disposed of.	Remarks
		Period of Leave.			Government under which employed.	Colonial Treasury Officer by whom payment is to be made.		Leave Salary.									
		Y.	M.	D.				From	To	Rate in rupees a month.	Minimum rate of Exchange.	Maximum £ a month.					

\* Government and Head of Account to which the payment is debitible.  
 \* The following particulars should be noted in this column -  
 (1) the major, minor and detailed head of account;  
 (2) whether debitible to Central or Provincial revenues; if the latter, the name of the Provincial Government;  
 (3) whether the expenditure is "voted" or "charged".

ATM.22.

**FORM 22.**

[See Paragraph 90.]

Scale Register of Gazetted Government Servants..... No. of Posts (12).

Present on duty in	Names of Incumbants.	July		August		September		October		November		December		January		February		March		April		May		June	
		Audit No.	Whole month	Part of month.		Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.	Whole month.	Part of month.
				Date from and to	Serial numbers connecting periods forming the same chain.																				
Permanent	1 - A...	1																							
	2 - B...	1																							
	3 - C...	1																							
	4 - D...	..	1 - 8 16 - 20	1 1																					
	5 - E...	1																							
	6 - F...	1																							
	7 - G...	1																							
	8 - H...	..	6 - 20 25 - 30	2 2																					
	9 - J...	1																							
	10 - K...	1																							
	11 - L...	1																							
	12 - M...	1																							
	Acting P	..	1 - 5 11 - 24	2 2																					
	Q	..	9 - 15 21 - 30	1 1																					
	Total ....	10		2																					
			12																						

NOTE. – The numbers in column 3 for each month connect together the periods in column 2 which form parts of the same chain. The highest number in it shows the number of posts accounted for by the broken periods. A column for Remarks should be inserted at the end of each monthly columns.  
C.C.5. Dr.2XII-3

**ATM.23.**

**FORM 23.**

[See Paragraph 94.]  
 (To be printed on open foolscap length ways.)  
 Simplified Scale Register.

Sanctioned strength on 1<sup>st</sup> July \_\_\_\_\_

Name of service.							Authority No. and Date	Date from which the change is to take place.	Addition and reduction	Remarks	
Subsequent changes											
Authority No. and Date	Particulars of events (vacancies)	Date of event.	Authority No. and Date		Particulars of events (appointments)	Date of event.	Number of Government Servants Present.				Remarks
							Perma- nent	Officiat- ing	Tempo- rary	Total	

FORMS

[No.23.]



[No.24]

**FORMS**

**A.T.M.24.**

**FORM 24.**

(See Paragraph 95.)

Statement of changes amongst gazetted Government servants belonging to the \_\_\_\_\_ under the audit of the \_\_\_\_\_, during the month of \_\_\_\_\_ 19 .

Name of post	Substantive holder of the post	Cause of vacancy.	Date of vacancy.	Officiating holder of the post.	Date of officiating appointment	Remarks.

NOTE. – These statements should mention only such events as affect scale audit, e.g., death, transfer, retirement, etc. The grant of leave should be mentioned only when it is permissible to appoint another Government servant in the vacancy during the currency of the leave, while in the case of a fresh incumbent details of the vacancy filled should always be furnished.

**FORMS**

**[No.25]**

**A.T.M.25.**

**FORM 25.**

(See Paragraph 101.)

(To be printed on foolscap.)

Joined \_\_\_\_\_

Arrived \_\_\_\_\_

Born \_\_\_\_\_

Statement of Service of \_\_\_\_\_

Station.	Substantive appointment	Date.	Officiating appointment	Date	Monthly Pay.		Remarks
					Pay	Officiating and other pay	

**ATM.26.****FORM 26.**

(See Paragraph 105 and 110.)

(To be printed on open foolscap)

List of Government servants who are due to retire during the next official year

Name of office	Name of Incumbent	Designation	Date of birth	Date of attaining the age of Superannuation	Extension			Date of expiry of extension	Remarks
					No. and Date of Order.	By whom sanctioned.	Period of extension		

**ATM.27.**

Major head \_\_\_\_\_

Minor head \_\_\_\_\_

Sub-head or Unit of appropriation \_\_\_\_\_

**FORM 27.**

(See Paragraph III)

(To be printed on open royal)

**ESTABLISHMENT AUDIT REGISTER**

**Voted.**

**Charged.**

**Fixed establishment of the Collector of**

**for the four years commencing July 1, 19 .**

Orders of sanctioning Authority	Name of Section	Sanctioned pay of section			Amount paid for each month, with quotation of No. and month of voucher				Remarks
		Maximum	Minimum	Actual from 1 <sup>st</sup> July	April		Voucher No. and name of month	Amount	
					Columns for five months, each 1-1/4 inch wide.	Columns for seven months, each, 1-1/4 inch wide, including those for May and June			

This form shows only the upper quarter of the pages.

**ATM.28.**

**FORM 28.**

[See Paragraph 112.]  
(To be printed on Demy)

Details of Posts and pay in \_\_\_\_\_ of \_\_\_\_\_

Posts	Name of Substantive holders.*	Minimum	Maximum	Actual on 1 <sup>st</sup> July 19 .	Actual on 1 <sup>st</sup> July 19 .	Actual on 1 <sup>st</sup> July 19 .	Actual on 1 <sup>st</sup> July 19 .	
				Amount	Amount	Amount	Amount	

\* This column is ordinarily not to be used, but in the case of appointments on progressive pay and in large offices with grade divisions the names of the holders of the posts may be shown. The object is to facilitate comparison with bills, and thus to make audit easier. Names should not be shown except to attain this result.

N.B. – In the case of very small sections on fixed pay the fly-leaf may be altogether omitted at the discretion of the Accountant General, the details of posts being shown in the body of the Audit Register.

**ATM.29.**

**FORM 29.**

[See Paragraph 122 (3).]

**ESTABLISHMENT AUDIT REGISTER – TIME - SCALE**

Major Head

Voted/Charged

Minor Head

**Fixed establishment of the      for the four years commencing**

**Sub-Head**

**from July 19    .**

Name of Section

Sanctioned number of posts

Scale of

Pay

and

Allowances.

Order of sanctioning authority.	District.	July.			August			September			October			And so on for other months			Remarks				
		No. and month of voucher	Number of incumbents		No. and month of voucher	Number of incumbents		No. and month of voucher	Number of incumbents		No. and month of voucher	Number of incumbents									
			Substantive pay	Leave salary		Additional pay for officiating	Substantive pay		Leave salary	Additional pay for officiating		Substantive pay	Leave salary					Additional pay for officiating	Substantive pay	Leave salary	Additional pay for officiating

FORMS

[No.29

**ATM.30.**

**FORM 30.**  
[See Paragraph 122 (5).]  
**Fly Leaf of Audit Register**

No.30]

Serial Number	Name.	Pay on 1st July.	Date of last increment and amount.	Remarks

Forms

**ATM.31.**

**FORM 31.**

[See Paragraph 122 (6).]

**ESTABLISHMENT AUDIT REGISTER**

**For the years commencing from the 1st July 19 .**

**Personal pay**

**Orders of Sanctioning Authority**

Major Head

Minor Head

Sub-head

Voted/Charged.

Name	Scale of pay and Allowances	Date of last increment	July		August		September		And so on for other months	Remarks



ATM.32.

**FORM 32.**

[See Paragraph 128]

(To be printed on foolscap lengthways)

Major Head \_\_\_\_\_

Minor Head \_\_\_\_\_

Sub-head or Unit of appropriation \_\_\_\_\_

     Voted

Charged

Travelling allowance Audit Register of \_\_\_\_\_ for the year 19 19

Date of payment	No. of voucher	Serial No. of bill	Name of Drawing Officer	Date of Journey	Object of journey	Amount of Bill		Admission		Remarks
						Rs.	Ps.	Date	Initials	

The register should be made a personal register for the whole province. A separate page being opened for each Gazetted Government servant who may draw travelling allowances.

When bills are drawn from a treasury the name of the treasury should be entered in the Column "No. of voucher".



ATM.34.

**FORM 34.**

[See Paragraph 137]

(To be printed on open foolscap)

District \_\_\_\_\_

Major Head \_\_\_\_\_

Minor Head \_\_\_\_\_

Sub-head or Unit of appropriation \_\_\_\_\_

Contingent Audit Register of

for 19 \_\_\_\_\_ -19 \_\_\_\_\_ .

Allotment R

Voted  
Charged

Additions and alterations with reference to orders.

July		August			September			October			November			December			Remarks
No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount		
																	Total paid each month. Add adjustments. Amount admitted on counter-signed bill. Amount retrenched. Progressive total of amounts paid.
January		February			March			April			May			June			Remarks
No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount	No. of voucher	Amount		
																	Total paid each month. Add adjustments. Amount admitted on counter-signed bill. Amount retrenched. Progressive total of amounts paid.

**FORMS**

**[No.35]**

**A.T.M.35.**

**FORM 35.**

(See Paragraph 141.)  
(To be printed on stout open foolscap.)

Major head \_\_\_\_\_

Minor head \_\_\_\_\_

Sub-head or unit of appropriation  
allotment\_\_\_\_\_

    Voted    

Charged.

Register of Periodical, Charges

Left Side.

Orders of Government or other competent authority			Nature of charge		Sanctioned amount and the period of sanction.		
Year and month	Voucher No.	Amount	Remarks	Year and month	Voucher No.	Amount	Remarks
19 .				19 .			
July ..				July ..			
August				August			
September				September			
October				October			
November				November			
December				December			
January				January			
February				February			
March				March			
April				April			
May				May			
June				June			

[No.35]

**FORMS**

**A.T.M.35.**

**FORM 35 – Concl.**

Right Side

Year and month	Voucher No.	Amount	Remarks	Year and month	Voucher No.	Amount	Remarks
19 .				19 .			
July ..				July ..			
August				August			
September				September			
October				October			
November				November			
December				December			
January				January			
February				February			
March				March			
April				April			
May				May			
June				June			
19 .				19 .			
July ..				July ..			
August				August			
September				September			
October				October			
November				November			
December				December			
January				January			
February				February			
March				March			
April				April			
May				May			
June				June			

**ATM.36.**

**FORM 36.**

[See Paragraph 144]

**Register of bills for Articles supplied for the public service directed by firms in the United Kingdom**

Serial No.	Name of department receiving supplies and number and date of letter forwarding bills	Full name and address of supplier	Number and date of supplier's bill or invoice	Brief particulars of articles supplied	Particulars of draft			Classification of charge	Number and date of letter of authority issued to supplying firm	Audit Section concerned	Initials of Gazetted Officers	Remarks		
					Amount in Sterling								Cost in Rupees	
					£	s.	d.						Rs.	Ps.
1	2	3	4	5	6			7	8	9	10	11	12	









**FORMS**

**[No.38]**

**FORM 38 – Concl.**

(Reverse)

**Statement of Payments**

Serial No.	Name of the officer and department receiving the supplies	Full name and address of supplying firm	Number, date and amount of Firm's <u>Invoice</u> Bill.	Brief particulars of goods supplied	Numbers and date of intimation sent to Suppliers.	AMOUNT TO BE PAID		Remarks		
						In figures			In words	
						£	s.			d.
1	2	3	4	5	6	7	8	9		
<b>Total..</b>										

N.B. – Only the net total amount payable to individual suppliers should be shown in columns 7 and 8, each such amount being expressed both in figures and in words.

**ATM.39.**

**FORM 39.**  
[See Paragraph 144]

(Counter Foil)

(Second Foil)

(First Foil)

Office of the

Office of the

Office of the

No. date 19 .  
To

No. date 19 .  
To

No. date 19 .  
To

Sir,  
Gentlemen,

Sir,  
Gentlemen,

Sir,  
Gentlemen,

I am to inform you that the High Commissioner for Pakistan (Directorate of Audit and Accounts), is being requested to pay you the sum of £ .....  
.....(.....)

I am to inform you that the High Commissioner for Pakistan (Directorate of Audit and Accounts), is being requested to pay you the sum of £ .....  
.....(.....)

I am to inform you that the High Commissioner for Pakistan (Directorate of Audit and Accounts), is being requested to pay you the sum of £ .....  
.....(.....)

Invoices

Invoices

Invoices

in respect of your bills detailed overleaf and to request that you will kindly apply to him for payment, supporting your application with this intimation in original.

in respect of your bills detailed overleaf and to request that you will kindly apply to him for payment, supporting your application with this intimation in original.

in respect of your bills detailed overleaf and to request that you will kindly apply to him for payment, supporting your application with this intimation in original.

Your obedient servant,

Your obedient servant,

Your obedient servant,

Signature.....

Signature.....

Signature.....

Designation.....

Designation.....

Designation.....

No.....Dated.....19 .

No.....Dated.....19 .

Copy forwarded to .....with reference to his letter No.....dated ..... and with the request that a sum of Rs..... (.....) may be added to the expenditure of his office under the head.....

Copy forwarded to .....with reference to his letter No.....dated ..... and with the request that a sum of Rs..... (.....) may be added to the expenditure of his office under the head.....

Signature.....

Signature.....

Designation.....

Designation.....



**[No.40]**

**FORMS**

**A.T.M.40.**

**FORM 40**

[See Paragraph 144]  
Office of the

No.

Dated 19 .

To

THE DIRECTOR, AUDIT AND ACCOUNTS, OFFICE OF THE HIGH COMMIS-  
SIONER FOR PAKISTAN,  
34, LOWNDES SQUARE,  
LONDON, S.W.I.  
FOR PAKISTAN

SUBJECT. – Payment for articles ordered direct from the United Kingdom on  
account of the public service.

SIR,

I am to forward herewith the Second Exchange of the Demand Draft No.  
for £ s. d. the First of Exchange of  
which was forwarded to you under this office letter No. , dated the  
19 .

Your obedient Servant,

Signature

Designation

**ATM.41.**

**FORM 41.**

(See Paragraph 145)

(To be printed on open foolscap)

On both sides with a folding space in the middle

Major head \_\_\_\_\_

Minor head \_\_\_\_\_

Register of Grants-in-aid of the

Sub-head or unit of appropriation allotment \_\_\_\_\_

      Voted      

Charged.

Serial No.	District	ORDERS SANCTIONING THE GRANTS-IN-AID										No. and date of the Accountant General's authority for payment	NOTE OF PAYMENT *			Reference to letter, account or other documents furnishing information regarding fulfillment of conditions attached to the grant Remarks and note of final action. (In the case of recurring grants-in-aid here note the period for which the grant-in-aid has been	
		Name of issuing authority	No.	Date	The rule of code, if any, under which the sanctions have been issued.	Designation of grantee.	Period in the case of recurring grants-in-aid..	Purpose of grant.	Conditions and limitations, if any.	AMOUNT			No. of voucher	Date of payment	Amount		
										Recur-ring	Non-recur-ing						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

\* Periodical payments may be entered one blow another sufficient space being left for the purpose against the Serial No. concerned.

**ATM.42.**

**FORM 42.**

(See Paragraph 145)

(To be printed on open foolscap Folio)

(obverse)

Office of the

No. Dated the 19 .

To THE  
SIR,

I am to request that, on receipt of this letter, you will place to the credit of Pay to

the sum of (Rs. ) Rupees on a duly received the grant sanctioned by the in dated letter

No. dated for out of the grant placed at his disposal during 19 19 .

I have, etc.,  
(Signature)  
(Designation)

No. Dated  
Copy forwarded to for information.  
(Signature)  
(Designation)

(obverse)

Office of the

No. Dated the 19 .

To THE  
SIR,

I am to request that, on receipt of this letter, you will place to the credit of Pay to

the sum of (Rs. ) Rupees on a duly received the grant sanctioned by the in dated letter

No. dated for out of the grant placed at his disposal during 19 19 .

Your obedient servant,

(Signature)  
(Designation)

(obverse)

Office of the

No. Dated the 19 .

To THE  
SIR,

I am to request that, on receipt of this letter, you will place to the credit of Pay to

the sum of (Rs. ) Rupees on a duly received the grant sanctioned by the in dated letter

No. dated for out of the grant placed at his disposal during 19 19 .

Your obedient servant,

(Signature)  
(Designation)

No. Dated  
Copy forwarded to for information.  
(Signature)  
(Designation)

Note. – The document should be presented for payment at the Treasury with the form of bill on the reverse duly filled in and signed.

Audit Register
Page

(Reverse Voucher No. Of triplicate Counterfoil.)

Received the sum of (Rs. (Rupees \_\_\_\_\_

authorized on the reverse.

(Signature)

(Designation)

Pay Rupees

DISTRICT

Dated 19.

} Treasury Officer.

Accountant.

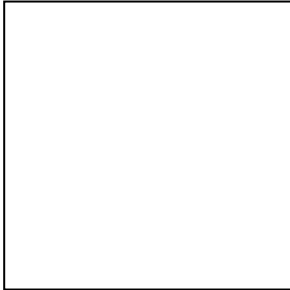
Four use in the Accountant General's Office

Admitted in full

Auditor

Superintendent

(To be printed in foolscap folio)  
(See Paragraph 154)



PENSION PAYMENT ORDER  
Disburser's Portion.

Debitable to..... Government.

Head of Account

Major head.

Minor head.

Voted.\_\_\_\_\_

Charged

Place for signature of pensioner as the first payment made.

Class of Pension and date of order sanctioning it	Personal Identification	Height		Date or approximate date of birth	Sect.	Residence showing village and pergunnah	Amount of monthly pension	
		Ft.	In.				Rs.	Ps.

Office of the

No. \_\_\_\_\_, the \_\_\_\_\_ 19 \_\_\_\_ .  
Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month, be pleased to pay to ..... the sum of Rupees ..... (less income-tax), being the amount of ..... PENSION, as ..... upon the production of the Pensioner's Portion of this Order taking from the claimant a receipt for the amount according to usual form. The payment should commence from.....

2. As Mr.....elected New Pensioner Rules of March, 1954 a lump sum gratuity of Rs..... (Rupees.....) in lieu of his 1/4<sup>th</sup> pension of Rs.....) surrendered under the said rules, is also payable to.....

N.B. – Please strike out this para in cases where the pensioner is governed by the old Pension Rules.

1. Lump sum gratuity amounting to Rs..... (Rupees..... may also please be paid to the pensioner debit to the "83 Payment of commuted value of pensions.

2. He is also entitled to a temporary increase of Rs..... (Rupees ..... P.M. with effect from..... to ..... or until further orders under usual condition.

Signature

Designation

To  
The Treasury Officer,  
At



NOTE.1. – No pension shall be liable to seizure, attachment or sequestration by process of any Court in Pakistan at the instance of a creditor for any demand against the pensioner (Section II, Act XXIII of 1871).

NOTE 2. – Payment under this order is to be made only to the pension, with the following exceptions: -

- (a) To persons specially exempted by Government.
- (b) To females unaccustomed to appear in public and to persons unable to appear on account of illness or bodily infirmity.

[Payment in both classes (a) and (b) is made on production of a Life Certificate signed by a responsible Officer of Government, or other well-known and trustworthy person].

- (c) To any person sending a Life Certificate signed by some person exercising the powers of a Magistrate of any class under the Criminal Procedure Code, or by any Register or Sub-Registrar under the Registration Act, or by any pensioned officer who before retirement, exercised the powers of a Magistrate or any gazetted officer of Government or by a Munsiff or by any person holding a Government title.
- (d) In all cases referred to in clause (a), (b) and (c) the Disbursing Officer must at least once a year, require proof, independent of that furnished by the Life Certificate, of the continued existence of the pensioner.

---

**REVERSE OF DISBURSER'S PORTION**

---

Amount of pension Rs. (in words)

This Document is to be retained by the Disbursing Officer as long as the authority remains in force in such manner that the pensioner shall have no access to it. Every separate payment is to be recorded below.

**FORMS**

**[No.43]**

**FORM 43 – Concl'd.**

Month for which pension is due	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	Remarks
	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	
June											
July											
August											
September											
October											
November											
December											
January											
February											
March											
April											
May											
*Note of pensioner's identification	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	

(\* ) If the payment is by Postal money order identification is required twice a year as prescribed, otherwise annually.

[No.43-A]

FORMS

A.T.M.43-A.

FORM 43-A

[To be printed in foolscap 8vo size (booklet) and bound in cloth-lined limp covers.]

(See Paragraph 154)

(Front page)

PENSION PAYMENT ORDER

Pensioner's Portion

(First page)

PENSION PAYMENT ORDER

Pensioner's Portion

Debitable to ..... Government.

Head of Account.

Major Head

Minor Head.

Voted

Charged.

Name of Pensioner

Class of Pension and date of order sanctioning it	Date or approximate date of birth	Sect.	Residence showing village and pergunnah	Amount of monthly pension	
				Rs.	Ps.

(Second page)

Office of the

No.

,the

19 .

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month, be pleased to pay to ..... the sum of Rupees ..... (less income-tax), being the amount of ..... PENSION, as ..... upon the production of this order and a receipt according to usual form. The payment should commence from .....

2. As Mr. .... elected New Pension Rules of March 1954 a lump sum gratuity of Rs..... (Rupees..... in lieu of his 1/4<sup>th</sup> Pension of Rs.....surrendered under the said rules, is also payable to.....

N.B. – Please strike out this para in cases where the pensioner is governed by the old pension Rules.

1. Lump sum gratuity amounting to Rs..... (Rupees.....) may also be paid to the pensioner debitible to the "83-Payment of commuted value of pensions.

2. He is also entitled to a temporary increase of Rs..... (Rupees..... P.M. with effect from ..... to .....or until further orders under usual condition.

Signature  
Designation

To

The Treasury Officer,  
At



[No.44]

FORMS

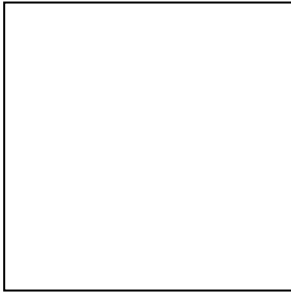
A.T.M.44.

FORM 44

(To be printed in foolscap folio)  
(See Paragraph 154)

PENSION PAYMENT ORDER  
Disburser's Portion.

Debitable to..... Government.



Head of Account  
Major head.  
Minor head.  
Voted.  
Charged

Office of the  
No. ,the 19 .

.....  
is permitted to draw his pension from the ..... Treasury  
commencing from....., at the following rate (less income-tax) on production  
of the Pensioner's Portion of this Order.

Rs. Rupees.  
Signature of } per month  
Pensioner. }

Signature  
Designation

To  
The Treasury Officer,  
At

Each payment should be recorded on the reverse of this order and certified by  
the Paying officer.

**FORMS**

**[No.44 & 44-A]**

**A.T.M.44.**

**FORM 44. – conclud.**

**REVERSE OF DISBURSER’S PORTION**

Amount of pension Rs..... (in words).....

This Document is to be retained by the Disbursing Officer so long as the authority remains in force in such manner that the pensioner shall have no access to it. Every separate payment is to be recorded below.

Month for which pension is due	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	19 .	Remarks
	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	Date of payment	Dis-bursing officer's initials	
June											
July											
August											
September											
October											
November											
December											
January											
February											
March											
April											
May											
Note of pensioner's identification	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	

**T.M. 44-A**

**FORM 44-A**

*[To be printed in foolscap 8vo size (booklet) and bound in cloth-lined limp covers.]*

(See Paragraph 154)

(Front page)

**PENSION PAYMENT ORDER**

Pensioner's Portion



[No.45]

**FORMS**

**A.T.M.45.**

**FORM 45**

*[To be printed in foolscap 8vo size (booklet) and bound in cloth-lined limp covers.]*

(See Paragraph 154)

(Front page)

PENSION PAYMENT ORDER

Pensioner's Portion

(First page)

PENSION PAYMENT ORDER

Pensioner's Portion

Appeared in person on

Debitable to ..... Government.

Head of Account.

Major Head

Minor Head.

Voted

Charged.

Name of Pensioner

Class of Pension and date of order sanctioning it	Date or approximate date of birth	Sect.	Residence showing village and pergunnah	Amount of monthly pension	
				Rs.	Ps.

(Second page)

Office of the

No.

,the

19 .

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month, be pleased to pay to ..... the sum of Rupees ..... (less income-tax), being the amount of ..... PENSION, as ..... upon the production of this order and a receipt according to usual form. The payment should commence from .....

Signature

Designation





**[No.46]**

**FORMS**

**A.T.M.46.**

**FORM 46**

---

*[To be printed in foolscap 8vo size (booklet) and bound in cloth-lined limp covers.]*

(See Paragraph 154)

(Front page)

**PENSION PAYMENT ORDER**

Pensioner's Portion  
\_\_\_\_\_

(First and second pages)

**PENSION PAYMENT ORDER**

Pensioner's Portion

Appeared in person on

Debitable to ..... Government.

Head of Account.

Major Head

Minor Head.

Voted

Charged.

Office of the

No.

,the

19 .

.....is permitted to draw his pension from the  
..... commencing from..... At the following rate  
(less income-tax) on production of this certificate –

Rs.

Rupees

per month.

Signature

Designation





**A.T.M.47.**

**FORM 47**

[See Paragraph 156]

*(To be printed on foolscap machine made, Blue laid, Lancashire Ledger D'cap, 30lb E.L., 8 lines to page)*

Register of Pension Payment Orders issued for pensions debitable to

No. of P.P.O.	Particulars of orders of sanctioning authority (including register No. on record file)	Date of P.P.O. and initials of G.O.	Name	Date of birth	Designation of Last Employment and Office and amount of Last Pay. (To be filled in in the case of Superannuation pensions only)	PENSION				Where payable	Remarks
						Monthly amount of pension and Lump sum Gratuity under the new pension rules, if admissible. Rs. Ps	Monthly Rate Rs. Ps	Temporary Increase Rs. Ps	Lump sum gratuity Rs. Ps		
1	2	3	4	5	6	7	8	9	10	11	12
											i.e., date of issue of duplicate with initials of officer signing, or cancellation of order (date and cause.)

NOTE, - If the pension is debitable to several Governments, specify in this column the amount debitable to each Government separately.

**A.T.M.48.**

**FORM 48**

Major head \_\_\_\_\_  
 Minor head \_\_\_\_\_

[See Paragraph 158]

Central  
 Provincial

(To be printed on open foolscap.)

**AUDIT REGISTER OF PENSIONS.**

Voted  
 Charged

\_\_\_\_\_ Pensions payable at \_\_\_\_\_ Treasury.

No. of P.P. O.	Name, date of birth of pensioner and his last pay.	PENSION				Incidence of charge.	Class of pensions.	REMARKS – (All spare space on the page should be added to this column).	DATE OF PAYMENT OF PENSION FOR THE MONTH OF *						
		Monthly Rate.	Temporary Increase	Lump-sum gratuity.	Date of effect.				19	-19 .	19	-19 .	19	-19 .	And so on for six years in all.
		Rs. Ps	Rs. Ps	Rs. Ps											
					Income tax										

\* Only two months' pension payment vouchers are required to be audited in the year. The date of payment of audited vouchers only should be entered in these columns. A single cage should be reserved for each and in one of the two sub-cages should be entered the name of the month for which the pension is paid and the date of the payment, thus July 3/5 would indicate that the pension for July was paid on the 3<sup>rd</sup> August. If the audited voucher covers the payments of several months, these should be specified, thus "July 18/7 September", "October 21 – September 22 18/7" and so on.

[No.49]

**FORMS**

**A.T.M.49.**

**FORM 49**

[See Paragraph 163]

Audit Register of Pensions paid by Preaudit Pay Department.

(Left hand page.)

No. of P.P.O.	Name of pensioner and pay last drawn	Class of pension.	Monthly amount and date of commencement	Incidence of charge	Orders of sanctioning authority.	Date of birth	Height		Residence.	Personal marks of pensioner	RE-MARKS
							Ft.	In.			
			Income-Tax Net								

(Right hand page.)

Major head \_\_\_\_\_

Minor head \_\_\_\_\_

Central  
Provincial

Voted  
Charged

Year	DATE OF PAYMENT OF PENSION FOR THE MONTH OF					
	July	August	Columns for intermediate months	April	May	June
1960-61						
1961-62						
1962-63						
1963-64						
1964-65						
1965-66						
1966-67						

**A.T.M.50.**

**FORM 50**

Major head \_\_\_\_\_

Minor head \_\_\_\_\_

[See Paragraph 164]

Central

Provincial

(Full size; to be printed on ordinary foolscap.)

**Gratuity Register.**

Voted

Charged

Serial No.	Orders of sanctioning authority.	Name of payee	Place of payment.	Amount		Incidence of charge.	Initials of G.O.	PAYMENTS		Initials of G.O.	REMARKS
				5	6			8	9		
1	2	3	4	Rs.	Ps.	6	7	8	9	10	11

The first six columns should be filled up on receipt of the order from the sanctioning authority. In the remarks column the fact of repayment of a gratuity should be noted when repayment is complete.



[No.51]

FORMS

A.T.M.51.

FORM 51

(See Paragraph 164)  
(To be printed on foolscap folio).  
(Obverse.)

OFFICE OF THE

No..... Dated..... the  
From

THE

To

THE TREASURY OFFICER, .....

SIR,

I am to request you to arrange for payment from the Treasury of the sum of Rs. ( ) less income tax of Rs. to Late being the amount of Gratuity sanctioned to him in letter No. dated from the

The particulars regarding his identification are stated below: -

Date of birth	Father's name	Personal marks of identification	Height		Race, Sect and Caste	Residence showing Village and Pergunnah
			Ft.	In.		

2. The gratuity is debitable to

N.B. – The date of payment may please be intimated to this office as soon as a gratuity debitable to Local Fund is paid.

3. The acquittance of the gratuitant, unless he is exempted by rule or special orders of Government from personal appearance, should be taken on the reverse of this order, with 12 paisa receipt stamp or if the payments exceeds Rs.100 with a receipt stamp of 265 paisa if necessary.

4. The service book herewith returned should be made over to the gratuitant.

He

is being informed of the issue of this order  
Should be directed to appear at the sub-treasury to receive payment of his gratuity.

5. Slips bearing attested specimen signature and left hand thumb and finger impressions of the gratuitant are enclosed.

6. Please acknowledge receipt of this Order.

Your obedient servant,

(Signature)

(Designation)



[No.52]

FORMS

A.T.M.52.

FORM 52

---

(See Paragraph 165, Rule 2.)

No..... dated.....

FROM

**THE ACCOUNTANT GENERAL,**  
**THE COMPTROLLER**

\_\_\_\_\_

To

**THE TREASURY OFFICER,**

\_\_\_\_\_

**SIR,**

I am to forward Pension Payment Order No. \_\_\_\_\_  
in favour of \_\_\_\_\_ and to request that  
the total payments made on Anticipatory Payment Order No. \_\_\_\_\_  
from \_\_\_\_\_ (date) \_\_\_\_\_ at the rate of Rs. \_\_\_\_\_  
may be adjusted from the first payment of the final pension. A separate bill should be  
prepared for the first payment of the final Pension Payment Order and the paid bill  
together with both halves of the Anticipatory Payment Order should be forwarded to this  
office in a registered cover in advance of the treasury schedules.

Your obedient servant,

(Signature)

**A.T.M.53.**

**FORM 53**

(See Paragraph 169.)

Register of Pension Payment Orders on \_\_\_\_\_ Treasury.

Number of Pension Payment Order.	Name of Pensioner	Monthly Amount		REMARKS
		Rs.	Ps.	

**[No.54]**

**FORMS**

**A.T.M.54.**

**FORM 54**

---

[See Paragraph 175]

Last Pay certificate of pensions transferred to London for Payment.

No.

1. Name of the Pensioner
2. Post held by him prior to retirement.
3. Date of birth (if available).
4. Rate of pension.
5. Date up to which paid in Pakistan.
6. Date from which payment is to be made in England.
7. Type of pension.
8. Conditions of grant.
9. Date of commencement of pension.
10. Date of sanction.
11. How debited in Pakistan.
12. How debitible in the United Kingdom.
13. Amount commuted by the pensioner.
14. Amount commuted by employing Government.
15. Date of leaving Pakistan.
16. Total period of Military service (in years, months and days).
17. Date of commencement and end of each period of Military service.
18. Government under which service has been rendered in order of employment.

Deductions to be made, if any.

---

N.B. – This certificate must be produced to the Office of the High Commissioner for Pakistan in London before pension can be issued.

Place.

Signature

Date

Designation

A.T.M.55.

FORM 55

[See Paragraph 177.]

**PENSION PAYMENT WARRANT**

[Obverse.]

Warrant No..... of 19 .

**A B** is permitted to reside and draw his pension from .....  
Commencing from..... at the following rate: -

Signature of **A B** (to be entered in  
original only.)

This certificate will be retained by **A, B**, and will be given up to the Audit Officer in Pakistan on his return to Pakistan. Each payment will be recorded on the reverse, certificate by the Paying Officer and receipted by **A. B**.

NOTE 1. – The relevant Articles in the Civil Service Regulations relating to payment of pensions are reproduced below: -

934. A pension stated in rupees is payable at any Pakistan Government treasury in or out of Pakistan, or at the option of the pensioner,
- (i) at or through the Home treasury,
  - (ii) elsewhere by any of the authorities mentioned in Appendix 15 (to the Civil Service Regulations).

Pensions drawn from source (i) or (ii) above are converted into sterling at such rate as the Secretary of State may prescribe.

Provided that save where a pensioner resides in Pakistan (which for the purpose of this Article and Articles 934A, 934B, 934C, 934D, and 935, shall be deemed to include Burma, Ceylon, Nepal and the French and Portuguese establishments in Pakistan) the minimum rate of conversion shall be 1s. 9d. per rupee.

934A. A pensioner who has been residing in Pakistan and who proceeds to a place outside Pakistan with the object of taking up residence there, shall be entitled to convert his pension at the minimum rate only from the date when he quits Pakistan.

934B. A pensioner who within six months of his retirement leaves Pakistan with the object of taking up residence elsewhere shall be entitled to convert his pension at the minimum rate from the date to which it has been paid in Pakistan or if no payment has been made there, from the date of its commencement.









**FORMS**

**[No.57(i)]**

**A.T.M.57(i).**

**FORM 57(i) – Concl'd.**

Name of Loan	Interest on Promissory Notes		Interest Warrants on Stock Certificates		Bearer Bond Coupons		Total Charges in Accounts	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
3 Per cent Loan 1969 – 70								
3 Per cent Loan 1964								
3 Per cent Loan 1945								
3 Per cent Loan 1996 – 97								
3-1/2 Per cent Loan 1964								
3-1/2 Per cent Loan 1962 – 63								
3-1/2 Per cent Loan 1960								
3-1/2 Per cent Loan 1970 – 71								
3-1/2 Per cent Loan 1967								
3-1/2 Per cent Loan 1961 – 62								
2-3/4 Per cent Loan 1953 – 54								
2-3/4 Per cent Loan 1955 – 56								
2-3/4 Per cent Loan 1957 – 58								
2-3/4 Per cent Loan 1958 – 59								
2-3/4 Per cent Loan 1958								
2½ Per cent Loan 1956 – 57								
3-1/4 Per cent Loan 1967								
1-1/2 Per cent Loan 1958								
3-3/4 Per cent Loan 1965								
4 Per cent Loan 1974								
<b>GRAND TOTAL</b>								

No.

Forwarded to the Manager, State Bank of Pakistan, Public Debt Office \_\_\_\_\_ with vouchers and \_\_\_\_\_ Covering Slips.

Office of the  
 The \_\_\_\_\_ 19 }  
 \_\_\_\_\_

(Signature)

(Designation)

[No.57(ii)]

FORMS

A.T.M.57(ii).

FORM 57(ii).

(See Paragraph 182)

Statement of INTEREST CHARGES on Loans brought to account, by the \_\_\_\_\_  
in the month of \_\_\_\_\_ 19\_\_\_\_\_.

Name of Loan	Interest on Promissory Notes		Interest Warrants on Stock Certificates		Bearer Bond Coupons		Total Charges in Accounts	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Public Debt Bearing Interest.								
2-3/4 Per cent Loan 1953 – 54								
3 Per cent Loan 1960								
3 Per cent Loan 1968								
1-1/2 Per I.T.F. Bearer Bond 1958								
2-3/4 Per cent Loan 1955 – 56								
2-3/4 Per cent Loan 1958 – 59								
3 Per cent Loan 1964								
Grand Total								

No.

Forwarded to the Manager, State Bank of Pakistan, Public Debt Office \_\_\_\_\_ with  
vouchers and \_\_\_\_\_ Covering Slips.

Office of the }  
The 19 }

(Signature)

(Designation)



**A.T.M.64.**

**FORM 64**

(See Paragraph 200)

List of Subscriptions to Postal Insurance and Life Annuity Fund realized by deduction from pay bills of Government Servants employed in the \_\_\_\_\_ \*during the month of \_\_\_\_\_ 19 .

No. of Policy or Contract.	Name of Insured or Subscriber	Designation	Amount realized by deduction			Remarks
			Period of Pay bill.	Amount of premium	Amount of Subscription or purchase money	

I certify that the sum of Rs. ( ) \_\_\_\_\_ has been credited in my Exchange Accounts with the Director, Postal Life Insurance, Karachi for the month of \_\_\_\_\_ 19 .

Station

Dated \_\_\_\_\_ 19 .

Designation of Audit Officer.

\*Here give the name of the Department or Province.

Forwarded to the Director, Postal Life Insurance, Karachi.

\_\_\_\_\_  
\_\_\_\_\_ 19 . }

(Signature)

(Designation)

**[No.65]**

**FORMS**

**A.T.M.65).**

**FORM 65.**

(See Paragraph 208)

(To be printed on foolscap folio.)

**GENERAL INDEX REGISTER**

* Account No.	Ledger folio	Name and designation of Subscriber	Nomina- tion when received	Date of and reason for closure of account	Remarks

\* Letter 'S' should be added to the number in cases where the subscriber is a subscriber to the Sterling Branch of the Fund.

**A.T.M.66.**

**FORM 66**

(See Paragraph 214)

(To be printed on open foolscap)

**REGISTER OF TEMPORARY WITHDRAWALS AND THEIR RECOVERIES**

Withdrawals						Recoveries				Remarks		
Name and Designation	Account No.	Authority	Amount sanctioned	Amount withdrawn		No. of installments for recovery	Year.	July	August		And so on.	
							19 -19					
							19 -19					
							19 -19					
							19 -19					

**A.T.M.67.**

**FORM 67**

(See Paragraph 214)

(To be printed on open foolscap folio, both sides.)

Register for watching recoveries of temporary withdrawals from the \_\_\_\_\_ Provident Fund.

Serial No.	Name and Designation	Account No.	Authority	Amount		No. of instalments for recovery	Month of advance	Month of recovery		Remarks
				Sanctioned	Withdrawn			First	Final	
1	2	3	4	5	6	7	8	9	10	11

NOTE. – In column 10, the month of final recovery should be the month in which recovery of interest is completed.



**A.T.M.68.**

**FORM 68**

(See Paragraph 17)

(To be printed on foolscap)

**STOCK REGISTER OF INSURANCE POLICIES**

Serial No.	Date of Receipt.	Particulars of Policy.							Initials of G.O.	Date of reassignment	No. and date of forwarding letter.	No. and date of acknowledgement	Initials Gazetted Officer	Remarks
		Policy No.	Name and Designation of Policy Holder and Ledger Folio Number	Amount	Name Insurance Company	Amount of Premium	How payable (quarterly, half-yearly or yearly) and from what date	Date of maturity of the Policy						

Foot note. – When a change in the Gazetted Officer incharge of the Provident Fund Section occurs, a certificate that the policies have been handed and taken over should be recorded over the signatures of both the relieved and relieving Officers.

**A.T.M.69.**

**FORM 69**

(See Paragraph 221)

(To be printed on \*white pulp board double foolscap 13-in. x 13-1/2 in. both sides so as to include entries for four years.)  
 †pink

Name  
 Designation

Ledger Card.

Account No.  
 Pay on 30<sup>th</sup> June 19      Rs.

Year	Opening balance	Subscription	Refund of with-drawals	With-drawals	Closing balance	Remarks	
19      -19						Rs.	Space for calculation of interest.
July						Balance on 30 <sup>th</sup> June 19	
August						Deposit and Refund	
September						Interest 19    19.	
October						TOTAL:      _____	
November						Withdrawals      _____	
December						Balance on 30 <sup>th</sup> June 19	
January						_____	
February							
March							
April							
May							
June							
June (Final)							
TOTAL RS.							

Totaled by      Checked by  
 \*White from should be used for the accounts of the subscribers to whom the protect 4 per cent. rate of interest applies  
 †Pink      does not apply

**A.T.M.70.**

**FORM 70**

(See Paragraph 223)

(To be printed on foolscap folio, both sides.)

**Register of Closed Accounts.**

Serial No.	Name of subscriber	Account No.	Amount	Date of closing	Date of authorizing payment		Treasury voucher number and date of payment		Date of receipt of disbursement certificate		Remarks
					Available balance	Residual balance	Available balance	Residual balance	Available balance	Residual balance	
1	2	3	4	5	6	7	8	9	10	11	12

NOTE 1. – When a single payment is made in full settlement the columns for “Available balance” should not be used.

NOTE 2. – The Nos. and date of reminders issued for disbursement certificates should be entered in the Remarks column.

**[No.71]**  
**A.T.M.71).**

**FORMS**  
**FORM 71.**

(See Paragraph 229)

(To be printed on foolscap folio, both sides).

**Master Card.**

Department

Month

District	Subscription	Refund of withdrawal	Withdrawal
Total:			
Total as per Detail Book			
Difference			

Initials of Auditor

Initials of Accountant

Initials of Gazetted Officer

**FORMS**

**[No.71]**

**A.T.M.71).**

**FORM 71.**

(See Paragraph 232)

(To be printed on foolscap folio, both sides.)

Register of Quarterly verification of balances

Account No.	Last year's balance	Current year's balance at the end of the first quarter	Current year's balance at the end of the 2nd quarter	Current year's balance at the end of the 3rd quarter



**A.T.M.74.**

**FORM 74**

(See Paragraph 235)

Department.....

(To be printed on foolscap folio, both sides.)

Sheet No.....

Balance Compilation for the year 19    19 .

Account No.	Name of subscriber	Balance from 19 .	Deposits and Refunds	Interest for 19 .	Withdrawals	Balance	Remarks
	Brought forward.						
	Carried over						

[No.75]

FORMS

A.T.M.75).

FORM 75.

(See Paragraph 236)

(To be printed on Super Royal with eight sets of columns as below in one open full sheet)

Name                      Number                      Official designation                      District

Pay on 30 <sup>th</sup> June of preceding year	Subscription		Refunds of with- drawals		Total		Withdrawals		Monthly balance on which interest is calculated		Remarks
19            19 .											
July											
August											
September											
October											
November											
December											
January											
February											
March											
April											
May											
June											
June (Final)											
June (supple- mentary).											
TOTAL RS.											
Posted by Checked by Examined by	Balance from 19            -19 .										
	Deposits and Refunds as above										
	Interest for 19   -19 .										
	TOTAL RS.										
	<i>Deduct – Withdrawals as above</i>										
	Balance on 30 <sup>th</sup> June										



**A.T.M.76.**

**FORM 76**

(See Paragraph 240)

(To be printed on fool sheet, Imperial.)

Broadsheet of the ..... Provident Fund for the year.....

No. of Account	Ledger Folio	Balance at Commencement of year	Receipts in the month of	Interest for the year	Total of receipts and opening balance	Withdrawals in the month of	Closing balance	Total of withdrawals and closing balance	Remarks
			Twelve money columns for the twelve months and two money columns for June Final and June Supplementary			Twelve money columns for the twelve months and two money columns for June Final and June Supplementary			

Total as per Broadsheet.  
 Total as per Detail Book.  
 Initials of Superintendent, Book.  
 Difference  
 Initials of G.O.

**A.T.M.77.**

**FORM 77**

(See Paragraph 240)

(To be printed on Super Royal.)

Explanation Sheet of Difference in the General Provident Fund Broadsheet for the month of .....19 .

No. of Item	District	Particulars of items	<u>Receipts</u>												
			<u>Payments</u>												
			Wrong Classification		Amount not posted in the Broadsheet for want of details		Difference arising out of wrong adjustment of difference of previous months		Total original difference		Adjustment of differences of previous months		Net Difference		How Adjusted

Detail Book figure.....

Broadsheet figure.....

Difference.....



[No.79]

FORMS

A.T.M.79).

FORM 79.

(See Paragraph 244)

(To be printed on Super Royal, both sides)

Contributory Provident Fund Ledger.

Name, Account number, Official designation Remarks.

Date of commencement of employment –

(All figures in whole rupees)

Pay on 30 <sup>th</sup> June of preceding year Rs..... 19      19 .	Subscription					Government Contribution		
	Subscrip- tion	Refunds of with- drawals	Total	With- drawals	Monthly balance on which interest is calculated	Subscriber's emoluments drawn on duly or his leave salary if he elects to subscribe during leave	With- drawals	Remarks
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
June Final								
June (supplementary)								
Total								

Balance from 19      -19 .		Government      Contribution      on	
Deposits and Refunds as above		Rs..... @.....	
Interest for 19      -19 .		Balance from 19      -19 .	
TOTAL:		Interest for 19      -19 .	
Deduct – Withdrawals as above		TOTAL:	
Balance on 30 <sup>th</sup> June 19 .		Deduct – Withdrawals as above	
		Balance on 30 <sup>th</sup> June 19 .	

Calculated by

Checked by

**[No.80 & 81]**

**FORMS**

**A.T.M.80).**

**FORM 80.**

(See Paragraph 252)

(To be printed on Long Royal 8 vo)

Office of the .....

Year of Account.....

Rate of Interest.....percent

Account No.	Name of subscriber	Opening balance	* Deposits during the year	Interest for the year	With-drawals during the year	Balance	Missing Credits
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	

\* Includes recoveries made during the months of July to June.

NOTE 1. – The subscriber is requested to state whether he desires to make any alteration in any nomination made under the rules of the fund.

NOTE 2. – In case where the subscriber has made no nomination in favour of a member of his family owning to his having no family at the time, but acquired a family thereafter, the fact should be reported to the Account Officer forthwith.

NOTE 3. – The subscriber is requested to satisfy himself as to the correctness of the statement and to bring errors, if any, to the notice of the Account officer within † ..... month(s) from the date of its receipt.

Signature.....

Designation.....

Date.....

† To be filled in according to the rules of the fund concerned.

In the case of a subscriber to the sterling branch, the figures in the sterling account should be shown below the rupee figures, information as to the rate of exchange being furnished at the end of the note marked \* above.

**A.T.M.81.**

**FORM 81**

(See paragraph 252)

(Same as Form 80 with a flap in the middle at its top and with letters on “H.M.S-To” printed on its reverse, to obviate the use of separate covering envelopes.)





**A.T.M.83.**

**FORM 83**

(See Paragraph 260)

(To be printed on foolscap.)

Machine made, Blue Laid, Lancashire Ledger, D'cap, 30 lbs. E.L.

Date	Serial No.	Person to whom refund is made	Amount		Voucher No. and date of payment	Initials of Superintendent	Remarks.
			Rs.	Ps.			



**A.T.M.84.**

**FORM 84**

(See Paragraph 266)  
(To be printed on Royal)

**Receipts**

**BROADSHEET OF DEPOSITS OF LOCAL FUNDS FOR 19 .**

**Payments.**

Serial number of item	Name of Fund.*	Balance of July 1st.	6 money columns from July to December	Total of 6 months	6 money columns from January to June.	Total of 12 months.	June adjustments.	Total of 12 months including June adjustment.	Grand total of receipts of opening balance	REMARKS.	Serial number of item.	Name of Fund.*	6 money columns from July to December	Total of 6 months.	6 money columns from January to June.	Total of 12 months.	June adjustments.	Total of 12 months including June adjustments.	Grand total of receipts and opening balance	Balance on 30th June.	REMARKS

\* In this column the following details should be entered under each Minor head viz.; (1) Name of the Minor, head, (2) Names of the Funds under that head, (3) Total, (4) Total as per detail book, (5) Difference if any; and below these entries space should be left for the initials of Superintendent and Gazetted Officer.

[No.85]

FORMS

A.T.M.85.

FORM

(See Paragraph  
(To be printed on

BROADSHEET OF REVENUE

Debit

Districts	Opening		July	January	August	February	September	March	October	April	November	May	December	June	June Final		Total Advance	Grand Total
GRAND TOTAL																		
Initials of Book Superintendents																		

Certified that the balances shown above have been agreed with the balance shown in the ± memo and with

**FORMS**

**[No.85]**

**85.**  
279)  
Royal)

**ADVANCES FOR**

**19 .**

**Credit**

Districts	July	January	August	February	September	March	October	April	November	May	December	June	June Final	Total recoveries	Closing Balance	Balance as per + memo	Remarks

Those acknowledged by the controlling officers and that the total agrees with the ledger Balances.

*Superintendent.*

**A.T.M.86.**

**FORM 86**

(See Paragraph 280)

Register and Broadsheet of Advances for

House building  
Motor Car  
Other Conveyances

and of interest thereon for the year 19     19     .

Serial No.	Name of Government Servant	No. and date and substance of order and the amount sanctioned	Monthly rate of recovery	Rate of interest	Amount drawn including balance of principal brought forward	Total interest due or brought forward	Amount recovered (13 monthly columns from July to June Final).	Total recoveries during the year	Balance of principal due at the end of the year carried forward	Balance of total interest due at the end of the year carried forward	Remarks
1	2	3	4	5	6	7	8 – 20	21	22	23	24
			Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	

Note.1 – The entries in this register should be grouped by months, the name of the month being written in red ink across the first 7 columns. Sanctions will, on receipt, be noted in chronological order in the first 4 columns. Advances drawn in the same month will be noted in column 6 against the entries for sanctions. Those drawn in subsequent months will be entered in column 6 under the month in which payment is made and cross references recorded in columns 6 and 1 – 5 against the entries made as above for sanctions and payments respectively, a line being drawn in the remaining columns against the entry for sanctions. If an advance is drawn in more than one instalment, the entries for second and subsequent instalments, will with proper cross references, be made in column 6 under the months of payment and plus entries will also be made against first instalment. Recovery of total advance will thus be watched against the first entry of payment. Sufficient space should invariably be left after the entries for each month, to effect the necessary reconciliation with the Detail Book in accordance with paragraph 280, Audit Manual.

NOTE 2. – For the purpose of calculating interest the balances of advances outstanding at the end of each month should be entered in red ink below each month's entry of recovery which should be made in black ink. Thus the red ink entries in the several monthly columns will represent the balances at the end of each month and all these figures should be added together and entered also in red ink in the column for total recoveries during the year (column 21). A progressive total of the outstanding balance at the end of each year will be entered in red ink in column 22. Interest on the total amount thus arrived at in column 22 will be calculated after the advances in completely repaid, at the rate of interest applicable so each case for one month which will represent the interest due on the advance.

NOTE 3. – Particulars of the original Mortgage Bond and of the Insurance cover notes should be noted in the remarks column, whenever necessary, in order to watch the dates of first insurance and of subsequent renewals.

NOTE 4. – The fact that the Government servant concerned has accepted the balance shown in column 6 should be cited in the remarks columns.

**A.T.M.87.**

**FORM 87**

(See Paragraph 280)

Register and Broadsheet of

Advances for

19 -19 .

1 Serial No.	2 Authority sanctioning the advance		3 Name and Designation of Govt. Servant	4 Amount sanctioned		5 Amount and date of installment	6 Treasury of payment	7 No. and date of Payment Voucher	8 Amount paid		9 Out-standing balance on 1st July	Recoveries in the Month of				Total recoveries (columns 10 to 23)		Balance on 30th June		No. and date of letter acknowledging the balance on 30th June.
	No.	Date										July	August	And so on	June Supplementary					

**A.T.M.89.**

**FORM 89**

(See Paragraph 287)  
(To be printed on open foolscap)

**CREDITS**

Broadsheet of Permanent Advances for the year 19 19 .

District	July	August	September	October	November	December	January	February	March	April	May	June	June Final	Total for the year
TOTAL:  TOTAL As IN DETAIL BOOK  Difference:  Initials of Superintendent, Book Department.														



A.T.M.91.

FORM 91

[See Paragraph 291]  
(Condensed from representing a demy page)

Remittance Check Register for the month of July 1951.  
CASH REMITTANCES BETWEEN TREASURIES

Date of Remittance	Remitting Treasury	AMOUNT DEBITED		Initials of Auditor	Unadjusted credits carried forward	Receiving Treasury	Date of Credit	AMOUNT CREDITED		Initials of Auditor	Unadjusted debits carried forward
		Previous months	Current month					Previous months	Current month		
		Rs.	Rs.		Rs.			Rs.	Rs.		Rs.
Brought forward from last month. –	A	2,00,000							2,00,000		
	B	50,000							50,000		
	C	1,50,000							1,50,000		
		4,00,000									
July..	..	..	20,000			Brought forward from last month	June..	20,000	10,00,000		
			10,00,000						5,00,000		2,00,000
			5,00,000						..		
			2,00,000						6,00,000		
			6,00,000						4,00,000		
			4,00,000						10,000		
			..		10,000				2,00,000		
			2,00,000						3,00,000		
			3,00,000						3,00,000		
			3,00,000						..		3,00,000
			5,00,000						5,00,000		
			7,50,000						7,50,000		
			2,50,000						2,50,000		
			50,20,000		10,000				49,10,000		5,00,000
			Agreed with Detail Books						Agreed with Detail Books		
					54,30,000						54,30,000



**A.T.M.98.**

**FORM 98**

[See Paragraph 325, Rule 2(a)]

The forms will be printed with the first column containing numbers 01 to 99 and 00, the digits for hundred and thousand being left to be entered in manuscript at the top and bottom of the column by the clerk using it.

(To be printed on open foolscap)

**TOKEN REGISTER**

.....19 .

Token No.	1st	2nd	3rd	4 <sup>th</sup>	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st
1																															
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23																															
24																															
25																															

EXPLANATION. – Against the number of the token issued, enter in the column of the “Date” on which it is issued the first letter of the Audit Section to which the bill has been sent and the number of the major head of charge, (e.g., G 5 for a General Administration bill sent to G.A.D.). Against all tokens received back enter the letter “R” (i.e. Redeemed) in the column of the “Date” on which they were redeemed.)

## TOKEN REGISTER

\_\_\_\_\_19

Token No.	1st	2nd	3rd	4 <sup>th</sup>	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19 <sup>th</sup>	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st
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47																															
48																															
49																															
50																															
Opening balance No. of tokens tendered <div style="text-align: right;">Total:</div> No. of tokens issued Closing balance in hand No. of tokens not in hand Total No. of tokens in stock  <div style="text-align: right;">Cashier*</div> Initials of ..... Bill Receiver G.O.																															

\* In token of verification of the closing balance by actual counting and of agreement of the total number of unredeemed tokens with the total number of bills outstanding in the office.



A.T.M.101.

FORM 101

[See Paragraph 325, Rule 2(c)]

(To be printed on foolscap folio)

**Enquiry regarding token numbers of outstanding pre-audit bills**

For the month of .....19

Will you please note on the reverse the token numbers of all bills received at the counter of this office, which may be outstanding in your Section on the afternoon of the ..... instant and return this memo, without fail by the..... morning? It is particularly requested that auditors will include in this list all bills which have not been actually sent to the cash office, such as those which may be pending either with the G.O. in charge or with the Superintendent.

Superintendent, P.P.D.

Dated.....19 .

To

**SUPERINTENDENT,**

.....Section.

**[No.102 – 103]**

**FORMS**

**A.T.M.102.**

**FORM 102**

(See Paragraph 330)

(To be printed on foolscap)

Register of Cheques Drawn: Pre-audit Department

No. of Cheque	Amount	
	Rs.	Ps.

**A.T.M. 103.**

**Form 103**

(See Paragraph 330)

Register of Cheques Delivered: Pre-audit Department

No. of cheque	To whom paid	Voucher No.	Token No.	Description of charge	Amount		
					Rs.	Ps.	

A.T.M.104.

FORM 104

(See Paragraph 331)

(To be printed on foolscap)

**Cash Payment Register of the Pre-audit**

Date	Voucher No.	Token No.	To whom paid	Description of charge	Amount	
					Rs.	Ps.

**[No.105]**  
**A.T.M.105.**

**FORMS**  
**FORM 105**

---

(See Paragraph 332)

(To be printed on half foolscap)

**MEMORANDUM**

..... dated.....19 .

Cheque No..... drawn for cash paid up to.....o'clock  
in advance

Rupees.....

.....

Rs.

Assistant Accountant General

**A.T.M.106.**

**FORM 106**  
[See Paragraph 339]

Register of Final Post-audit of Pre-audit Bills

Date of receipt	Token No.	Name of drawer	Amount of bill		Amount disallowed		Initials of Superintendent	Date of return to Cash Department	Date of receipt from Accounts Departments	Date of final post audit	Initials of		Voucher No. and Remarks
			Rs.	Ps.	Rs.	Ps.					Auditor	Superintendent	
1	2	3	4	5	6	7	8	9	10	11	12		
			Rs.	Ps.	Rs.	Ps.							

The Superintendent will at the time of passing the bill, check the entries made by the auditors in columns 1 to 5 of this register and initial in column 6, columns 8 to 12 should be completed when the paid bills are received for post-audit. See also Note 2 under paragraph 339.





**FORM 108**  
**Works Audit Register**

[No.108]

FORMS

A.T.M.108.

FORM 107

[See  
Works Audit  
DIVI

PART I. – Sanctions  
Minor Head

Major Head

Serial Number	Folio and item No. in the last Register	Sanctioned detailed estimate		Allotment		Expenditure to end of previous year (if any)	* Permissible limit of expenditure to end of the year (cols. 6+7)	Locality of work	Full name of work (as given in the estimate)	July 19	August	September
		Authority – No. and date	Amount	Authority – No. and date	Amount							
1	2	3	4	5	6	7	8	9	10	11	12	13
			Rs. Ps.		Rs. Ps.	Rs. Ps.	Rs.			Rs. Ps.	Rs. Ps.	Rs. Ps.



**A.T.M.108.**

**FORM 108 – Contd.**

**PART II. – Sanctions to Fixed Charges**

Item No.	Reference to sanction, with period for which the sanction has been accorded	Name of work or account	Sanctioned Scale				Amount paid for each month						
			Name of post or nature of charge	Monthly rate	No.	Amount per mensem	* July		* August		* September		and so on
							Reference to voucher †	Amount ‡	Reference to voucher †	Amount ‡	Reference to voucher †	Amount ‡	
					Rs.		Rs. Ps.		Rs. Ps.		Rs. Ps.		

\* Name of the month for which wages have been earned. For facility of audit, when a sanction is noted, a line should be drawn through the space for all the months prior and subsequent to the period covered by the sanction.

† Entries should be made briefly, e.g., Voucher 24 for July will be entered as 24-7.

‡ Amounts paid should be entered in black ink, and unpaid amounts or fines in red ink, the entries for fines being distinguished by the letter F. Subsequent payments of unpaid amount should be entered underneath in black ink, it being seen that they do not exceed the amounts available, as entered in red ink. Claims for arrears not included in the original claims for the month concerned should not be admitted ordinarily without full explanation of the circumstances under which they were omitted.

**PART III. – Sanctions to Contracts**

Item No.	Reference to sanction	Name of work or Account	Name of contractor	Date of completion of contract		* Substance of sanction (Quantities, Rates, other necessary conditions, etc.)	No. of form of agreement (if any ordinary form is used).	Reference to Payment Vouchers				Remarks
				Stipulated (To be filled in form the first running bill)	Actual (To be filled in form the final bill)			July	August	September	and so on	
1	2	3	4	5	6	7	8	9	10	11	12	13

\* If, on receipt of any sanction, the Gazetted Officer in charge has authorized that audit be conducted against the original orders (vide paragraph 380), then the letter should be pasted in a guard file, which should be treated as an accompaniment to the Audit Register, and it will suffice to quote in this column merely the reference to the pages of the file.

PART IV. – Orders of Special Recoveries

1	2	3	4	5	6	Amount Recoverable			Note of recoveries made from time to time during the year against each order				14	15
						7	8	9	10	11	12	13		
Item No.	No. and date of authority ordering or promising the recovery	Name of work or Account	Nature of recovery	Substance of order with name of the person from whom recovery is to be made	Due date or dates of recovery	Balance brought over from previous year's Register	Recovery ordered during year	Total (cols. 7+8)	No. of voucher or account	Month	Amount	Progressive total of recoveries	Balance carried over to next year's Register	Remarks
						Rs. Ps.	Rs. Ps.	Rs. Ps.			Rs. Ps.	Rs. Ps.	Rs. Ps.	





**A.T.M.109.**

**FORM 109**

(See Paragraph 386)

(To be printed on foolscap, Machine made, Blue Laid, Lancashire Ledger, D'cape 30 lbs. E.L.)

Register of Land Charges for the year

Province

Particulars of award						Completion of award statement				* Amount of abatement of Land Revenue per annum
Name and designation of the officer making the award 1	No. 2	Date 3	Area of land taken up 4	Amount 5	Work for which taken up 6	Amount passed 7	When sent to Chief Revenue authority			
							No. 8	Date 9	Designation of Chief Revenue Authority 10	
				Rs.		Rs.				Rs.

\* This column should be filled in only in the case of Irrigation, Navigation, Drainage and Embankment works.

**FORMS****[No.110]****A.T.M.110.****FORM 110**

(See Paragraph 387)

Register of Sanctions to detailed Estimates for

Project.

Head of Classification

Project.

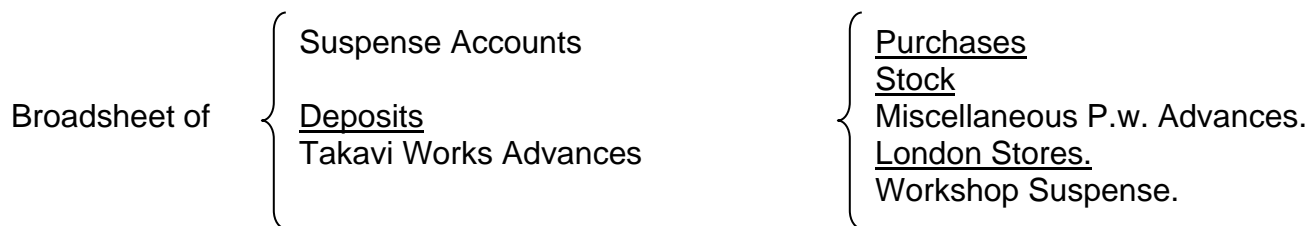
Provision Rs.

Item No.	Brief particulars of the detailed estimates	Amount of estimate	Progressive Total	Actual Excess or Saving			Reference to Item No. of adjusting entry in this Register	Dated initials of Superintendent	Remarks
				Month in which accounts were closed	Excess	Saving			
1	2	3	4	5	6	7	8	9	10
		Rs.	Rs.		Rs.	Rs.			

A.T.M.111.

**FORM 111**

(See Paragraph 393)



Major head (in the case of suspense accounts)

Division	Open- ing balance	July 19 .						August 19 .						And so on for the in- termediate months September to June	June Final						June Supplementary					
		Debits Credits +		Credits Debits +		Closing balance		Debits Credits +		Credits Debits +		Closing balance			Debits Credits +		Credits Debits +		Closing balance		Debits Credits +		Credits Debits +		Closing balance	
1	2	3		4		5		6		7		8		9 to 38	39		40		41		42		43		44	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
<b>TOTAL</b>																										
<b>TOTAL AS PER DETAIL BOOK LEDGER</b>																										

† score out "Credits" in the case of Miscellaneous P.W. Advances, Stock, London Stores, and Takavi Works Advances; and "Debits" in the case of Purchase and Deposits.

‡ Score out "Debits" in the case of Miscellaneous P.W. Advances, Stock, London Stores, and Takavi Works advances; and "Credits: in the case Purchase and Deposits.



[No.113]

**FORMS**

**A.T.M.113.**

**FORM 113**

(See Paragraph 439 and 440)

(To be printed on foolscap folio)

Office of the \_\_\_\_\_

Dated \_\_\_\_\_, the \_\_\_\_\_ 19 .

Certified that the expenditure during the month of \_\_\_\_\_ 19 , on the following works done by the \_\_\_\_\_ Division on behalf of \_\_\_\_\_ amounted to Rupees \_\_\_\_\_ (Rs. \_\_\_\_\_ and that the connected payment voucher have been audited in this office in) accordance with rule.

No.	Particulars	Amount	
		Rs.	Ps.

(Signature) \_\_\_\_\_

(Designation) \_\_\_\_\_

**A.T.M.114.**

**\* FORM 114**

(See Paragraph 477 to 480)

Statement showing the Financial Results of Irrigation, Navigation, Embankment and Drainage Works for, and up to the end of, 19 -19 .

Number of Works	Names of works	GENERAL FINANCIAL RESULTS TO END OF 19 - 19 .										FINANCIAL RESULTS OF THE YEAR 19 - 19 .								
		MILEAGE IN OPERA-TION		Estimated cost of construction (direct and indirect).	Date of completion of work	Date when system first came into operation	Total capital outlay (direct and indirect)	Accumulated arrears of interest	Accumulated surplus revenues	Total sum at charge (column 7 and 8)	Gross receipts (direct and indirect)	Working expenses (direct and indirect)	Net Revenue	Percentage on capital outlay, Column 7	Percentage on sum at charge, Column 10	Interest	Net profit	Net loss	Area irrigated	Percentage of working expenses to receipts (Column 11 to Column 12)
		Main canals branches	Distributaries																	
1	2	3	4	5	6a	6b	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		Miles	Miles	Rs.	Date	Date	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	%	%	Rs.	Rs.	Rs.	Acres	%

\* The instructions in paragraph 480 regarding the printing of the working forms should be borne in mind.











**A.T.M.118.**

**FORM 118**

(See Paragraph 491)

Broadsheet of Miscellaneous Public Works items appearing in the Inward Accounts.  
(Separate registers should be opened for "Inward Debits" and "Inward Credits")

Serial No.	Divisions	Out-standing difference from last year	July Adjusted in .....			August Adjusted in .....			September Adjusted in .....			And so on (with fly leaf)
			<u>Debit</u> Credit by Inward Account	<u>Credit</u> Debit by P.W.D.	Difference at end of month	<u>Debit</u> Credit by Inward Account	<u>Credit</u> Debit by P.W.D.	Difference at end of month	<u>Debit</u> Credit by Inward Account	<u>Credit</u> Debit by P.W.D.	Differen ce at end of month	
1	2	3	4	5	6	7	8	9	10	11	12	13

General Abstract –  
Buildings and Road Branch: -  
Irrigation Branch: -

Debit

Total of the Broad Sheet Credit

Credit

Figures as per Broad Sheet Debit

**GRAND TOTAL**

Agreed with the  
Detail Books

Agreed with the  
Detail Books.

Agreed with the  
Detail Books

\* NOTE. – To the figures in Column 4 (Debits by Inward Account) will be added the total of column 5 (Debits by P.W.D.) of the other Broad Sheet and similarly in Column 5 (Credits by P.W.D.) will be added the total of Column 4 (Credits by Inward Account) of the other Broad Sheet.

**A.T.M.119.**

**FORM 119**

(See Paragraph 507)

Forest Department .....

Objection Statement on the Account of the ..... Division of the month of 19 .

No. of item in Cash Book and whether on Dr. or Cr. Side.	Date	Particulars	Amount entered in Objection Book		Nature of Objection	Explanations	Conservator's recommendation and Accountant Generals orders
1	2	3	4		5	6	7
			Rs.	Ps.			

Dated \_\_\_\_\_  
\_\_\_\_\_ 19 .

Assistant Accountant General  
(Forests)

Divisional Officer,  
\_\_\_\_\_ Division,

Conservator of Forests.



**FORM 120 – Contd.**

Grand total of month's objections.											Analysis of Balance			<p>I certify that I have examined the Objection statement and find it complete in all respects. All cases or items which could be waived under Article 248 of the Audit Code, have been brought to the notice of Gazetted Officer and orders taken.</p>
Balance from part months  Total objections Deduct –  Amount adjusted during as per separate adjustment Register  Balance outstanding											Period	No. of items	Amount	
Add debits in June 19 Final  Deduct credits in June 19 Final  Net result at the end of the month.											Previous year 19  Do. 19 . July 19 . august 19 . September 19 . October 19 . November 19 . December 19 . January 19 . February 19 . March 19 . April 19 . May 19 . June 19 . July 19 .			
N.B. – (1) This statement is to be returned by the Divisional Forest Officer through the Conservator of Forests within a fortnight * after its receipt in a separate cover marked Objection Statement and every effort should be made to settle finally all objections within the time allowed. Only in special cases may extracts be kept or sent to persons concerned.  (2) If the space for explanation is not sufficient separate memoranda may be used to keep this Form clean and tidy.  (3) The actual dates of receipt and despatch should be noted to check delays in submission.											August 19 . September 19 .  Total  Vide skeleton details overleaf to quarter ended 19			

\* If the period prescribed is different, that period should be filled in.







A.T.M.122.

FORM 122

[See Paragraph 528]

Confidential Index Card of Government Servants responsible for Financial Irregularities.

Name of Government Servant

Year	Financial irregularities			* State of accounts discovered at inspections by Audit Officers			
	Name of serious irregularity committed _____ with brief particulars	Reference to connected papers to enable the item to be traced.	Orders or comments of Government including disciplinary action if any.	Year of inspection	Division, Treasury or other office inspected	Inspecting Officer's remarks as to state of accounts	Initials †

\* This column should be left blank if the officer at fault is not the head of an office requiring inspection.

† The dated initials of the auditor making the entries, and of the Superintendent and the Gazetted Officer examining them, should be placed in this column against each item. Entries made on different dates should be so arranged that the dated initials of the auditor against them will indicate the date on which the entries were made.

A.T.M.123.

**FORM 123**

[See Paragraphs 532 and 538 to 543]

**Objection Statement.  
(PUBLIC WORKS TRANSACTIONS)**

Statement of Expenditure under objection in the Accounts of \_\_\_\_\_ Division for the month of \_\_\_\_\_ 19 .  
PART I. – OBJECTIONS REGARDING ESTIMATES AND ALLOTMENTS FOR WORKS

No. of item in the schedule of Works Expenditure	Name of work (with amount of sanctioned estimate to be shown in red ink).	Up to date Expenditure under Objection				Explanation of Divisional Officer	Remarks by Superintending Engineer	For use in the Audit Office
		Want of sanctioned estimate	Excess over sanctioned estimate	Want of allotment.	Excess over allotment			How disposed of
	† Total up to date amount of expenditure held under objection on these grounds including that pertaining to the works detailed in this Part. List of works the progressive expenditure on which has not yet exceeded the limits of the powers of the Divisional Officer to sanction on an estimate or pass as an excess, as the case may be, but regarding which no intimation of the sanctions or orders of the Divisional Officer or higher authority has reached the Audit office. Other objections, i.e., objections which it is known definitely cannot be removed without the orders of the Superintending Engineer or higher authority.	* Rs.	* Rs.	* Rs.	* Rs.			

\* In nearest Rupees.

† All entries relating to the total amount of expenditure under objection should be shown in red ink.

**FORM 123 – Contd.**

**PART II. – MISCELLANEOUS OBJECTIONS**

Item No.	No. of voucher or item in the schedule concerned (with name of schedule)	Particulars	Amount under objection		Particulars of objection	Explanation of Divisional Officer	Remarks by Superintending Engineer	For use in the Audit Office
			Vouchers awaited	Other items				How disposed of
		† Total amount of objections awaiting adjustment (including those relating to items detailed in this Part).	* Rs.	* Rs.				

\* In nearest Rupees.

† All entries relating to the total amount of expenditure under objection should be shown in red ink.

A.T.M.124.

**FORM 124**

[See Paragraphs 536 and 550 to 560]

**Objection Book and Adjustment Register.  
(PUBLIC WORKS TRANSACTIONS)**

Class of Objection

Item No.	Name of work Particulars of Item	Balance brought forward		July		And so on.	Supplementary Accounts		Reference to the order, account, voucher or other documents justifying the removal of objection	‡ Remarks (including particulars of correspondence and action taken)
		Year from which outstanding	Amount	† Amount placed under objection	† Amount cleared		Amount placed under objection	Amount cleared		
			* Rs.	* Rs.	* Rs.		* Rs.	* Rs.		

\* In nearest Rupees.

† The amount placed under objection during the month or the amount cleared during the month should be noted in black or blue black ink and

the progressive totals should be shown in green, ink, e.g.  $\frac{100}{100}$   $\frac{200}{300}$ , and so on.

‡ This column should be filled in only in respect of "Miscellaneous" Objections.

**A.T.M.125.**

**FORM 125**

[See Paragraphs 561]  
(Condensed)

Objection Statement showing the result of the audit and Examination of the \_\_\_\_\_ List of Payments  
(and of the Cash Account) of the \_\_\_\_\_ Treasury for 19 \_\_\_\_ .

(N.BB. – This statement must be returned within a fortnight\* of its receipt, or the cause of any delay in doing so explained by docket.)

No. of item	Date of receipt or payment	No. of Voucher	Nature of receipt or Payment	Amount under Objections	Nature of Error or Objection	Order of the Accountant General thereon	Explanation or Remarks of the Officer in charge of the Treasury

NOTE. – When the space in the last column against any objection is found to be insufficient, the Treasury Officer may furnish his explanation on separate memoranda.

\* If the period prescribed under Article 242 of the audit Code is different that period should be filled in.

**FORMS**

**[No.126]**

**A.T.M.126.**

**FORM 126**

[See Paragraph 566]

(Full size)

Retrenchment Slip.

Accountant General's Office.

Dated 19 .

To

Please note that the Treasury Officer, , has been

Pay \_\_\_\_\_

Instructed to recover from the next Travelling Allowance bill presented by  
Contingent

You

Mr. the amount noted below in the manner indicated.

**COUNTERFOIL**

Drawing Office –
Treasury of Payment –
Voucher { No.
{ Date.
Amount to be recovered Rs.....

<b>Reasons.</b>	Disallowed by countersigning Authority. Pay overdrawns. Travelling allowance overdrawn.
-----------------	---

For explanation, see reverse.

He should immediately forward any representation he may have to make, in order that, if it is accepted, the retrenchment order may be withdrawn or modified.

No.

Copy forwarded to the Treasury Officer, , for information and guidance.

Assistant Accountant General.

NOTE. – In the copy sent to the Treasury Officer, the entry “for explanation see reverse” should be scored through, no such explanation being required by the Treasury Officer.

Noted in the Objection Book.

Auditor



127.

568, 578 and 581)

an open sheet, and of medium pages)

for the month of

19 .

Nature of objection	Subsequent Reminders, etc.	MODE OF ADJUSTMENT					
		Month in which admitted if finally passed		If disallowed, the account in, which the item is credited or the number of the voucher from which it is recovered.			
		Month.	Amount of each portion admitted	Date of credit or No. of Voucher		Amount	
11	12	13	14	15	16		
			Rs.	Ps.		Rs.	Ps.
Total of cols. 5 to 10	Heads.	Classified Abstract	Object-ion Book.	Differ-ence	Explana-tion of Diffe-rence	I certify that I have examined the Objection Book and find it complete in all respects. All cases or items which could be waived under Article 248 of the Audit Code, have been brought to the notice of the Gazetted Officer and orders taken.  Date Superintendent	
	Advances Recoverable –						
	Charges .. Adjustments.						
	Suspense –						
	Receipts ..						
	Charges ..						
	Adjustments ..						
	Receipts ..						
	Charges ..						



A.T.M.128.

FORM 128

(See Paragraphs 576 to 580)  
(Condensed from representing medium page)

Adjustment Register (other Transactions) of

for the month of

19 .

Month of Adjustment	No. of Voucher or date of Recovery or of Re-credit.	on Book Item	Original		Amount adjusted under					How adjusted: ‡	Initials of Superintendent	
			Period of Account	No. of Voucher or date of Receipt	Advances Recoverable	Suspense		Items adjusted but awaiting final clearance		Cash Recoveries of Service Payments		
						Re-ceipts	Pay-ments	For want of detailed Bill	For other reasons			
This month is, of course, the account month, the month in which accounts adjustment is made.	Aug. 34 of Aug. '51 64 of Aug. '51											

‡ When adjustment is effected in any of the ways noted here, it will suffice to quote the corresponding letter; other letters can be added at discretion according to local circumstances.



[No.130]

FORMS

A.T.M.130.

FORM 130

(See Paragraph 583)

Broadsheet of the head ..... Departmental Adjusting Account  
Receipts  
Payments for the month of 19 .

Particulars	<u>credits</u> Original debits as per Schedule and Suspense Slips	Adjusting <u>credits</u> minus debits as per Schedule and Suspense Slips	Difference for the month	Explanation of difference
				Certified that all differences up to and including the previous month have been adjusted

Superintendent

GRAND TOTAL.

TOTAL (AS PER LEDGER)

Superintendent,  
.....Section.

Ledger figure.

More  
Less

A.A.O.

A.A.G

**FORMS**

**[No.130**

**A.T.M.130.**

**FORM 130 – conclud.**

Month	Original <u>credits</u> debits	Adjusting <u>credits</u> minus debits	Net difference	Explanation of difference
July .. ..				
Difference up to July ..				
<i>Add - August</i> ..				
Difference up to August..				
<i>Add – September</i> ..				
Difference up to September ..				
And so on .. ..				

[No.131]

FORMS

A.T.M.131.

FORM

[See

(Representing one open  
Abstract of Objections of

Month of Objection	Object-ed to	Adjusted in July 1951	Adjusted in August	Adjusted in September	Adjusted in October	Adjusted in November	Adjusted in December
Balance of 1947-48 ..							
Balance ..							
" of 1948-49 ..							
Balance ..							
" of 1949-50 ..							
Balance ..							
" of 1950-51 ..							
Balance ..							
July 1951 ..							
Balance ..							
August ..							
Balance ..							
September ..							
Balance ..							
October ..							
Balance ..							
November ..							
Balance ..							
December ..							
Balance ..							
January ..							
Balance ..							
February ..							
Balance ..							
March ..							
Balance ..							
April 1952 ..							
Balance ..							
May ..							
Balance ..							
June ..							
Balance ..							
June Final ..							
Balance ..							
Total ..							
Balance ..							

N.B. – The balance at the end of every

131.

paragraph 584)

sheet of demy)

District Dine Department for the year 1951-52

Adjusted in January	Adjusted in February	Adjusted in March	Adjusted in April 1952	Adjusted in May	Adjusted in June	Total Adjusted	Balance outstanding	Adjusted in June Final	Balance June

Month should be shown in red ink figures.

[No.132]

FORMS

A.T.M.132.

FORM

[See

Objection Statement showing the result of the Audit and Examination for

1	2	Amount placed under											
		3	4				5				8		
			Receipts		Payments		For want of detailed bills		Other reasons				
			Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.			
No. of ems	Grand Total of month's objections												
	Memorandum of objectionable Items.												
	Balance from past month ..												
	Add – Total of month's objections												
	Total ..												
	Deduct – Amount adjusted during as per separate Adjustment Register												
	Balance outstanding ..												

Heads	Classified Abstract	Objections Book	Difference	Explanation of Difference
Advances recoverable Charges Adjustment				
Suspense – Receipts Charges. Adjustment Receipts Charges				

NOTE 1. – When the space in column 11 against any objection is found to be insufficient, the Treasury as it is to be preserved

NOTE 2. – The Treasury Officer is required specially to note on this form the actual dates of receipts in \* If the period prescribed under Article 242 of the Audit Code is different that period should be

**132.**

paragraph 588)

of the \_\_\_\_\_ List of Payments (and of the Cash Account) of the \_\_\_\_\_  
Treasury \_\_\_\_\_ 19 .

Nature of Error or Objection	Orders of the Accountant General thereon	Explanation or Remarks of the Officer in charge of the Treasury (see foot-note 1 below)	Mode of Adjustment (for use in Accountant General's Office)		
			Date of re-credit or No. of voucher from which recovered	Month of adjustment	Amount
1	2	3	4	5	6
					Rs. Ps.

Total of columns 3 to 8	I certify that I have examined the Objection Statement and find incomplete in all respect. 1 All cases or items which could be waived under Article 248 of the Audit Code, have been brought to the notice of the Gazetted Officer and Orders taken.				
Rs. Ps.	Superintendent				
	Forwarded to the _____ for early disposal and return within a fortnight* of its receipt or the cause of any delay explained by docket (see foot note below). As there is, however, nothing really gained by the return of the statement either the same day or a day or two after receipt with such replies as "Extract sent to D.S.P. etc.," full advantage should be taken of the maximum number of days allowed to secure final replies from all the officers in the station, in order to return the statement in as complete a form as possible so that the objections may be settled without the necessity of a further reference. The plan of sending "Extracts" should be adopted only in the case of Government servants in Camp, or in distant tehsils, whose replies having to be given there, will delay the return of the statement. Even in these, as in all other cases, every effort should be made to get back the "extracts" in time to be attached to, or to be forwarded soon after the despatch of, the statement, and for this purpose reminder should be sent on the third day, if necessary, to secure them.				

Station

Date

Date of receipt at Treasury                      19 .

Returned to        on date                      19 .

Station



Deputy Accountant

Officer in charge of Treasury

See Note 2 below.

Officer may furnish his explanation in separate memoranda in order to keep this Form clean and tidy For some years.  
and despatch from his office to check delays in submission.  
field in.





**FORMS**

**[No.134**

**A.T.M.134.**

**FORM 134**

(See Paragraph 607)

**Grant No.5. – AGRICULTURE AND VETERINARY  
(ALL VOTED)**

Major head and Sub-head	Final Grant of Appropriation	Actual Expenditure	Excess + Saving –
1	2	3	4
	Rs.	Rs.	Rs.
<b>MAJOR HEAD "40 – AGRICULTURE".</b>			
A. – Subordinate and Expert Staff:			
A. 1. – Plant Protection Department:			
O.                      1,34,000	}                      1,47,590	1,48,220	+ 630
S.                      13,590			
A. 2. – Expenditure in connection with the Coordinated Locust Control Scheme:			
O.                      1,62,000	}                      1,76,945	1,65,879	– 11,066
S.                      10,000			
R.                      4,945			
Explanatory note			
*	*	*	*
*	*	*	*
G. – Veterinary:			
MAJOR HEAD "41" –			
Veterinary Education and Research:			
G.1. – Animal Husbandry Research Institute:			
O.                      2,45,800	}                      2,40,220	2,15,412	– 24,808
R                      - 5,580			
*	*	*	*
Surrenders or withdrawals within Grant or Appropriation			
R.                      8,70,600	8,70,600	..	8,70,600
Total: ..	72,67,000	68,84,367	– 3,82,633

The above appropriation Account does not include the following recoveries which have been adjusted in the Accountants in reduction of expenditure: -

## A.T.M.134

## FORM 134

(See Paragraph 607)

## Grant No. 5. – AGRICULTURE AND VETERINARY

Nature of Recovery	Estimated Recovery	Actual Recovery	More + Less –
1	2	3	4
	Rs.	Rs.	Rs.
MAJOR HEAD "40" (Group head A.3). Subordinate and Export Staff – Expenditure in connection with Grow More Cotton Campaign: Amount met from the Fund for Develop- ment of Agriculture .. ..	1,89,000	3,90,906	+ 2,01,906
Explanatory Note			
*	*	*	*
*	*	*	*
MAJOR HEAD "41" Civil Veterinary Services – Other Charges: Group-head G.3) Amount met from the Fund for Develop- ment of Agriculture .. ..	8,42,000	1,75,347	– 6,66,653
Explanatory Note			
Total: ..	19,94,000	7,40,239	– 12,53,761

### INSTRUCTIONS FOR THE COMPILATION OF APPROPRIATION ACCOUNTS IN FORM 134

1. Heading of page. – (a) The number and name of the grant or appropriation should be set out at the top of each page.

(b) Just below the heading it should be stated whether the grant is "all voted" or "all charged". In case the grant contains voted and charged expenditure no specification should be made.

2. Column. 1. – (a) The number and nomenclature of the major-head should be given at the head of the column on each page.

(b) For each sub-head, charged figures should be given first in italics followed by any explanatory note that may be necessary. Below these should come the voted figures, in ordinary Roman type, followed by an explanatory note.

(See Paragraph 607)

(c) Where modifications in the original grant or appropriation have been made the amounts of the original grant or appropriation and of the modification should be shown one below the other, prefixed by the letters "O", "S" and "R", as the case may be.

(d) The adjusting sub-head "Surrenders or withdrawals within grant or appropriation: should be opened as the last sub-head of the appropriation account to record the amounts withdrawn or surrendered within a grant or appropriation. The amounts shown against this sub-head will neutralize the effect of the net reduction of authorized provision due to re-appropriation withdrawals or surrenders made under various sub-heads and the total in column 2 of the Appropriation Account will represent the authorized provision under the grant concerned. This sub-head is intended to be exhibited in the Appropriation Accounts only and there is no question of formal operation on this sub-head in the course of the year by the Departmental authorities. To avoid a possible impression that this sub-head is an account head, no letter should be prefixed to it.

(e) If the amount certified or authorized by the President of Pakistan or included in the authenticated schedule of authorized expenditure by the Governor under \*\* ..... to section ..... relates to an original demand for grant, it should be shown against the letter "O", but if it relates to a supplementary demand for grant or the amount authorized is in respect of expenditure for which a demand for grant was not made in the original budget, it should be shown against the letter "S."

3. *Column 2.* – In this column should be entered the sum of the figures given against "O", "S" and "R", in column 1, or, if there have been no modifications, the amount of the original grant or appropriations.

5. *Column 4.* – The amount to be recorded in this column is the amount by which the figures in column 3 exceed (+) or fall short of (–) those in column 2.

6. *Recoveries.* – (a) *Heading.* – The Appropriation Account of the Grant is prepared for the gross amount of expenditure and does not include the credits and recoveries which are adjusted in accounts as deductions from expenditure and are shown at the foot of each grant or appropriation and the following sentence should be given: -

"The above Appropriation Account does not include the following recoveries which have been adjusted in the Accounts in reduction of expenditure: .

(b) *Column 2.* – In this column should be given the "Revised Estimates".

(c) *Column 3.* – In this column should be given the actual recovery.

(d) *Column 4.* – The amount to be recorded in this column is the amount by which the figure in column 3 exceed (+) or fall short of (–) that in column 2.

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\* To be supplied by Provincial Accountants General.

**No.135]**

**FORMS**

**A.T.M.135.**

**FORM 135**

---

(See Paragraph 610)

**INDEX**

*Analysis, under Grants or Appropriations of the Report on the Accounts, showing to which accountants specific is made in the Report*

No. and Name of Grant or Appropriation	Report Page	Paragraph
--	----------------	-----------

[See Paragraph 629 (b)]

## Detailed Statement of expenditure on Important New Works

Description of work	Original Appropriation	Modified Appropriation	Expenditure	Expenditure compared with Modified appropriation More+ Less –
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
I. Major works above Rs.....*				
For which specific provision was made in the Budget				
(a) Estimated to cost above Rs.....*				
1. Extension of District prison	4,00,000	4,00,000	49,522	– 3,50,478
	Explanatory note			
2. Laboratories at the	1,21,,200	1,30,672	1,30,672	..
	Explanatory note			
3. .. ..				
4. .. ..				
(b) Originally estimated to cost Rs.....* or less but now estimated to cost above Rs.....*				
[To be detailed as at I(a) above]				
II. Other Major works for which specific provision was made in the Budget –				
(Collectively)				
III. Major works for which specific provision was not made in the Budget –				
[To be detailed as at I(a) above]				
IV. Minor Works –				
(Collectively)				
Charged .. ..	10,000	6,500	6,345	– 155
	Explanatory note			
Charged .. ..	1,50,000	1,61,000	1,63,399	+ 2,399
	Explanatory note			

\* Such monetary limit as may be prescribed by the Ministry of Finance.  
Note. – For examples of suitable notes, see below.

*A few examples of explanatory notes [See paragraphs 629(c) which should be inserted just below the item concerned, are given below. In the case of class III, it should be explained how the expenditure on each item of Major works, for which specific provision was not made in the budget, has been met: -*

Example 1. Estimate Rs.1,84,000; expenditure to 30<sup>th</sup> June, 1960, Rs.1,74,480, balance-Rs.9,620; in progress.

Example 2. Revised Estimate Rs.1,89,,700; expenditure to 30th June, 1960, Rs.1,99,850; excess Rs.10,150, met by re-appropriation; in progress.

Example 3. Demands under this head were reduced as much as possible.

Example 4. There were no demands under this head.

Example 5. The original tenders were high. The scheme was accordingly revised, and it was not possible to commence work within the year. Included in the estimates for 1960-61.

Example 6. Completed; further charges to come. Estimate Rs.6,88,750; expenditure to 30th June, 1960, Rs.6,35,450; balance Rs.33,300.

Example 7. Progress was slow owing to difficulty in obtaining supplies of materials. The under-spending was also, in part, due to reduced cost of labour. Not completed. Included in the estimate for 1960-61. Revised estimate Rs.8,80,900; expenditure to 30th June, 1960, Rs.4,61,210; balance Rs.4,64,690.

Example 8. Estimate Rs.3,90,850; expenditure to end of 1959-60 Rs.3,04,720; in progress overed by allotments sanctioned by .....

Example 9. Estimate Rs.1,88,345; expenditure to end of 1959-60 Rs.1,79,971; completed; remained uncovered.

(See Paragraph 610)

**INDEX**

*Analysis, under Grants or Appropriations of the Report on the Accounts, showing to which accountants specific is made in the Report*

No. and Name of Grant or Appropriation	Report Page	Paragraph
--	----------------	-----------

**A.T.M.137.**

**FORM 137**

(See Rule 1, Appendix 1)  
 [To be printed on foolscap – both sides]  
**PERSONAL PASSAGE ACCOUNT**

Service \_\_\_\_\_  
 Name of Government \_\_\_\_\_  
 Servant \_\_\_\_\_  
 Name of Wife \_\_\_\_\_

Date of appointment \_\_\_\_\_  
 Date of birth \_\_\_\_\_  
 Date of Marriage \_\_\_\_\_

Children.

A. – Name \_\_\_\_\_ Sex \_\_\_\_\_ Date of birth \_\_\_\_\_  
 B. – “ \_\_\_\_\_ “ \_\_\_\_\_ “ \_\_\_\_\_  
 C. – “ \_\_\_\_\_ “ \_\_\_\_\_ “ \_\_\_\_\_  
 D. – “ \_\_\_\_\_ “ \_\_\_\_\_ “ \_\_\_\_\_  
 E. – “ \_\_\_\_\_ “ \_\_\_\_\_ “ \_\_\_\_\_  
 F. – “ \_\_\_\_\_ “ \_\_\_\_\_ “ \_\_\_\_\_

Explanatory Details of Entry	SELF				WIFE				CHILDREN												Remarks												
	No. and Date of Voucher Amount admissible and Total Payment				No. and Date of Voucher Amount admissible and Total Payment				A.			B.			C.			D.				E.			F.								
									No. and Date of Voucher Amount admissible and Total Payment			No. and Date of Voucher Amount admissible and Total Payment			No. and Date of Voucher Amount admissible and Total Payment			No. and Date of Voucher Amount admissible and Total Payment				No. and Date of Voucher Amount admissible and Total Payment			No. and Date of Voucher Amount admissible and Total Payment								
£	₪	d		£	₪	d		£	₪	d		£	₪	d		£	₪	d		£	₪	d		£	₪	d							

NOTE. – It may not be necessary to balance the account every time a payment is made.



**A.T.M.138.**

**FORM 138**

(See Rule 1, 3, 7, 11 and 20, Appendix 1)

(To be printed on foolscap folio and machine numbered and bound in books of 20 forms each)

No. \_\_\_\_\_  
 Mr. \_\_\_\_\_  
 of \_\_\_\_\_ Service is authorized to engage the following passages at a maximum cost as indicated against each –

	Maximum cost
<u>Single</u>	
Return for Self	£
“ “ Wife	£
(Name)	
“ “ Child	£
(Name)	
(Name)	£
	_____
Total:	£

Any refund claimed in respect of a passage engaged on this certificate should be made to this office.

The passengers named in this voucher are entitled to the free conveyance of baggage to the following limits: -

For Self	cwts.
For Wife	cwts.
For Children	cwts

Total: \_\_\_\_\_  
cwts.

Accountant General

STATION \_\_\_\_\_  
 Dated \_\_\_\_\_

\* N.B. – See notes 2 and 3 of rule 3 of the Rules for the Accounting and Auditing of the Passage Concessions (Reprint).

NOTE. – † This certificate is issued with reference to the facts known on the date of its issued and ceases to be valid as shown below: -

- (1) On expiry of 2 months from the date of its issue.
- (2) On the date on which Master / Miss ..... attains the age of 12/21 years, viz., .....
- (3) On the dates on which the rates of P. & O., I class B fares are next revised.
- (4) On the expiry of 12/6 months from the date of Mr. ....'s death/retirement, viz.,.....

† Score out any item inapplicable.

No. \_\_\_\_\_  
 Mr. \_\_\_\_\_  
 of \_\_\_\_\_ Service is authorized to engage the following passages at a maximum cost as indicated against each –

	Maximum cost
<u>Single</u>	
Return for Self	£
“ “ Wife	£
(Name)	
“ “ Child	£
(Name)	
(Name)	£
	_____
Total:	£

Any refund claimed in respect of a passage engaged on this certificate should be made to this office.

The passengers named in this voucher are entitled to the free conveyance of baggage to the following limits: -

For Self	cwts.
For Wife	cwts.
For Children	cwts

Total: \_\_\_\_\_  
cwts.

Accountant General

STATION \_\_\_\_\_  
 Dated \_\_\_\_\_

\* N.B. – See notes 2 and 3 of rule 3 of the Rules for the Accounting and Auditing of the Passage Concessions (Reprint).

NOTE. – † This certificate is issued with reference to the facts known on the date of its issued and ceases to be valid as shown below: -

- (1) On expiry of 2 months from the date of its issue.
- (2) On the date on which Master / Miss ..... attains the age of 12/21 years, viz., .....
- (3) On the dates on which the rates of P. & O., I class B fares are next revised.
- (4) On the expiry of 12/6 months from the date of Mr. ....'s death/retirement, viz.,.....

† Score out any item inapplicable.

**FORMS**

**[No.139**

**A.T.M.139.**

**FORM 139**

[See Rules 1, 8, 11 and 20, Appendix 1)  
(To be printed on foolscap folio)

Certified that the following amounts in the Personal Passage Account are at credit of each person for whom Mr. \_\_\_\_\_ of \_\_\_\_\_ Service is entitled to take a passage: -

	Amount credit
Self	£
Wife (name)	£
1st Child (name, age and sex)	£
2nd Child (name, age and sex)	£
3rd Child (name, age and sex)	£
4th Child (name, age and sex)	£
	_____
TOTAL	£
	_____

Central

Payment against these credits is debitable to the Provincial Government and is adjustable by the \_\_\_\_\_.

Particulars of passage last drawn

Name of vessel – s. s. \_\_\_\_\_ Accommodation

{ Homeward  
 { Outward

Date of sealing  
Port of embarkation

	Self	Wife	1st child	2 <sup>nd</sup> child	3 <sup>rd</sup> child	4 <sup>th</sup> child
	£ s. d	£ s. d	£ s. d	£ s. d	£ s. d	£ s. d
<u>Air</u> Fare by See <u>Single</u> <u>Return</u> <u>Home</u>						
Supplement out						
<u>Single</u> Rail fare Return Class from -----to----- Advance for overland journey						
Total ..						
Paid by passenger						
Paid by Government						

Accountant General

STATION \_\_\_\_\_

Dated \_\_\_\_\_

NOTE. - \*This certificate is issued with reference to the facts know on the date of its issue and ceases to be valid as shown below: -

(1) On the date on which Master/Miss.....attains the age of 12/21 years, viz.....

(2) On the date on which the rates of P. & O., I class, B fares are next revised.

(3) On the expiry of 12/6 months from the date of Mr. ....'s death/retirement, viz.,.....

\*Score out any item inapplicable.

**A.T.M.140**

**FORM 140**

(See Rule 1, 7 and 20 Appendix 1)

(To be printed on foolscap folio and machine numbered and bound in books of 50 forms each)

No. \_\_\_\_\_

With reference to Form 142, issued under my  
No. \_\_\_\_\_,  
dated \_\_\_\_\_, Mr. \_\_\_\_\_

Is informed that, within the amounts noted below, he is entitled to draw the cost of journeys by land route under Regulations 6 and 13 in Schedule IV to Superior Civil Services Rules.

Maximum amount admissible

Self

Wife

Child (name, age and sex)

*Accountant General.*

NOTE. – \* This certificate is issued with reference to the facts known on the date of its issue and ceases to be valid as shown below: -

- (1) On expiry of 12 months from the date of its issue.
- (2) On the date on which Master / Miss ..... attains the age of 12/21 years, viz., .....
- (3) On the dates on which the rates of P. & O., I class B fares are next revised.
- (4) On the expiry of 12/6 months from the date of Mr. ....'s death/retirement, viz., .....

\* Score out any item inapplicable.

No. \_\_\_\_\_

With reference to Form 142, issued under my  
No. \_\_\_\_\_,  
dated \_\_\_\_\_, Mr. \_\_\_\_\_

Is informed that, within the amounts noted below, he is entitled to draw the cost of journeys by land route under Regulations 6 and 13 in Schedule IV to Superior Civil Services Rules.

Maximum amount admissible

Self

Wife

Child (name, age and sex)

*Accountant General.*

NOTE. – \* This certificate is issued with reference to the facts known on the date of its issue and ceases to be valid as shown below: -

- (1) On expiry of 12 months from the date of its issue.
- (2) On the date on which Master / Miss ..... attains the age of 12/21 years, viz., .....
- (3) On the dates on which the rates of P. & O., I class B fares are next revised.
- (4) On the expiry of 12/6 months from the date of Mr. ....'s death/retirement, viz., .....

\* Score out any item inapplicable.

A.T.M.141.

FORM 141

[See Rules 4 of Appendix 1)

With reference to his receipt dated the ..... Mr..... is informed that the Personal Passage Account of the person concerned has been debited with the amount noted against it which represents the cost of journey by land route as defined in Regulation 2(g) in Schedule IV of the Superior Civil Services Rules, subject to the limit prescribed in Regulation6: -

For Self for journey between ..... and .....£
For wife for journey between ..... and .....£
For Child .....£
For Child.....£

TOTAL £ .....
(Pounds.....)

Station.....
No..... dated.....

Accountant General
Assistant Accounts Officer

NOTE 1. - Under rule 3(1)(a) of the Supplementary Regulation in Appendix II to the Superior Civil Services Rules, the above payment is provisional, subject to the submission of a certificate in the form prescribed in Supplementary Regulation 5(1), on completion of the journey. No such certificate is, however, required in respect of a journey between a Mediterranean Port and London, if the amount claimed in respect of such Journey is £ 8 or less.

NOTE 2. - See form of certificate below:

I certify that the total cost actually incurred by me for conveyance on the journey from ..... to ..... under the following details is .....

Details

- 1. Food.
2. Lodging.
3. Transport charges.

OR

I certify that i performed the journey in my own car.
To....., Esq.

**No.141]**

**FORMS**

**FORM 141 – *concl.***

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No.....

Copy forwarded to the High Commissioner for Pakistan in the United Kingdom,  
34 Lawndes Square, London S.W.1.

Assistant Accountant General  
Accounts Officer

Station..... }  
Date..... }

A.T.M.142.

FORM 142

[See Rules 6, Appendix-I]
(To be printed on foolscap folio)

Mr. \_\_\_\_\_
is informed that the final payment on account of the cost of the following
passage/passages has been made to (name of the Steamship/Air Transport Company
or the Agent of that Company or of the Passenger Agent) to day and that the personal
Passage account/accounts of the person/persons consumed has/have been debited
with the amount noted against it/amounts noted against each which
represents/represent the cost as defined in Regulation 2(g) in Schedule IV of the
Superior Civil Services Rules, subject to the limit prescribed in Regulation 6.

\_\_\_\_\_ Single \_\_\_\_\_ class passage between \_\_\_\_\_ & \_\_\_\_\_
Return

For Self .. ..
" Wife .. ..
" Child (name) .. ..
" " ( " ) .. ..

2. He is requested to intimate to this office either direct or through the High
Commissioner, immediately any change is made in the itinerary of the person/persons
concerned.

Accountant General

STATION \_\_\_\_\_

Dated \_\_\_\_\_



*Note of Posting of Corrections*

<b>C.S. No.</b>	<b>Page</b>	<b>C.S. No.</b>	<b>Page</b>	<b>C.S. No.</b>	<b>Page</b>	<b>C.S. No.</b>	<b>Page</b>



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