

THE PUNJAB FINANCIAL RULES

**[APPLICABLE TO ALL CONCERNED
THROUGH-OUT PUNJAB]**

VOL.I,II

**THE
PUNJAB FINANCIAL RULES
VOL.I**

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THE PUNJAB FINANCIAL RULES

VOLUME I

CHAPTER I

DEFINITIONS

- 1.1 Unless there be something repugnant in the subject or context, the terms defined in this Chapter have been used in this Handbook in the sense herein explained.
- 1.2 "Abstract Bill" is a bill without details either for contingent or travelling allowance expenditure (other than travelling allowance expenditure of the Public Works Department paid at a Treasury without the scrutiny and countersignature of a controlling authority, to save delay in the discharge of a claim. In the Public "Works

Department abstract bills for travelling allowance expenditure are paid after scrutiny and countersignature of the detailed bills by the controlling officers.

- 1.3 "Administrative Approval" is a formal acceptance by the department concerned of a proposal to incur expenditure connected with the requirements of that Department.

In the case of works executed by the Public Works Department, it is in effect an order to that Department to execute a certain specified work at a stated sum to meet the administrative needs of the Department requiring the work. [See also rule 1.38.1

NOTE:--- In its application to expenditure other than that on works, the term "Administrative Approval" connotes "financial sanction" of Government to the operated upon only when necessary funds for the purpose have been voted by the Provincial Assembly. Thus, administrative approval accorded by Government to proposals, or schemes of New Expenditure (including expenditure on Establishment) for which funds are to be specifically provided either through the Schedule of New Expenditure or in the ordinary budget should automatically be acted upon as financial sanction to incur expenditure as soon as necessary funds for the purpose have been voted by the Assembly and no separate financial sanction is required for the purpose.

- 1) "Administrative Department" means: a self-contained administrative unit in the Secretariat responsible for the conduct of business of Government in a distinct and specified sphere and declared as such by Government.
- 1.4 "Appropriation" means the allotment from within a unit of appropriation of a particular sum of money to meet expenditure on a specified object.
- 1.5 "The Bank" means the State Bank of Pakistan, or any branch or agency of the State Bank or any Bank or branch of a Bank acting as the agent of the State Bank of Pakistan, in accordance with the provisions of the State Bank of Pakistan Act, 1956 (Act XXXIII of 1956).

****The National Bank of Pakistan is the agent of the State Bank of Pakistan.***

- 1.6 "Book Transfer" denotes the process whereby financial transactions which do not involve the giving or receiving of Cash, or of Stock materials, are brought to account. Such transactions usually represent liabilities and assets brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transactions previously taken to account.
- 1.7 "Bonus" means payment made in addition to the prescribed pay or wages as a reward for specially good work or service or for outturn of work in excess of a prescribed limit.
- 1.8 "Cash" includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts, demand drafts and also revenue stamps.

NOTE.— Government securities, deposit receipts of banks, the debentures and bonds accepted as security deposits are not treated as cash.

- 1.9 "Cash Order" is a payment order issued by a District Treasury or a Sub-Treasury under its jurisdiction in favour of the person to whom money is due or who is responsible for its disbursement and is payable in lump.
- 1.10 "Charged Expenditure" is the expenditure, which under the Constitution of the Islamic Republic of Pakistan has been declared as charged on the Provincial Consolidated Fund and as such is not subject to the vote of the Provincial Assembly.
- 1.11 **[Deleted].**
- 1.12 "Competent Authority" in-relation to the exercise of any power means the Administrative Department concerned acting in consultation with the Finance Department or any other authority to which such power may be delegated.
- 1.13 "Contract" means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the performance of any service in connection with the execution of works or supply of materials.
- 1.14 "Contractor" means a person, syndicate or firm that has made a contract but the use of this term is often restricted to contractors for the execution of works or for services in connection therewith.
- 1.15 "Controlling Officer" means in relation to receipts and expenditure under any head of account a Government servant designated as such in Appendix D to the Punjab Budget Manual (Fifth Edition).
- 1.16 "Detailed Bill" is a bill setting forth the details of either contingent or travelling allowance expenditure, and is subject to countersignature by a controlling authority. It is marked "Not payable at the Treasury" when it is prepared in support of charge already drawn on an abstract bill.
- 1.17 "Detailed Head" is a division of a minor head.
- 1.18 "Disbursing Officer" means in relation to expenditure under any head of account a Government Servant designated as such in Appendix D to the Punjab Budget Manual (Fifth Edition).
- 1.19 "Finance Department" means the Finance Department of the Government of the Punjab.

NOTE.---The power of interpreting these rules is vested in the Finance Department-- Communications regarding the interpretation should be addressed to the Finance Department through the Administrative Department.

- 1.20 "Financial Year" means the period from 1st July to 30th June both days inclusive.

- 1.21 "Government" means the Government of the Punjab.
- 1.22 "Grade" means "National Scales of Pay" in which a number of posts, in a functional unit, carrying same duties and responsibilities are placed.
- 1.23 "Head of Department" means in relation to receipt and expenditure under any head of account the authority shown as such in Appendix D to the Punjab Budget Manual (Fifth Edition).
- 1.24 "Head of Office" means a Government Servant designated as a. Disbursing Officer in Appendix D to the Punjab Budget Manual (Fifth Edition) or any other Government Servant declared to be the head of an office by competent authority.
- 1.25 ***[Deleted]***.
- 1.26 "Major Head" is a main unit of classification of revenue and expenditure in the accounts of the Government.
- 1.27 "Minor Head" is a sub-division of a major head.
- 1.28 "Non-recurring Expenditure" means expenditure sanctioned as a lump sum charge whether the money be paid as a lump sum or by installments.

NOTE.--- Sanction to any item of expenditure which is of a fixed recurring nature and does not vary periodically and which is chargeable to contingencies or to pay of establishment and which does not extend beyond the financial year or beyond six months within the financial year is deemed to be a sanction for non-recurring expenditure.

- 1.28-A "Officer" means Government Servant holding a post in National Pay Scale No. 16 or higher National Pay Scale.

NOTE.---The officials drawing pay in National Pay Scale No. 16 under rule 7 of the Punjab (Non-Gazetted) Civil Services (Pay Revision) Rules, 1972 are not covered by the above definition.

- 1.28-B "Official" means a Government Servant holding post in National Pay Scales No. 1 to 15.
- 1.29 "Pre-Audit Cheque" is a cheque issued by the Accountant-General or any officer of the Pakistan Audit Department in payment of a claim at Lahore after audit.
- 1.30 "Primary Unit of Appropriation" is a portion of the supply under each minor head which is allotted to a prescribed sub-division of the head as representing one of the primary objects of the supply.
- 1.31 "Proposition Statement" is a statement setting forth the financial effect of a proposal involving the creation, alteration or abolition of posts on an establishment.
- 1.32 "Provincial Consolidated Fund" means the funds defined in Article 118(1) of the Constitution of the Islamic Republic of Pakistan.

"Public Account of the Province" means the Account defined in Article; 118(2) of the Constitution of the Islamic Republic, of Pakistan.

1.33 "Public Works Department" includes-

1. Buildings
2. Highways
3. Housing and Physical Planning.
4. Irrigation and Power.
5. Public Health Engineering.

1.33 "Re-appropriation" means the transfer of funds from one unit of appropriation to another.

1.34 "Recurring Expenditure" means all expenditure, which is not non-recurring.

1.35 "Secondary Units of Appropriation" are the divisions into which a primary unit of appropriation is, for the purpose of financial control, divided.

1.36 "Subsidiary Treasury Rules" are the rules issued by the Government under the Treasury Rules. These rules are contained in Part II of the Punjab Financial Handbook No. 1.

1.37 "Subordinate Authority" means any authority subordinate to the Administrative Department of the Government.

1.38 "Technical Sanction" is the sanction of a competent authority to a properly detailed estimate of the cost of a work of construction or repair.

1.39 "Treasury Rules" are the rules issued by the Government under Article 119 of the Constitution of Islamic Republic of Pakistan. They are contained in Part I of Punjab Financial Handbook No. 1.

1.40 "Voted Expenditure" is the expenditure, which is not "charged" all such expenditure is subject to the vote of the Provincial Assembly.

CHAPTER II

GENERAL PRINCIPLES AND RULES

I.---HANDLING OF CASH AND RECORDING OF TRANSACTIONS CONNECTED THEREWITH

(i) General

2.1

- a) Every Government Servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the relevant account as well as for the correctness of the account in every respect. The private cash or accounts of members of the office or department should not be mixed up with the public cash or accounts.

NOTE 1.---All transactions involving the giving or taking of stores, other properties, rights, privileges and concessions which have money values should be brought to account in some suitable form as soon as they occur.

NOTE 2.--- The procedure laid down in Subsidiary Treasury Rules 3.1 and 3.2 should be followed in the custody of cash.

A similar procedure should be followed in the case of bullion, jewellery and other valuables coming into the hands of Government servants in their official capacity. (See also rule 3.8).

- b) In the departments which render accounts to the Accountant-General, the form in which such accounts are rendered and the form in which the initial accounts, from which the accounts so rendered are compiled, or which they are based or kept are prescribed by the Auditor-General of Pakistan under rule 4 of the initial and Subsidiary Accounts Rules reproduced in Appendix I. Likewise, the outline of the system of accounts and the principles and methods of accounts(including classification of transactions in accounts) have been prescribed by the Auditor General of Pakistan and the directions in respect thereof are contained in Chapters 2 and 3 of Account Code, Volume I.

(ii) MAINTANCE OF ACCOUNTS---CASH BOOK

- 2.2 A simple Cash Book in P.F.R. Form I should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently (other than the Forest, Public Works and Commercial Department's Treasury and other offices which are governed by separate rules or orders) for recording all transactions of moneys received by Government Servants in their official capacity, and subsequent remittance to the treasury or to the bank, as well transactions of moneys withdrawn from the treasury or the bank by bills and their subsequent disbursement. All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check. The Cash Book should be closed regularly and completely checked. In token of the check of the Cash Book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion. The entries in the Cash Book of the cheques drawn

from the Audit Office or amount withdrawn from the treasuries should be compared and checked with the list of the Cheques or Treasury Schedules issued by the Audit Office/Treasury Office. A certificate to this effect be recorded in the Cash Book. At the end of each month the head of the 'office "should personally verify the cash balance and record below the closing entries in the Cash Book a certificate to that effect over his dated signature specifying both in words and figures the actual cash balance (exclusive of Imprest and temporary advances).

If, however, the head of the office is absent from headquarters, at the end of a month, he may delegate the duty of verifying the cash balance to another Officer or if there is no Officer, to his Office Superintendent, head clerk or other similar ministerial official of corresponding rank; but he should personally verify the cash balance on his return to headquarters.

NOTE.---Whenever, on the contents of the cash chest being counted the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once under rule 239 be rectified forthwith by making the necessary receipt or payment entry in the cash book-'To Cash found surplus in chest" or "By cash found deficient in chest". The administrative action to be taken on the Occurrence of diffidence and the report to the departmental superior must depend on the nature of each case.

- 2.3** The counting should be made on the last working day of each month immediately after closing the cash account of the month, but where this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date.

NOTE 1.—The periodical verification of cash in Government treasuries and sub-treasuries is governed by the rules in the Subsidiary Treasury Rules.

NOTE 2. —Cash drawn on pay, travelling allowance and contingent bills of establishment and un-disbursed balances thereof should not be mixed with the permanent advance in the case of civil departments and the regular cash Salaries of the Public Works Department.

NOTE 3. —In offices having more, than one chest the actual balance of cash in each chest should be counted simultaneously. In the case of subordinate offices at out-stations the head of office or any other of named by him win count it whenever he may visit them, and will record' in the cash book, showing the date of defamiation and the amounts found.

- 2.4** In the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the chalans with the entry in the cash book before initialing it, and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.
- 2.5** When a cheque is drawn by an officer in favour of self or order to replenish the cash chest, its amount should at once be entered as a receipt. This entry must not

be delayed until the money has been received after the encashment of the cheque at the treasury.

NOTE.---For Public Works Department cheques see also Article 78 of Account Code, Volume III.

- 2.6** All receipts, disbursements and charges of whatever sort connected with the public service must be, and no other may be, shown in the cash book. Sufficient, details should be given in the column "particulars" to admit of the main points of each transaction being readily ascertained without reference to the detailed vouchers.
- 2.7** If a Government servant, who is not Incharge of a cash book, receives money on behalf of Government at exceptional times, he should not mix it up with the-Imprest or any other cash in his charge, but pay or remit it, at the earliest opportunity, to the nearest Government servant having a cash book or direct to a treasury. The acknowledgment of the treasury (with an intimation of the full particulars of the receipt including the date of its realization) should be forwarded immediately to the next superior officer having a cashbook, to enable him to make the necessary entries therein. The record of the transactions will be in the correspondence and not in the Imprest or other cash account of the receiving officer.

II--PERMANENT ADVANCES AND IMPREST ACCOUNTS

- 2.8** Advances are granted to Government servants who may have to make payments, before they can place themselves in funds by drawing bills. They are subject to the following rules: -
- 1.** Administrative Departments are authorised to sanction permanent advances up to the amount advised by the Accountant-General.
 - 2.** Heads of Departments and Commissioners of Divisions can, unless a competent authority otherwise directs, sanction the grant of permanent advances made out of the permanent advance may be recovered out of the amounts drawn from the treasury on such travelling allowance bills.
 - 3.**

NOTE 3. --See also note 2 below rule 2.3.

NOTE 4. —The cost of service books required for office establishment should be met in the first instance, from the permanent advance of the office concerned, the permanent advance being subsequently recouped from the amount realised by the sale of books to Government servants.

- 7.** In the case of transfer of charges and yearly on the 15th July each Government servant holding a permanent advance must send an acknowledgment to the Accountant-General of the amount due from and accountable for by himself. If this be not received the Accountant-General will demand it immediately.
- 2.9** The holder of a permanent advance or an Imprest is responsible for the safe custody of the money placed in his hands, and he must at all times be ready to produce the total amount in vouchers or in cash.

III---PAYMENTS

a) GENERAL PRINCIPLES AND RESTRICTIONS RELATING TO EXPENDITURE

2.10

a) In incurring and sanctioning expenditure from the revenues of the province the disbursing officers and sanctioning authorities should be guided by the following fundamental canons of financial propriety:-

1. Same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.
2. Money borrowed on the security of allocated revenues should be expended on those objects only for which money is borrowed.
3. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
4. Government revenues should not be utilized for the benefit of a particular person or section of the community, unless: --
 - i. The amount of expenditure involved is insignificant, or
 - ii. A Claim, for the amount should be enforced in a Court of law, or
 - iii. The expenditure is in pursuance of a recognised policy or custom.
5. No authority should sanction any expenditure, which is likely to involve at later date expenditure beyond its own powers of sanction.
6. The amount of allowances, such as travelling allowances, granted to meet expenditure -of a particular type should not on the whole be sources of profit to the recipients.

b) In addition to compliance with the canons enunciated above, the authorities incurring expenditure should further see: -

1. That special or general sanction of the competent authority for the expenditure exists [vide rules, 17.2(1) and 17.6 (b)]:
2. That necessary funds to cover the charge exist; that expenditure does not exceed these funds; that the disbursing officer will be responsible for any excess over the sanctioned funds and that expenditure in anticipation of funds is incurred only in authorised cases [vide rules 17.2(2), 17.6(a) and 17.13 to 17.15];
3. That all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year; that money indisputably payable is not left unpaid: and that all inevitable payments are ascertained and liquidated at the earliest possible date;

4. That money actually paid is under no circumstances kept out of account a day longer than is absolutely necessary even if it has been paid without proper sanction;
5. That no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

(b) DRAWAL OF MONEY FROM THE TREASURY

(i) Bills

- 2.11** Detailed rules regarding the preparation of bills which the different classes of charges are drawn, and regarding the method of obtaining money from the treasury, whether by bills or by cheques, are laid down in Chapter-IV of the Subsidiary Treasury Rules.

(ii) Cheques

- 2.12** All payments, which Government servants authorized by draw cheques have to make, should as far possible be made by cheques; but see also rule 2.15.
- 2.13** The following rules relate to cheques: -
- a) Cheque books required by Disbursing Officers, authorised to draw on treasuries and sub-treasuries should be obtained by them direct from the district treasury concerned; cheque books required for use on the bank, are also obtained from the Treasury Officers, and not from the bank. The Treasury Officer will supply a cheque book only on receipt of the printed requisition form, which is inserted in each book towards the end, and never more than one cheque book will be supplied on a single requisition. The requisition should be signed by the Disbursing Officer.
 - b) Cheques from books obtained from a particular treasury should not be drawn on other treasuries or, sub-treasuries of other districts.
 - c) A separate cheque book should be used for each head treasury or sub-treasury. Each cheque book must be kept under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number of cheques made over to the relieving Government servant. The loss of a cheque book or blank cheque forms should be notified promptly to the Treasury Officer with whom the disbursing officer concerned has a drawing account.
 - d) No advice of the issue of any cheque need be sent to the treasury.

NOTE.—Schedule of Cheques, Bills and vouchers, etc. except Pension Vouchers upto Rs. 500/- drawn by each Drawing/Accounts Officer/Treasury Officer for payment at the State Bank of Pakistan/National Bank of Pakistan branch conducting Government cash work should be prepared daily under his full signatures and delivered under sealed cover the seine day at the office of the bank

concerned so that payments are made by the bank after comparing the particulars of the instruments with those given in the Schedule, the following day.

e) When a Government servant is authorised to draw cheques on sub-treasuries, he should give notice to the Treasury Officer, from time to time, of the probable amount of this drawings on each sub-treasury in order that funds may be provided as far as possible. Cheques drawn on sub-treasuries should be distinguished by different numbers and letters from those drawn against the head treasury.

2.14 As a rule no cheque should be drawn until, it is intended to be paid away, and cheques drawn in favour of contractors and others should be made over to them by the disburser direct: but the disburser may be assisted in making disbursements by a cashier appointed for the purpose. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disburser. In such cases, the subordinate should make no entry in any accounts, which he keeps, as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque, and the subordinates record will be in his correspondence.

NOTE 1.---It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilized.

NOTE 2.---Whenever a cheque is drawn, and entered in the cash book, but not paid out on the day on which it is drawn, a note must be made in the cash book against that entry explaining why it has not been possible to deliver the cheque to the payee.

NOTE 3.---For payment to contractors through their bankers see note 2, to Subsidiary Treasury Rule 4.3.

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

2.16 Cheques remain current for three months only after the month of issue ¹[or 30th June of the financial year, in which they are issued, whichever is earlier]. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months after the month of its issue, it may be received back by the drawer but it should not be re-issued by altering the date. The drawer should destroy it and draw a new cheque in lieu of it. The fact of the destruction

¹ Words added vide Notification No.FD(FR) 11-9/77, dated 7th June, 1994.

and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cashbook but not in the column for payment, a note being made at the same time against the original entry in the cashbook. [See also Article 264 of Account Code, Volume III, in respect of cheques of the Forest Department.

- 2.17** When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil, and the cheque, if in the drawer's possession, should be destroyed. If the cheque is not in his possession he should promptly request the Treasury Officer to stop payment of the cheque (see rule 2.18) and on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a minus figure on the payment side in the "Bank or Treasury" column. A counter-reference should be given in the cashbook, against the original, to the second entry of the cheque. A cheque remaining unpaid from any cause for twelve months from the date of its issue should be cancelled and its amount written back in a similar manner. [See also Article 262 of Account Code, Volume III, in respect of cheques of the Forest Department]
- 2.18** If a disbursing officer be informed that a cheque drawn by him has been lost, he may address the Treasury Officer drawn on forwarding for signature a certificate in the form given below. If, after search through the lists of cheques paid, the Treasury Officer finds that the cheque has not been cashed, he will sign and return the certificate. The Disbursing Officer will enter in his account the original cheque as cancelled and may issue another. [In respect of cheques of the Forest Department see also Article 263 of Account Code, Volume III.]

***Certified that cheque No. Dated for Rs. reported by the
(Disbursing Officer) to have been drawn by him on this treasury in favour of has
not been paid, and will not be paid if presented hereafter.***

-----**Treasury.**

The-----19-----Treasury Officer.

- 2.19** If a cheque is issued by Government in payment of any sum due by Government and that cheque is honoured on presentation to Government's bankers, payment shall be deemed to be made,"
- a)** If the cheque is handed over to the payee or his authorised messenger, on the date it is so handed over or.
- b)** If it is posted to the payee, on the date when the cover containing it is put into the post.

The rule applies *mutatis mutandis* to a cheque in payment of Government dues or in settlement of other transactions received and accepted in accordance with the provisions of Subsidiary Treasury Rule 2.5.

NOTE. —Cheques marked as not payable before a certain date should not be charged to the accounts until the date on which they become payable.

(c) VOUCHERS FOR DEPARTMENTAL PAYMENTS

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

NOTE.---See also Subsidiary Treasury Rule 6.2.

2.21 Every voucher must bear a pay order, signed or initialed, and dated, by the responsible disbursing officer. This order should specify the amount payable both in words and figures.

NOTE. ---Cashiers and others authorised to make pay disbursements on passed vouchers should make no payment without a proper order of the responsible disbursing officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

2.26

1. Subject to the provisions of note 2 under Subsidiary Treasury B lie 4.3 every voucher should also bear, or have attached to it, an acknowledgment of the payment, signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of that male.

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

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

4. Whenever one cheque is written in favour of a person in payment of two or more of his bills, a separate stamped acknowledgment for each bill need not be taken.

2.29 General instructions regarding the preparation and completion of vouchers as given in Subsidiary Treasury Rules 4.5 and 4.7 to 4.11 should be observed as far as possible in preparing departmental vouchers. The following supplementary instructions should also be observed:-

a) When the payee signs in a vernacular, other than Urdu he should be required to note the amount acknowledged in the vernacular in his own

handwriting. In transliterating his acknowledgments the amount acknowledged, as well as any remark made by him, should also be reproduced in English or Urdu.

b) The disbursing officer is responsible that the full name of the work as given in the estimate, or the name of component part (or sub-head) or the head of account, to which the charges admitted on a voucher are debitable, or to which the deductions or other credits-shown in the voucher are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position.

2.30 In case of payments to suppliers of stores, remittances of amounts, if less than Rs. 25, for which State Bank Government drafts cannot be issued by Treasury Officers, may be made by postal money order at the public expense.

NOTE. ---"Payments to suppliers of stores include petty payments of contingent charges also for the purposes of this rule.

(d) CLAIMS TO ARREARS OR INCREASE OF PAY OR ALLOWANCES,

2.31

a) No claim against Government not preferred within six months of its becoming due can be paid without the sanction of the Accountant-General but this rule does not apply to claims of Rs. 5 and less which are preferred within one year of their becoming due, payments made by Forest Disbursing Officers or to payment of claims on account of pension (vide rule 2.28 below) which are governed by special rules.

NOTE. ---Claims of Government against Railways for overcharges and claims of Railway against Government departments for undercharges will be recognised and admitted if the claims are preferred within six months--

- i. in the case of cash payments-from the date of payment;
- ii. in the case of warrants or credit notes-from the 'date of presentation of bills by the Railway Administration.

Explanation—The terms 'overcharges' and 'undercharges' used in this Note means overcharges and undercharges of Railway freight and fare only. They refer to shortage and excesses in the items included in a bill which has already been rendered; the omission of an item in a bill is not an 'undercharge' nor is the erroneous inclusion of an item an 'overcharge'.

b) Claims of Government servants to arrears of pay or allowances or to increments or by Public Prosecutors in respect of fees or allowances which have been allowed to remain in abeyance for a period exceeding one year cannot be investigated by the Accountant-General except under the special orders of the authority, which appoints the Government servant by whom the claim is made. Investigation of claims more than one year old shall be sanctioned by: -

Administrative Departments, and

Full powers in respect of T.A. claims not more

Officer in category-I	than 3 year old and other claims not more than 6 years old.
Officer in category-II	Full powers in respect of claims not more than 3 year old of Government servants whom they are competent to appoint
Officer in category-III	
Officer in category-IV	

Officers in Category I, II, III, IV and V have been defined in first Schedule to the Delegation of Powers under the West Pakistan Financial Rules and Powers of Re-appropriation Rules, 1962.

NOTE. ---Delays in payment are opposed to all rules and are highly inconvenient, and objectionable, and when not satisfactorily explained, shall be brought to the notice of the head of the department concerned. So all heads of offices should realize the necessity of securing the punctual and prompt submission of claims against Government and a prompt disposal of correspondence on the subject among their subordinates. The delays between the first presentation of a bill and its payments should always be avoided.

- c) Where claims are made on account of arrears of pay, etc., which for any reason have remained un-drawn for more than one year the authority permitting the investigation of claim shall communicate the reason for the delay to the Accountant-General who will inform the Finance Department of any case where sufficient justification has not been adduced for the investigation of the claim.
- d) In the case of claims, which are more than one month old, the preferring officer shall state in the bill the reason for the delay.
- e) Arrear claims to travelling allowance preferred after the limits of time prescribed in clause (a) above, viz., 6 months, will not, except for very special reasons be entertained.

Explanations. ---

1. A claim presented for payment 6 months or more after the date of pre-audit by the Accountant-General will again require the sanction of the Accountant-General for its payment.
2. The mere entering of a claim for leave salary in an establishment bill and withholding it for subsequent payment is not claiming it within the meaning of rule 2.25 (a).
3. The six months limit referred to in rule 2.25 (a) should be reckoned in the case of travelling allowance bills from the date of return to headquarters or from the 1st of the following month if the tour continues over that date; in the case of officiating pay from the date of receipt of the order sanctioning the promotion if the officiating pay is due for a past completed month or months otherwise from the

following pay day, in the case of leave salary from the date of the order granting the leave and in other cases from the date on which a claim became due to the date of its presentation at the Treasury. In any case, however, in which an allowance has been claimed, but in consequence of some objection taken payment has been delayed, the Treasury Officer will not refuse to pay such bill if. When the objection is satisfied the claim happens to have become more than 6 months old.

4. The periods of 6 months and one year, referred to in clauses (a) and (b), should be counted from the date when retrospective orders are issued by authorities sanctioning promotions and officiating arraignments which give rise to the arrear claims.

5. The period of three years referred to in clause (b) should, in cases where the claim relates to a certain period but the orders under which the claim has arisen have been passed by the competent authority sometime after the lapse of the period to which the claim relates, run from the date of the orders of that authority.

6. Reasons like claims remained under correspondence or were under enquiry or could not be submitted by the claimant within the period of six months, etc., do not justify the admission of belated claims as they do not constitute 'very special reasons' contemplated in rule 2.25 (e) *ibid* Only the circumstances beyond the control of either the Government servant concerned or the Drawing Officer presenting the submission (or payment) of the claim in time or any other reason that Government may consider genuine should constitute very special reason.

a) A claim against Government which is barred by time under any provisions of law relating to limitation is ordinarily to be refused and no claim on account of such a time-barred item is to be paid without the sanction of Government, the onus is upon the claiming authority to establish a claim to special treatment for a time-barred item, and it is the duty of the authority against whom such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this 'nature considered.

It is the duty to the executive authority in the first instance to consider the question of time-bar before submitting a claim to the Accountant-General for sanction under this rule, and audit will refuse payment of all claims found to be time-barred until the sanction of Government has been obtained.

2.26 Rule 2.25(a) does not apply to contingent payments as contingent charges are recorded as charges of the month in which they are actually disbursed from the treasury.

Charges on account of personal claims including fee to Public Prosecutors, if not claimed within 6 months, however, require pre-audit by the Accountant-General even though such charges are drawn on contingent bills, as such personal claims, unlike other contingent charges are not paid out of the permanent advance but drawn direct from the treasury.

2.27 No payments may be made on account of increases to pay until the additional expenditure hereby caused has been provided for in the budget estimates and duly sanctioned.

Note. —*Periodical increments of pay are not increases to pay within the meaning of this rule.*

2.28 Pensions for political considerations" and "charitable allowances" not drawn for six years and other pensions not drawn for three years cease to be payable at the treasury without the prior sanction of the Accountant-General. Arrears of pension due in the case of a deceased pensioner also cease to be payable by the Treasury Officer if they are not claimed within one year of the pensioner's death.

NOTE.---*This rule also applies to Jagir pensions and to allowances payable to men on non-effective service or to widows of deceased persons in connection with the King's Police Medal. [See also rule 10.13 of the Civil Services Rules (Punjab), Volume II.]*

(e) CHECKING OF CHARGES AND AUDIT OBJECTIONS

2.29 Every charge comes up for audit or disposal by the Accountant-General, who, if the charge is irregular, or is in excess, proceeds to remove the irregularity or recover the excess through the Treasury Officer, usually, however, issuing a warning slip to the Government servant concerned; and, if anything more is due (unless the amount be insignificant) informs the Government servant accordingly, leaving him to prefer the additional claim or not as he thinks proper.

2.30 Every Government servant should attend promptly to all objections and orders communicated to him by the Accountant-General, either direct or through the Treasury Officer by letters, audit memoranda, objection statements, etc., return the audit memoranda or reply to objections within a fortnight, or send a letter explaining the cause of delay.

NOTE. —*The fact that some of the objections are still under reference is no reason for keeping back the statement. Such cases can be extracted for subsequent explanation.*

RESPONSIBILITY FOR OVERCHARGES

2.31

a) A drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur, such as the stage at which money has been drawn from the Treasury and is lying un-disbursed with a subordinate official. To minimize the length of time during which the leakage occurs, and the amount of money lying un-disbursed should be one of his first cares (See also Subsidiary Treasury Rule 6.2).

b) The responsibility of countersigning officers will be that which attaches to all Controlling Officers and which brings them under liability to make good any loss arising from their culpable negligence. (See rule 8.27).

Controlling Officers for their part should regard it as an important part of their duties to inspect the offices of their subordinates and to see to what extent the financial control is a real thing. In particular, where periodical inspections are required by the rule they should be invariably made. Before countersigning bills for expenditure submitted by subordinate officers, they should see whether the expenditure was really necessary, the rates charged are not extravagant, and the payments have been properly vouched for and are covered by budget appropriation.

c) The Treasury Officer, who makes payment without pre-audit, will be responsible for checking any palpable errors, and in the case of change of office, or of rate of pay of officers, for passing the new rate with reference to the orders directing the change. He is also required to examine the accuracy of the arithmetical computations in a bill.

d) The responsibility will then rest primarily with the drawer of the bill, and (failing recovery from him) the overcharge will be recovered from the Treasury Officer or the countersigning officer only in the event of culpable negligence on the part of either of them.

IV.---CONTROL OVER ACCOUNTS

2.32

a) It is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects. (See also Subsidiary Treasury Rules 6.2 and 6.3). It is necessary that all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the bona fide of the transactions. It is further essential that the records of payments, measurement and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a Court of Law.

b) The responsibilities of disbursing officers, controlling officers and heads of departments in regard to the control over expenditure incurred against the grants allotted to them are laid down in paragraph 12.3 et seq of the Punjab Budget Manual (Fifth Edition) and in Appendices E, F,,G and M *ibid.* (For public Works Department see also paragraphs 1.47 and 1.54 of the Public Works Department Code - First Edition).

V.---DEFALCATIONS AND LOSSES AND REMISSIONS OF AND ABANDONMENT OF CLAIMS TO REVENUE

(i) Responsibility For Losses Sustained Through Fraud Or Negligence Of Individuals

2.33 Every Government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on. The part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence. [See rule 2.10 (a) (1).] A memorandum regarding (1) general principles to regulate the enforcement of responsibility for losses sustained by Government through fraud or negligence of individuals, (2) the procedure to be followed in prosecutions in respect of the embezzlement of Government money, and (3) the procedure to be observed for conducting departmental enquiry is given in Part 1 of Appendix 2 to these rules.

(ii) Report To Audit And Accounts Department And Departmental Superior Authority

2.34 The instructions for reporting to the Accountant-General or the Director Audit & Accounts (Works) defalcations and losses, and remissions of and abandonment of claims to, revenue,-(vide rule 4.6) are contained in the Annexure to this Chapter. The directions issued by the Auditor-General of Pakistan regulating the exhibition of losses in Government accounts are given in Chapter ft of Account Code, Volume I.

2.35

1. The preliminary report prescribed by the rules in the Annexure to this Chapter notifying the occurrence of a defalcation or loss of public money in a treasury should be submitted by the Deputy Commissioner concerned to-

- i. The Accountant-General directs;
- ii. The Government unless the case is unimportant; and
- iii. The Head of the Department through the controlling officer.

With regard to the final complete report, which is also required by the orders, the Deputy Commissioner should submit his report to the controlling officer who will forward it to the Accountant-General for submission to Government through the Head of the Department.

2. Losses occurring in offices, as soon as they occur or come to notice, should be at once reported, through the immediate departmental superior of the Government servant reporting the loss, to the Head of the Department concerned, with a statement of the steps taken in matter. When the matter has been fully inquired into a further and complete report should be submitted of the nature and extent of the loss showing the errors or neglect of rules by which Such loss was rendered possible and the prospects of effecting a recovery. The report on a loss occurring in the office of a Head of a Department may be submitted direct to Government. It is always open to a Head of a Department to obtain the advice or opinion of the Accountant-General/Director Audit and accounts (works on any loss occurring in his own office or in an office under his control if it is likely to be of use in preventing their occurrence in future.

3. Rules dealing with losses and defalcation in stamp revenue, are contained in the Punjab Stamps Losses and Defalcations Rules 1935, reproduced in Part II of Appendix 2.
4. In regard to any loss of money belonging to a municipality, small town committee or notified area it should be reported by the President or the Executive Officer, where such an officer has been appointed direct to the Deputy Commissioner and to the Director, Local Fund Audit. Intimation may also be sent at the discretion of the Deputy Commissioner to the Commissioner of the Division who shall, if he deems it necessary, submit a complete report to Government showing the total sum of money misappropriated, the method in which the embezzlement was effected and the steps taken to recover the money and punish the offenders.

Losses occurring in the funds of Zilla Council should be reported by the Chairman to the Director Local Fund Audit and also through the Deputy Commissioner to the Commissioner.

VI.---INTER-GOVERNMENT AND INTER-DEPARTMENTAL TRANSACTIONS

(i) Inter-Government Transactions

- 2.36 In the case of transactions between the Punjab Government and another Government (Provincial or Federal) adjustments shall always be made if required by or under the provisions of the Constitution of the Islamic Republic of Pakistan and otherwise, in such manner and to such extent as may be mutually agreed upon, by the Governments concerned. Adjustment shall, however, always be made if a Commercial Department or a regularly organised store section of a Department as concerned or unless otherwise agreed to, if under the rules of Government an adjustment would have been made if both the Departments were under the Punjab Government.

NOTE 1. ---This rule does not apply to the transactions of the Forest Department with other Departments of the Provincial Government which are settled in cash or cheque/bank draft.

NOTE 2.---The procedure for the settlement of such adjustments is regulated by the directions contained in Chapter 4 of Account Code, Volume I. These directions have for ready reference been reproduced in Appendix 3 to these rules.

NOTE 3.--The Punjab Government have made reciprocal arrangements with various Governments (see Appendix 4) in respect of the matters mentioned below :-

1. Pay and Allowances (other than leave salary) of Government servants transferred temporarily or permanently from one Government to another.
2. Leave salary of Government servants who have served under more than one Government.
3. Pensions paid by one Government, on behalf of another and pensions of Government servants who have served under more than one Government.

4. Leave salary and pension contributions recovered in respect of Government servants lent on foreign service.
5. Charges for Bonus in respect of Government servants employed on Bonus term who serve under more than one Government.
6. Grants of land and alienations.
7. Rents to be charged for residences of one Government occupied by servants of another Government.
8. Expenditure involved in Audit and keeping Accounts.
9. Cost of police functions on Railways.
10. Cost of Forest Surveys carried out by the Survey of Pakistan Department.
11. Cost of maintenance and demarcations of boundaries and of settlement of boundary disputes.
12. Charges in respect of Government servants whose services are lent by one Government to another for short periods not exceeding two weeks, without being formally transferred from lending to borrowing Government.

(ii) Adjustments With Outside Bodies

- 2.37** Payment shall be required in all cases where a department of Government renders service or makes supplies to a non-Government body or institution or to a separate fund constituted as such inside or outside consolidated fund or the Public Account unless the Government by general or special order gives directions to the contrary. Relief in respect of payment for services or supplies given to any body or fund, should ordinarily be given through a grant-in-aid rather than by remission of dues

NOTE. ---See note 1 below rule 2.36.

(iii) Interdepartmental Adjustments

- 2.38** The conditions under which a department of the Government may charge another department for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts are regulated by the directions referred to in note 2 below rule 2.36.

VII.--MISCELLANEOUS RULES AND ORDERS

(i) Erasers, Overwritings And Corrections

- 2.39** The instructions given in Subsidiary Treasury Rule 4.11 regarding erasures and over-writings in vouchers apply mutatis mutandis to erasure and over-writings in accounts, registers, cash books, schedules, etc.

NOTE.---The detailed procedure to be followed in the correction of errors in accounts of the Public Works and Forest Departments is laid down in Account Code, Volume 111.

(ii) Issue Of Duplicates Or Copies Of Documents

2.40 The provisions of sub-rule 6 below Subsidiary Treasury Rule 2.8 apply *mutatis mutandis* in respect of the issue of duplicates or copies of receipts granted for money received or duplicates or copies of bills and other documents for the money paid by Government servants in general. In the case of a bill or deposit repayment voucher passed for payment at a treasury but lost before encashment or payment, the Government servant who drew the original bill or voucher should ascertain from the treasury that payment has not been made on the original before he issues a duplicate, which should bear distinctly on its face the word "duplicate" written in red ink,

(iii) Signing Of Sanctions, Etc.

2.41 All letters or orders sanctioning expenditure, appointments, etc. must be signed by the sanctioning authority personally or by an officer, authorised to sign for him. Similarly copies of sanction should be authenticated by Officers.

NOTE. ---Superintendents of offices of Commissioners of Divisions are authorised to sign as attesting officers letters issuing from Commissioners dealing with the following subjects: —

1. Allotment of Funds.
2. Withdrawals of allotment of funds.
3. Re-appropriations.
4. Orders passed by Commissioners relating to leave, transfer, posting, promotion and punishment of Tehsildars, Naib-Tehsildars, Excise Inspectors and Sub-Inspectors and Divisional and District Establishment.
5. Grant of travelling allowance to Tehsildars and Naib-Tehsildars while on leave.
6. Appointment of temporary Naib-Tehsildars, Kanungos, Patwaris, Clerks and Low Paid Government servants.¹
7. Exemptions from the restriction of age-limits of officials entering Government service.

(iv) Prohibition Regarding Sending Of Communications At Public Expense

2.42

a) All references by Government servants on personal matters, such as leave, leave salary, pay, increments, funds, subscriptions, house-rent, postings, etc., must be submitted in covers stamped with ordinary postage and not with service postage stamps. This rule applies only to the letters of Government servants regarding their own personal matters. When, however, references are forwarded officially by a superior officer the letter should be treated like any other official communication.

¹ The old name for which is Menials

b) All telegraphic messages regarding personal matters referred to in clause (a) above or other analogous matters must be paid for by the person sending them; when a telegraphic reply is required on any such matter, the reply should always be pre-paid.

c) This rule applies also to the use of telephone for trunk calls.

d) When it comes to the notice of audit that a letter, telegram or trunk call has been made at Government expense instead of at the expense of the officer concerned, recovery should be made from the next pay bill of the officer who should be informed of the reasons for the recovery. If the officer wishes to object to the recovery he must take the matter up with the Accountant-General through his Controlling Officer, who may, if he desires, obtain the orders of Government through the Head of the Department.

(v) Call Of Vouchers From Audit Office

2.43 Vouchers once received in the Account Office will not be returned except for very cogent reasons. Accordingly, when application is made for the return of any vouchers the reasons for the request should invariably be stated.

(vi) General Rules And Principles Relating To Contract

2.44

a) General rules and principles for the guidance of authorities who have to enter into contracts or agreements involving expenditure from provincial revenues have been given in Appendix 5, Part I.

b) A list of authorities who are empowered to execute deeds, contracts and other instruments on behalf of the Governor is contained in Appendix 5, Part II.

NOTE.---No contract or agreement to execute a contract shall be executed or entered into and no tender for a contract shall be accepted without previous consultation of the Finance Department if expenditure of money or abandonment of revenue is involved for which previous consultation of the Finance Department is required.

COMMENTS

Principles relating to contracts. --- According to the case of *Muhammad Rafique v. Secretary Establishment Division, Rawalpindi*, the competent authority to place contract after inviting tenders provided it is advantageous. Contract can be extended by competent authority on old terms if favourable and inviting of fresh tenders not advantageous. 1985 P L C (C S) 172.

(vii) Grants, Concessions, Leases. Etc.

2.45 No grant of land or assignment of revenue or concession, grant, lease or license of mineral or forest rights or a right to waterpower or any easement, or privilege in respect of such concessions may be authorised except with the sanction of the

competent authority. Supplementary instructions in regard to agreements relating to these matters are contained in Appendix 5, Part I.

(viii) Recovery Of Money Due To Government From The Amount Standing To Credit In A Provident Fund Account Of A Government Servant

- 2.46** The amounts at credit of subscribers to a Provident Fund are under Section 2(a) of the Provident Fund Act, 1925, compulsory deposits and are therefore protected from attachment by a Court of law under Section 3 *ibid*. Claims by Government are not, therefore, compulsorily and without the subscriber's consent recoverable from the balance at his credit

(ix) Claims Against The Railway For Goods Lost In Transit

- 2.47** The following instructions apply in respect to claims against the Railway for goods lost in transit: -

1. Such cases are governed by Section 91 of the Contract Act. When the buyer orders goods from the seller, delivery to the Railway by the seller has the same effect as delivery to the buyer, provided that the delivery has been made in the manner laid down by the railway rules and the consignor is absolved from liability as soon as he has made delivery in such a way that the Railway is responsible to the consignee. On the other hand disregard of railway rules such as those dealing in the nature of the goods, will clear the Railway of all liability, and in such a case delivery to the Railway does not amount to delivery to the consignee. It follows that if the delivery is, made in such a way that the Railway is responsible to the consignee, it is for the consignee to sue the railway in case of loss. If this has not been done then the consignor must sue. In the former case the consignee is liable for the price of the goods, in the latter case he is not.

2. It is open to a buyer to contract with the seller that the price of the goods is not payable until the goods have been received and examined and the stipulation to this effect should normally be made in all cases where Government is the consignee. Payments prior to verification of quantity and quality of materials should be resorted to in very exceptional cases only, and then only with an agreement beforehand to ensure Government against all losses in the event of the goods received being short and defective. Such payments are to be classed as advances. Such contracts between buyer and seller do not, however, affect the Railway nor the question who is the proper person to sue Railway in case of loss.

3. It is immaterial as regards the question who is to sue Railway in case of loss in transit, whether the goods are consigned at owner's risk or railway risk. In either case the consignee has to sue but if he has instructed the consignor to book at railway risk and the latter has booked at owner's risk, then the consignee will have a further remedy, i.e. one against the consignor as well as one against the Railway; he can sue the consignor for the amount which the Railway has succeeded in escaping from the necessity of paying in virtue of the "owner risk" contract.

4. It follows from the above principles that when the Government is the consignor great care should be exercised to ensure compliance with-

- a)** Railway requirement;

- b) Requirements of the consignee us to class of risk-note.

(x) Destruction Of Accounts Records

- 2.48** The rules regarding the destruction of records appertaining >to the accounts audited by Pakistan Audit Department are contained in Part I of Appendix h to these rules. The period will reckon from the termination of the official year to which the records pertain.

NOTE.—For instructions regarding the destruction of records in the Public Works Department see paragraph 1.160 of the Public Works Department Code (First Edition) and Appendix III lo that Code.

(xxi) Functions Of The Audit And Accounts Department

- 2.49** The powers and function of the Auditor-General are governed by the provisions of the Pakistan (Audit) and Accounts Order, 1973 read with Articles 169 to 171 of the Constitution of the Islamic Republic of Pakistan".

(xii) System Of Numeration

- 2.50** In all official documents numbers should invariably be marked off as follows: -

- 1.** In case of rupee According to the Pakistan system of numeration, that is, after ten thousands in lakh, crores, etc.
- 2.** In other cases According to the English system of numeration, that is, after ten thousands, in hundred thousands, millions, etc.

(xiii) Relaxation Of Rules

- 2.51** Any of these rules may for reasons to be recorded in writing be relaxed in individual cases if the Competent Authority is satisfied that a strict application of the rule would cause hardship to the individual concerned.

ANNEXURE

(Referred to in rule 2.34)

- i. Instructions for reporting to the Accountant-General defalcations and losses and remissions of, and abandonment of claims to, revenue**

Losses

With the exceptions noted below, any defalcation or loss of public money, departmental revenue or receipts, stamps, opium, stores, or other property, discovered in a Government treasury or other office or department, which is under the audit of the Accountant-General, should be immediately reported to the Accountant-General, even when such loss has been made good by the person responsible for it. It will usually be sufficient if the officer "reporting the defalcation or loss to higher authority sends to the Accountant-General either a copy of his report or such relevant extracts from it as are sufficient to explain the exact nature of the defalcation or loss and the circumstances

which made it possible. When the matter has been fully investigated, a further and complete report should be submitted of the nature and extent of the loss, showing the error or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery. The submission of such a report does not debar the local authorities from taking any further action, which may be deemed necessary.

Exception. — Petty cases, that is, cases involving losses not exceeding, Rs. 200 each, need not be reported to the Accountant-General unless there are, in any case, important features which merit detailed investigation and consideration.

NOTE 1. —Losses or deficiencies concerning buildings, lands, stores and equipment should be written off any value or commercial account that may be maintained.

NOTE 2.—In case of a loss in which there is a possibility of the State bank being, made liable to Government either in respect of operation on Government account conducted by itself or by its agents or otherwise, the Accountant-General will call for such further information as he may require on the subject. On receipt of this further information which must be obtained without delay he will at once make a report to the Finance Department. If there is any doubt or dispute as to the facts or the liability, the Finance Department will arrange with the authorities concerned for an officer of the State Bank and of Government to be appointed to examine the facts, while they are fresh. This examination will be directed towards reaching an amicable settlement of the case, or if this is impossible, at least towards clearing the ground as far as possible, so that a stated case may be referred to some outside arbitrator or legal authority. The investigation will be undertaken at once and independently of any departmental or police enquiry.

Remissions of, and abandonment of claims to, Revenue.

Heads of Departments should submit to the Accountant-General by the 10th of August each year statements showing the remission of, and abandonment of claims to, revenue sanctioned during the preceding year by the competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law. For inclusion in these statements, remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned, and a total figure should be given for each class. Individual remissions below Rs. 500 in amount and remission of land revenue should not be included in the statements. A brief explanation of the circumstances leading to the remission should be added in the case of each class. A general list of different kinds of remissions has been given in the schedule to this Annexure.

NOTE 1.-Where the administrative year does not coincide with the financial year, the figures of the former may, if this prove convenient to the departmental authorities, be given in the statements.

NOTE 2,-Although the write off of a loan granted under the Industries Loans Act does not constitute strictly a remission of revenue or abandonment of a claim to revenue, it should be included in the statement to be submitted to the Accountant-General.

NOTE 3.—The cases of defalcations and losses, etc., in the Public Works Department shall be reported to deal with by the Director, Audit and Accounts (Works) in the above manner.

CHAPTER III
SPECIAL RULES FOR THE TREASURIES

I. --- Introductory

- 3.1** The treasury is divided into two departments-that of accounts, under the charge of an Accountant and that of Imprest, stamps, opium, etc., if any, under the charge of a Treasurer [vide Treasury Rule 4 (1)].

The two departments should as far as possible, be in different rooms.

II. -- TREASURER'S DEPARTMENT

3.2.

- a)** The Treasurer is appointed by and on the responsibility of the contracting treasurer. His duty is to receive and test all notes or coin brought to the treasury, to make authorised payments and to account for. all receipts and payments. He is also required to keep an account of stamps, opium, etc. under his charge (either solely or jointly with the Treasury Officer).
- b)** He may, at the request of the contracting treasurer or, if the Deputy Commissioner deems it advisable, be required to live in the treasury building. He cannot be appointed, removed, or allowed to take leave without the sanction of the Deputy Commissioner, which will be communicated on an application submitted through the contracting treasurer.
- c)** He may not engage in trade or money-lending transactions of any description, nor may he receive, unless authorised, cash, jewels, etc., for deposit.

3.3. There is no objection to the Treasurer keeping his private bank books and money and doing his private business, in the Single Lock Chamber of the Treasury, so long as no dealings with the public are transacted there by him in his capacity of a private banker or money-lender.

Public servants banking with Government Treasurers on their private account should bear in mind that, in the event of a deficit being discovered in the balance -of the Treasurers' account the Government will not admit any claim to money found in the Treasurers' custody until their own claims are fully satisfied.

(ii) Treasure

- 3.4** Detailed rules for dealing with treasure, both specie and bank and currency notes, are laid down in Chapters III, V and VIII of, and Appendices F and G to, Subsidiary Treasury Rules.

(iii) Monetary limits for stamps, Imprest, opium, etc., held in treasurer's custody

3.5

- 1.** The tahvil or expense stock of court-fee and non- judicial stamps in the sole custody of the treasurer shall in no case exceed the following limit: -

- i. Stamps up to the probable demand of one week; or
- ii. Up to the following limit shown against each district, whichever is less:-

	Limit.
	Rs.
Mianwali	2,500
Gujranwala, Sheikhpura, Gujrat, Jehlum, Muzaffargarh, Dera Ghazi Khan, Campbellpur, Sahiwal, Jhang, Kasur and Vehari.	5,000
Sialkot, Sargodha, Faisalabad and Multan	10,000
Rawalpindi, Bahawalpur, Bahawalnagar and Rahimyar Khan.	15,000
Lahore	50,000

(Excluding service stamps valued at Rs. 30,000).

2. The Treasurers of the District Treasuries and their agents may hold in their separate custody in the single lock:-

- i. Water marked plain paper upto the following maximum limit:-

Treasuries	Maximum limit
	Rs.
Jhang	150
Gujranwala, Gujrat, Faisalabad, Sialkot, Bahawalpur, Bahawalnagar, and Rahimyar Khan.	100
Jhelum and Campbellpur	60
Lahore, Rawalpindi and Multan Kasur and Vehari	300
Sheikhpura	200
Sargodha	75
Mianwali	100
Sahiwal	500
Muzaffargarh and Dera Ghazi Khan	40

- ii. Excise banderols and service stamps to the extent of one week's consumption.
- iii. Opium not exceeding five days' probable consumption of the area concerned as determined by the Collector of the district.

NOTE.---The limits given in (I) above do not include the value of entertainments duty stamps and tobacco dealers licence forms. The maximum limits upto which these can be retained in the separate custody of the treasurer in the single lock are fixed by the Board of Revenue from time to time for each district. "

- iv. Deposit in the Treasury of Cash Chests and Valuables of their Departments
- 3.6 No funds of other departments may be received in the treasury for safe custody and kept out of account or be received at all except under ordinary rules. [See Subsidiary Treasury Rule 3.2].
- 3.7 For special reasons, the Collector may direct the cash chests of other departments and local bodies to be lodged in the treasury for safe custody. When the cash chests are so lodged, the fact should be reported for the information of the Accountant-General, and a register should be kept in the treasury in which the receipt and return of the cash chests should be duly acknowledged. The key or keys of the chests must not be kept by the treasury.

NOTE 1.---When the cash chest of other Government Departments and local bodies are lodged in the Treasury for safe custody, the Accountant-General will bring to the notice of Government any case in which the permission appears to have been improperly granted.

NOTE 2.---The Nazir's chest and the police chest may be kept in the treasury but it is not necessary that they should be under double lock. They may be kept in the outer room of the treasury. The cash chests of other district officers containing un-disbursed pay of their establishment may also be put in the treasury in the same way. But money so lodged must be kept separate from the general treasury balance in a sealed bag or box, without being brought upon the accounts. The arrangement is an executive one, and it is not necessary to report it to the Accountant-General, but a register in the form below should be maintained by the Treasury Officer for each department using the outer room of treasury for the safe custody of its chests:-

Register of receipt and return of departmental cash chests kept for safe custody in the - treasury outer room. (To be in the custody of the Treasury Official when the chest has been returned to the depositor and to be in the custody of the depositor when the chest is lodged in the treasury).

To be filled up in the Departmental office			To be filled up in the Treasury		
Date on which the return of the chest is desired	Name of the messenger authorised to receive the chest	Signature of the person authorizing the messenger to receive the chest	Signature of the messenger receiving the chest from the Treasury	Date of deposit	Acknowledgement of treasury official.

NOTE 3.---[Deleted].

NOTE 4.---[Deleted].

- 3.8** Bullion, jewellery and other valuables, such as promissory notes, security deposits, etc., coming into the hands of Government servants in their official capacity, may be received in the treasury for safe custody at the discretion of the District Magistrate or Additional District Magistrate in the case of headquarters treasury and of the Assistant Commissioner in the case of sub-treasury. The Treasury Officer should, once a month, examine the condition of boxes of bullion, etc., and record the result of the examination in the register referred to in clause II of note 1 below. The deposit of duplicate keys in the treasury is regulated by the provisions of note 3 below:-

NOTE 1.---The following rules are laid down for the guidance of Treasury Officers in dealing with valuables deposited under this rule-

- I. When bullion, jewellery and other valuables including current moneys, when such money is an exhibit in a criminal case, connected with any case, executive or judicial, are placed in the treasury for safe custody under orders of the District Magistrate, Additional District Magistrate or Assistant Commissioner as the case may be, they should be made up in a sealed packet, and presented with a memorandum from the District Magistrate, Additional District Magistrate, Assistant Commissioner, as the case may be, containing a list of the property and a statement of its actual or estimated value.**
- II. The Treasury Officer, after satisfying himself that the packet is in order and the seal is intact, will note the receipt in the register of valuables in the following form and will return the**

memorandum to the District Magistrate, Additional District Magistrate, or Assistant Commissioner, as the case may be, endorsed with the receipt for a sealed packet, numbered and said to contain the property detailed on the reverse:-

No. of beg or packet	Date	Case concerned	Circumstances and conditions of receipt	List and description of property said to be contained in the packet, with value, actual or estimated	Dated initials of		Note of final disposal with receipt of person to whom delivered	Dated initials of	
					Treasury Officer	Treasurer		Treasury Officer	Treasurer

N.B. --- " Each entry must be initialed by both the Treasury Officer and the Treasurer.

- III. The packet will then be kept in the same way as cash under double lock, and should not be returned without the Orders of District Magistrate, Additional District Magistrate or Assistant Commissioner, as the case may be.
- IV. The treasury officer will maintain two registers one in the form shown in clause II above for bullion, jewellery and other valuables connected with cases which are not required to be taken out frequently, and the other in P.F.R. Form 2 for similar articles connected with cases required to be taken out frequently.

NOTE 2.---*The Confidential deed box belonging to a Municipality may be received at a treasury for safe custody.*

NOTE 3.---*The duplicate keys of the iron safes and chests kept in Government Offices for the custody of cash and other valuables will be received in the treasury strong room duly secured in sealed covers,*

-vide notes below S.T.R. 3.1 and P.F.R. 2.1.) (see however, concluding sentence of rule 3.7.)

NOTE 4.---*The Military Grass Farm, Jhelum, has been permitted to keep for safe custody in the double lock; as a valuable in the Jhelum Treasury, the duplicate key of the safe belonging to it.*

NOTE 5.---*Treasurers security bonds should be kept in the treasury chamber in a separate box, the key of which should remain with the Treasury Officer.*

- 3.9 Government promissory notes belonging to a Municipal Committee (including a small town committee) or Zilla Council should, if they are not likely to be returned within twelve months, be sent for safe custody to the Treasury Officer of the nearest Government treasury; in all other cases valuables belonging to the Committee (including a small town committee) or Zilla Council should, if there is a branch of the Bank situated within the municipality or the small town committee concerned- or at the headquarters of the district be kept in that bank and if there is no such bank, be kept in the Government treasury in a strong box to be deposited in the double lock room, and the keys of such strong box may remain with such person as the Committee or Zilla Council may direct; provided that securities endorsed in favour of any person acting as a banker or any bank other than the State Bank of Pakistan or a bank acting as its agent¹ for transacting Government business and fixed deposit receipts of such persons or banks, other than the State Bank of Pakistan or a bank acting as its agent for transacting Government business shall be deposited in the Government treasury.

NOTE.—*The provisions of this rule apply also to Market Committees.*

- 3.10 Title deeds, Government securities, certificates of guaranteed railway stock, all deeds or other documents purporting to convey a title or claim to any valuable security and all valuables not required for the immediate use of the Ward of the Court or his estate, shall be deposited in the treasury, in a strong box, the key of which should remain with the Deputy Commissioner or the Manager. Within the box shall be kept a register in Form No. 44 prescribed in the Court of Wards Account Code, in which should be entered every document or valuable article contained therein except securities filed by servants or contractors. Whenever a document or valuable article is removed the fact shall be noted in columns 7 and 8 and the entry initialed by the Deputy Commissioner or the Manager, if authorised by the Deputy Commissioner the date of return of such document or article shall be noted in the remarks column, the same number being retained for each document. On relief of the Deputy Commissioner or the Manager if he is in charge of the key of the box, a certificate stating the document and articles handed over by him to his successors shall be entered in this register over the signature both of the relieved and of the relieving officers.

(v) Treasury Padlocks and Keys

3.11

¹ The National Bank of Pakistan now acts as the agent of the State Bank of Pakistan.

1. A Register of all padlocks belonging to the headquarter and sub-treasuries and treasure chest shall be maintained in the following form and kept in the headquarters strong room: -

Date of receipt	Number borne by padlock and keys	Number of duplicates received	Initials of Treasury Officer who receive the keys	Date of removal of any duplicate keys	Number and date of order sanctioning the removal	Initials of Treasury Officer removing key

Separate pages shall be assigned to the Headquarters Treasury and for each Sub-Treasury or treasure chest. Each Sub-Treasury shall also keep a list of its own padlocks and keys in a similar form.

2. Every padlock shall have a number impressed upon it or attached to it by a metal or other label, and the same number shall be impressed on or attached to each key belonging to it. No two padlocks in the same district shall bear the same number.
3. If a padlock becomes unserviceable or ceases to be required, or if any one of the keys belonging to it is lost, the circumstances shall be reported to the Commissioner of the Division who shall pass orders regarding the disposal of the padlock and keys; No spare padlocks should be kept at a sub-treasury or, except with the permission of the Commissioner at a headquarters strong room, and duplicate keys shall not be kept at sub-treasuries.
- 3-A** Unserviceable treasury locks, including those the duplicate keys of which have been lost should neither be disposed of by auction nor should they be handed over to the persons through whose negligence they were rendered unserviceable even after the cost has been realised from them. Such locks should, however be sent to the Commissioner for destruction.
4. No local mechanic shall ever be allowed to repair a treasury padlock or to make a new key for one.

NOTE.—All locks, keys and hinges, etc, in treasuries, sub-treasuries and other place should be inspected occasionally and more especially before the beginning of the monsoon when steps should be taken to

treat all such objects with Vaseline or oil of a suitable nature in order to prevent them from getting rusty. The Vaseline or oil should be purchased, out of the contingencies of the office concerned.

5. All spare padlocks with their keys which are held in the headquarters strong room with the approval of the Commissioner of the Division and all duplicate keys, except those belonging to the locks of the headquarters strong room door, shall be kept in an almirah in the headquarters strong room, under double lock, the key of one lock being in the hands of the Treasury Officer, and of the other in the hands of the Treasurer. The duplicate key of the lock of the almirah (containing the duplicate keys) shall be deposited with the Deputy Commissioner. The duplicates of the treasurer's keys of the headquarters strong room (double lock) door and of the single lock where the double lock can be reached only through the single lock shall be secured under the seal of the Treasury Officer and the Treasurer and made over to the Deputy Commissioner for safe custody. The duplicate of the Treasury Officer's key of the headquarters strong room door shall also be secured under the seal of the Treasury Officer and made over to the Deputy Commissioner for safe custody. Once a year in the month of July, they shall be sent for, examined and returned to the Deputy Commissioner under fresh seals of the Treasury Officer and the Treasurer in the case of Treasurer's key, and of the Treasury Officer alone in the case of his own keys, a note being made in the duplicate key register that they have been examined and found correct.
6. Whenever the charge of a treasury is transferred or a Treasurer is changed, all padlocks and duplicate keys belonging to the treasury shall be examined and compared with the register, and a certificate shall be signed that they have been found to be correct.
7. At every inspection of a treasury the Inspecting Officer shall satisfy himself that the padlocks and all keys (except duplicate keys of the headquarters strong room locks deposited elsewhere) are correct and deposited in accordance with these rules and shall make a note to this effect in his inspection report.

(vi) Treasurers' Records.

3.12

- a) The Treasurer where he has been required to handle cash should maintain a simple cash book in accordance with the provisions of Articles 29 and 30 of Account Code, Volume II. He will sign and immediately return to the Accountant (after the necessary entry in his accounts) all receipt for money received. He will stamp all payment vouchers "Paid" and retain them for delivery to the Accounts Department when the books are compared.

NOTE.---When a payment is made "by transfer" the item will not find a place in the Treasurer's Cash Book. [See also notes 1 and 2 under Subsidiary Treasury Rule 4.151].

- b) The Treasurer will also maintain stock registers for stamps, match, excise banderols and opium in the custody of the treasury officer,-vide Article 31 of Account Code, Volume II.

3.13

- a) All accounts connected with Treasury matters kept by Treasurers' subordinates and nominees, whether at the Sub-Treasuries or at the District should be kept in Urdu.
- b) If the Treasurer in any district desires to keep his accounts in English instead of in Urdu or in addition to his Urdu accounts, there is no objection to his being permitted to do so; but he must do so entirely at his own expense.

II.---ACCOUNTANTS BEPARTMENT

(i) Introductory

3.14 The rules regulating;

- i. the form in which the initial or subsidiary accounts are to be kept;
- ii. the form in which the accounts compiled from these initial and subsidiary accounts are to be submitted to the Accountant-General/Director, Audit and Accounts (Works); and
- iii. the rendering of accounts to the Accountant-General/Director, Audit and Accounts (Works) on specified dates.

have been issued by the Auditor-General of Pakistan and are contained in Account Code, Volume II. The forms referred to in (i) above can, however, be modified in matters of detail by the Government in consultation with the Accountant" General/Director, Audit Accounts (Works). Changes of a local nature can likewise be authorised by the Accountant-General/Director, Audit and Accounts (Works) in respect of the forms referred to in (ii) above.

(ii) Classification of Transactions in Treasury Accounts.

3.15 All transactions of receipt and payment occurring at a treasury should be classified in the treasury accounts in accordance with the provisions of Chapter II of Account Code, Volume II.

(iii) Accountant's Books

3.16 The Accountant shall maintain a Cash Book and other registers subsidiary thereto in accordance with the provision of Articles 32 to 41 of Account Code, Volume II.

NOTE 1.---In the case of receipts remitted by postal money order and adjusted by book transfer under note 6 below Subsidiary Treasury Rule 2.9 and rule 3.38 infra, entries in the subsidiary register concerned may be made daily in lump under each detailed head of account, provided that they are entered in sufficient detail in the departmental registers and that daily returns are submitted to the treasury.

NOTE 2.---[Deleted].

WTE3.---[Deleted].

NOTE 4.---The Accountant should maintain a record of chalans received for credit of money in payment for stamps, and the Treasury

Officer should compare this record with the register of receipts and issues of stamps maintained by the treasurer on the day following the date to which the accounts relate.

A running account should be maintained and checked as the various items are recorded in the registers referred to above.

- 3.17** The vouchers pertaining to each schedule should when received back from the bank, be kept under lock and key till dispatched to the Accountant-General/Director Audit and Accounts (Works). The Treasury Officer shall periodically verify that the vouchers are present and in proper order. As no payment can be made without voucher, there can be no excuse for its absence.

NOTE.---The vouchers of petty pensions paid when received from the Treasurer after the closing of the day's account, be kept under lock and key till dispatched.

(iv) Incorporation of Sub-Treasury Account

- 3.18** The transactions taking place at a sub-treasury should be reported to and incorporated in the accounts of the District Treasury in the manner prescribed in Articles 47 to 49 of Account. Code, Volume II. These transactions do not pass into the Treasurer's Cash Book.

NOTE 1.—If any items in the sub-treasury daily sheet cannot be classified for want of particulars, or owing to omissions, they should be taken tentatively to the head of Account to which they seem to belong, and on receipt of the required information transferred, if necessary, to the proper head.

NOTE 2.---Vouchers passed by the District Treasury Officer for payment at a Sub-Treasury may be incorporated in the Accounts of the District Treasury under the signature of the Accountant; all other vouchers should be incorporated under the signature of the Treasury Officer.

If a Treasury Officer owing to the volume of sub-treasury transactions finds it difficult to scrutinize each and every sub-treasury voucher, he may at his discretion leave over the work to the Accountant, a percentage check not less than 20 per cent being effected by him. All vouchers checked by the Treasury Officer himself must be initialed by him as a token of the fact that he has exercised the check.

(v) Closing of Accounts for the Day

- 3.19** ¹After the Subsidiary Registers have been written up and completed in respect of cash and transfer- items, the daily total of each register should be carried into the appropriate cash book and appropriate checks exercised by the Accountant. Thereafter, the cash book should be placed before the Treasury Officer/District Accounts Officer alongwith the subsidiary registers and paid vouchers/credit challans, and he should: -

¹ Rule 3.19 added vide FD(FR) 11-4/80, dated 9th February, 1980.

- i. examine at least two of the totaling on each side marking the totals as "Exd";
- ii. see that the totals are correctly carried from these registers to the cash book, initialing the totals as he thus compares them.

NOTE.—This must be done in the case of receipt registers even when the total for the day is blank. It is, however, not necessary to initial blank payment registers. It is necessary to guard against fraud or mistake of omitting to bring an entry from these registers upon the cash book, and this precaution is not complete if the Treasury Officer/District Accounts Officer remains content only with those registers from which the entry is made in the cash book.

- iii. have the totaling of the cash book verified by himself or some principal subordinate, other than the Accountant, who should initial it as correct; and
- iv. see twice every week that all vouchers are properly arranged.

NOTE.---Under Note 2 to Rule 3.59 the daily account of the Bank carrying on the business of a Government treasury may, with the concurrence of the Accountant-General, be submitted to the Treasury Officer/District Accounts Officer on the morning of the day following that to which it refers. In such cases the signature and comparison of the Accountant's books may be made in the evening instead of in the morning of the day on which the bank's account is received provided that pressure of work renders it necessary so to postpone it.]

(vi) Closing of Accounts for the Month.

- 3.20 Under Article 55 of Account Code, Volume II, 27th of each month (30th in the case of June) has been fixed as the date for the formal closing of the monthly accounts of several sub-treasuries. Transactions of later dates should be included in the accounts of the next month even though the daily sheet is received before the end of the month.
- 3.21 After closing the accounts for the month the cash account and the list of payments should be prepared from the various subsidiary registers in the manner laid down in Article 56 of Account Code, Volume II. The Treasury Officer should apply an effective check upon the Cash Account when it is laid before him. Its opening and closing balances are not deductions from Accounts but are statements of fact certified by the District Officer to have been verified by actual enumeration of coin. The difference between the receipts as shown in the cashbook and the amount shown in the list of payments should account for difference between these facts. The entries from the registers, should agree with the totals of the details of those books. If, at any time, the Treasury Officer be unable to compare all, at least he may compare some; notably, he should compare the entries in the plus and minus memoranda of deposits, stamps, etc., with the entries in the account-e-g., the plus and minus memorandum shows a reduction in the stock of judicial stamps to the value of Rs. 5,000; if the credit in account be less there should be a receipt from another treasury for stamps supplied.

NOTE 1.---[Deleted].

NOTE 2.---Special attention is invited to the rules in Chapters I, III and V of the Subsidiary Treasury Rules defining the duties of District Officers in regard to the verification and certification of the monthly cash balance and to the signing of the monthly cash accounts.

(vii) Returns to the Accountant-General

3.22 The Cash Account, the list, schedules of payments and other returns prepared in the forms and manner prescribed " in Chapter IV of Account Code, Volume II, should be submitted to the Accountant-General punctually on the dates laid down therein (See also Article 93 *ibid*). With regard to the punctual transmission of the accounts, the Government will view with severe displeasure any avoidable delay on the part of any District Officer in the dispatch of his list of monthly payments with schedules and vouchers, also the cash balance report and the cash account with schedules and papers complete.

In case the first schedule of payments is not received in the Accounts Office by the 12th of the month and the 2nd list of payments with schedules, etc., by the second of the following month, the delays will be recorded by the Accountant-General in the Treasury irregularity statements and will be specially brought to the notice of the Government in the annual review on the working of Treasuries. Great importance is to be attached to the punctual submission of accounts as the delay on the part of the treasuries necessarily delays work in the Accounts Office.

3.23

a) The stock of stamps in the treasuries and sub-treasuries should be verified by actual count and certified to as laid down in paragraph 35 of Appendix 9 to these Rules.

b) The verification of the stock of opium should likewise be conducted in the months of December and June each year and a certificate in the form given below submitted to the Accountant-General with the plus and minus memoranda of opium transactions for these months.

"I do hereby certify that I have personally examined and counted or had counted in my presence the stock of excise opium in store in his local depot on the December/June, 19 , and found that the weight of opium in stock tallies with that given in treasury registers. Also, that I have received similar certificate from the officer-in-charge of the subordinate treasuries that they have similarly checked the stock of opium in the sub-treasuries on the last day of the month of December/June, 19, and found the stock tallying with the accounts maintained therein.

The total stock of opium in this treasury and sub-treasuries as found by the above certificate examination is as follows :-

1. Chests.....:Weight.....Kilograms

2. Bricks.....Weight.....Kilograms

Total Weight.....Kilograms

which weight agrees with the balances shown in the plus and minus memoranda for December/June, 19 , to which this certificate is attached. (If there is' any difference add "with the exception of the following differences the explanation of which is as follows").

NOTE.---Actual weightment of opium is not necessary ; a mere count of cakes of opium in the open chests and the count of boxes with the factory seals intact in the case of unopened sealed boxes is sufficient.

3.24

- i. In addition to the returns mentioned in rule 3.22 the Treasury Officer should submit to the Accountant-General every six months a statement of cases of failure to draw pensions. The statement should be prepared in two parts. One part will show the names of all pensioners who have not drawn their pensions for six years in the case of "Pensions for political considerations" and "Charitable allowances" and for three years in the case of other pensions. The other part will show the names of pensioners other than those included in the first part who have not drawn their pensions for more than one year. The reason for the non-drawal, if known should be stated against each name.

The Treasury Officer should sort out cases of pensions which have ceased to be payable at the treasury (vide Rule 2.28) by examining the files of Civil Pension Payment Orders every month and return his halves of the Pension Payment Orders to the Accountant-General alongwith the statement mentioned above.

- ii. A list of other periodical and occasional Returns to be submitted to the Accountant-General is printed as Appendix 8 (See also Article 120 of Account Code, Volume II).

(viii) Erasures, Overwriting and Corrections

3.25 Treasury figures should never be altered after they have been communicated to the Accountant-General, but if after submission it is discovered that an error has been made, the error should be pointed out, in order that he may correct, not the accounts of the treasury, but the accounts, which he draws up on their basis. A note should be made in the original account of the communication of the error to the Accountant-General.

Requisitions for correction of accounts should invariably state how the error arose and how it was brought to light and how far the treasury was responsible for the original error.

(ix) Special Rules relating to particular Departments or particular kinds of Payments.

[NOTE.- Detailed rules in respect of the procedure to be followed at the treasuries in regard to the transactions connected with State Bank drafts and State Bank Government drafts. Deposits and Local Funds are given in Chapters XI, XII and XIII respectively. Rules relating to other matters are given below.]

(a) Letters of Credit.

3.26 *[Deleted].*

(b) Public Works Department.

Receipts

3.27 Whatever sums are paid into a treasury by a Public Works Officer, or on his account, must be carried to the credit of that department in the civil accounts, and not to a separate deposit account.

NOTE.—*This rule applies also to deposits made at the instance of the Public Works Department by municipalities or other local funds or local bodies, to meet the cost of works to be carried out by that department. In this case the accompanying challans (vide Subsidiary Treasury Rule 2.8) should state clearly the name of the Public Works Division to which the amount is creditable and of the work to which the deposit relates.*

3.28 All receipts on account of the Public Works Department are recorded in a register in Form T.A. 10 (vide Article 57 of Account Code, Volume II) care being taken to show remittances received from departmental officers and their subordinates separate from those received from others on their account. An extract from this register will be made and sent to the Director of Audit and Accounts (Works). (See also Subsidiary Treasury Rule 2.10).

Payments by Cheques

3.29 Payments made on cheques are recorded in the register of cheques paid in Form T.A. II; but no entries will be made in the column for "balance", there being no letters of credit. (See also Article 104 of Account Code, Volume II).

Pass Book

3.30 The amount of each cheque paid should be recorded also in a pass book or list of cheques cashed in P.F.R. Form 3-A which will remain with the Divisional Officer, and be sent by him periodically to be written up by the Treasury Officer from the register of cheques paid, details of cheques paid at the Bank or at a sub-treasury being taken from the daily sheets.

NOTE 1.—*A Divisional Officer at the headquarters station should send his passbook to be written up every week; that of a Divisional Officer at a distance may be forwarded at longer intervals, but the dates should be fixed. A Divisional Officer, having banking accounts with two treasuries will, of course, have two passbooks.*

NOTE 2.—*It is not necessary that each entry in the pass-book should be initialed by the Treasury Officer. It is sufficient if he signs at the end of each month when the balance is struck off.*

NOTE 3.—*In the pass-book the No. of the cheque-book should be noted at the top of each page. When cheques issues out of more than one book are entered on any page, the entries in the column*

"Particulars" of the passbook should distinguish the cheques of each book, but the book No. need to be repeated in respect of each cheque.

Monthly Settlement

3.31 The Treasury Officer should arrange to have a monthly settlement very early in the month with the Divisional Officer, i.e., he should have the pass book written up in respect of cheques cashed during the previous month, and issue a Consolidated receipt for the whole of the remittances received from the Divisional Officer and his subordinates during that month. He should also furnish the Divisional Officer with a certificate of total issues as follows: -

"I hereby certify that the total issues made from this treasury on cheques drawn against the account of Mr.----- Officer-in-Charge,-----Division, during-----19 -----amounted to Rs.----- (in words)-----.

(c) Forest Department

3.32 Remittances by Forest Officers and payments made to them should be accounted for in the treasury in accordance with the provisions of Articles 102 and 58 of Account Code, Volume II.

3.33 ***[Deleted].***

(d) Pensions

Pension Payment Orders.

3.34

a) On receipt of the Pension Payment Order, Treasury Officer will deliver one-half to the pensioner and keep the other half carefully in such manner that the pensioner shall not have access thereto.

b) Treasury Officers may renew Pension Payment Orders without reference to the Audit Office, in cases in which the pensioner's half is lost, worn or torn or the entries on the reverse of either the pensioner's or collectors half are completely filled up. The renewed Pension Payment Orders should bear the old number, date and facsimile of signature and the old ones should be retained by the Treasury Officer for three years and then destroyed. A note of the issue of the new Pension Payment Orders should also be made in the 'Remarks' column of the register. (Form S.T.R. 35).

c) On the death of a pensioner, the Pension Payment Order should, after payment of the arrears of pension, be returned to the Accountant-General al with a report of the date of death of the pensioner.

NOTE 1.—For alteration in Pensioner's name in the pension Payment Orders .we Note below Subsidiary Treasury Rule 4.93.

NOTE 2.—For entries regarding payments on the reverse of Pension Payment Orders see Subsidiary Treasury Rule 4.101. Verification of continued existence of non-service Pensioners

3.35 Tehsildars should be furnished with lists of non-service pensioners resident in their respective jurisdictions and when fresh pensions are granted the necessary particulars should be communicated to them for inclusion in their lists, to enable them to become acquainted with the pensioners resident in their jurisdiction and to satisfy themselves that they are in existence.

In cases of exemption of male pensioners from personal attendance to draw their pensions the tours of District or other Officers may be taken advantage of to verify their continued existence.

3.36 When a half-yearly pensioner fails to apply for his pension for two consecutive half-years or when a monthly pensioner fails to apply for his pension for six consecutive months, enquiry should at once be instituted at his home through the Tehsildar, to ascertain the cause of the failure; and such further measures should be adopted as the result of the enquiry may suggest.

(c) Money Orders

Remittances by Money Orders

3.37 Payments to the Post Office for money orders issued by Treasury Officers, are not made in cash, but the amounts are credited to the Post Office in the Treasury Accounts by book transfer (see also Subsidiary Treasury Rule 4.152).

Money Orders in favour of District and the other Officers

3.38 Note (6) below Subsidiary Treasury Rule 2.9 applies mutatis mutandis to money orders in ordinary form issued in favour of the district officer in payment of revenue under his management

Ordinary money orders in favour of other Government servants in their official capacity are paid in cash unless a written requisition has been sent to the post office by the Treasury or Sub-Treasury Officer to pay them by book transfer.

All money orders in favour of any local body entitled to bank at the treasury or sub-treasury are also paid by book transfer.

IV --- MISCELLANEOUS -RULES AND ORDERS

(i) Instructions for the Treasury Staff

3.39

- 1.** Treasury Clerks are forbidden to undertake the encashment of bills or vouchers on behalf of payees.
- 2.** Treasurers are forbidden to make payments through Treasury Clerks or office servants sent to them by the clerks.

3. It is of Utmost importance that the Treasury staff should identify the messengers presenting bills at the Treasury for payment. To facilitate this identification it is recommended that the drawing officers should see that as far as possible the same man is sent to the Treasury to receive payment and that, when a change is made, the new messenger should on his first appearance be accompanied by some one who can identify him.
4. A copy of these rules should be hung up in a conspicuous place in the Treasury, in order that they may be made known as widely as possible.

(ii) Notices regarding closing of Treasuries, etc.

3.40

1. ¹Notice should be posted up conspicuously, in the office, of the hour at which the treasury closes for receipt and payment of money which should be at least an hour before the end of the day's work, in order to give time for closing and agreeing of accounts.
2. The working hours of the Treasuries for the purpose of receipt and payment of money will be from 9-00 a.m. to 1-00 p.m. in winter and from 7-30 a.m. to 11-30 a.m. in summer, except on the 10th and the last working day of the month when the working hours will be from 9-00 a.m. to 11-00 a.m. in winter and from 7-30 a.m. to 9-30 a.m. in summer.].

NOTE 1.—If any local order of competent authority requires that the treasury on any day be kept open till a named hour, the accounts cannot of course be dosed till after that time, but should then be closed and agreed in the usual manner before any one leaves office.

NOTE 2.—Deleted vide Notification No. FD (FR)-II-9/77, dated 17th April, 1978}.

NOTE 3.—Treasuries should be closed for public business only on those days which are notified by Government as public holidays for observance in public offices.

NOTE 4.—The Deputy Commissioner of a district may order the Opening of a treasury or a sub-treasury on a holiday for the purpose of transferring the charge of the treasury or sub-treasury, or for making payment to the military or postal departments in cases of emergency.

3.41

- a) The Treasury Officer should see that the notices which he is required to exhibit under, standing orders or other instructions received from time to time such as those regarding Notes and Coins, etc., are exhibited conspicuously in places which the public enters freely and that no favouritism is shown in the conveniences, which the treasury can offer.

¹ Rule 3.40 Subs. vide Notification No. FD (FR)-I1-9/77, dated 17th April, 1978.

b) The instructions in regard to procedure to be observed in receiving money into and giving out of double locks (see Subsidiary Treasury Rule 3.18) should be pasted on a board and hung up in a conspicuous place in the treasure chamber for the guidance of the officer-in-charge.

(iii) Admittance into the Treasury

3.42 No person unconnected with the treasury should on any pretence be allowed admission either into the Accountant's or Treasurer's room beyond the bar or the counter.

3.43 No one except the Treasury Officer shall be admitted into the treasury after the work of the office has closed for the day without a written order from Treasury Officer. The police guard to whom the charge is formally given at the close of everyday is responsible for seeing that this rule is carried out. A copy of this rule (with a vernacular translation) should be bung up within view of the guard, and the Treasury Officer is responsible for seeing that this is done.

(iv) Correspondence with the Accountant-General[^] Office

3.44 Official post-cards should not be used in correspondence with the Accountant-General's office and all letters and docket should be written on half margin, on either foolscap size paper or on the forms specially supplied for the purpose. The letter and docket forms supplied for other Departments should not be used as the files of the Accounts Office required to be kept in proper order.

(v) Forms

(a) Accounts and other Treasury Forms

3.45 The annual indent for Treasury Accounts and other forms should be prepared in the prescribed printed form by the Treasury Officer and should be submitted to the Commissioners of Divisions on the 1st of December who will forward it to the Superintendent, Government printing on the 1st January each year for supplies required for his district for the ensuing financial year. Treasury Officer, Lahore will indent only for his own yearly requirements. Other offices in the Lahore district will submit their indent separately. For indents for cheque forms, the special forms, prescribed, should be used, and it should be filled up in accordance with the instructions printed at foot of the form and forwarded to the Accounts Office in January each year, so that no delay may occur in issuing the forms. Supplementary indents, which not only increase work but add to the cost of packing and conveyance should be avoided as much as possible, and should be submitted only in case of real urgency, when the necessity for them should be fully explained.

NOTE.---All forms for use by Municipalities, Small Town Committees, Zilla Councils, etc., arc supplied by the contractor selected by the Superintendent, Government Printing, Punjab.

(b) Cheque and Receipt Books.

3.46 Cheque books for use on treasuries and the Bank are obtained by the drawing officers from the district treasury concerned, -vide Subsidiary Treasury

Rule 4.13. Stocks of books required for this purpose will be kept by the Treasury Officer, supplies being obtained annually from the Accountant-General.

Cheque books should on receipt be examined carefully and the number of forms in each book should be counted. Similarly, they should be examined again when issued to disbursing officers, and care should be taken to see that they are acknowledged by the later promptly.

NOTE 1.—This rule also applies to Departmental Receipt Books, Form S.T.R. 3-A required for Issue to officers of the Public Works Department.

NOTE 2.—A statement should be sent quarterly by the Treasury Officer to each Divisional Officer giving the numbers and dates of all Public Works. Cheque Books and Receipt Books Issued on requisition;, received from him and from each of his Sub-Divisional Officer.

(vi) Books

a) Cypher Code and "Treasury Agencies" Private Check Signal Book of the State Bank of Pakistan

3.47

1. The Currency Officer of the State Bank of Pakistan supplies the Cypher Code and Treasury Agencies" Private Check Signal Book of the State Bank of Pakistan to each Treasury Officer and to the Sub-Treasury Officer of each sub-treasury which has a currency chest. The Cypher Code should be used for telegrams relating to currency and resource matters and the Check Signal Book for authenticating all telegrams relating to telegraphic transfers. Both should be treated as strictly confidential.
2. A Treasure or Sub-Treasury Officer who holds copies of the books should never take them away from the treasury premises but should keep them in either a safe (if there is one available) or a locked tin box with a close fitting lid in the strong room of the treasury or sub-treasury under conditions which ensure not only their security but also their safety from damage, and keep the key of the safe or box always in his personal custody. When he takes the books out for use, he should always keep them in his personal custody. The loss of copies of the books may involve the Government and the State Bank in considerable loss before protective measures could be adopted and Treasury and Sub-Treasury Officers should, therefore exercise the greatest possible care in regard to the custody of their copies of the books and see that they are always as carefully safeguarded as the currency chest balances.
3. A Treasury or Sub-Treasury Officer who holds copies of the books should never on any account hand them over to any one other than a Government servant duly authorised to take charge of the duties of his post from him. When a Government servant who holds copies of the books is relieved of his charge he should hand over the copies of the books in his custody to me relieving Government servant and the latter should note in his own hand the following certificates in the certificate of transfer of charge: -

"I hereby certify that I have received and hold in my personal custody copy/copies of the. Cypher Code of the State Bank of Pakistan together with Supplement Nos. Which has/have been corrected upto date. The last amendment slip received is No. dated the for the Code.

I also certify that I have received and hold in my personal custody copy/copies of the 'Treasury Agencies" Private Check Signal Book of the State Bank of Pakistan which has/have been corrected up-to-date. The last amendment slip received for the Check Signal Book is No. dated the——.

4. Should the Cypher Code or the Check Signal Book get lost or fall into un-authorized hands at any time the fact should immediately be reported by telegram to the Chief Accountant, State Bank of Pakistan, Karachi, Telegraphic Address "Bank rate" Karachi, for necessary action. In cases where the books were supplied through a Currency Officer, the telegram should be repeated to him for information. A detailed report regarding the circumstances attending the incident, the steps taken to trace the book .in the case of loss and the precautions taken to prevent a recurrence should be submitted direct to the Chief Accountant of the State Bank as soon as possible thereafter if the book was supplied by him. In cases where the book was supplied by a Currency Officer, the report should be sent through that official who will, forward it to the Chief Accountant of the State Bank with his remarks regarding the supply of a fresh copy of the Cypher Code or Check Signal Book. In the event of amendment slips being lost or falling into un-authorized hands, an immediate report by letter and not by telegram, should be made to the Chief Accountant, State Bank, or to the Currency Officer concerned according to the source of supply. Thereafter, a detailed report similar to that prescribed above for the Cypher Code and the Check Signal Book should be submitted to the Chief Accountant of the State Bank direct or to the. Currency Officer concerned according to the source of supply.

A copy of the report sent should invariably be endorsed to the Secretary to Government, Punjab, and Finance Department.

5. Any payment that the Government may be required to make on account of the loss of the Cypher Code or the Check Signal Book will have to be made good by the Government servant due to whose negligence the claim against Government arises. Holders of these publications should, therefore, exercise extreme care for their proper custody.
6. On the 1st of July each year, every Government servant having copies of the Cypher Code or the Check Signal Book should send to the Currency Officer an acknowledgment for the number of copies held by him. The Treasury Officer should include in their acknowledgments the copies held by their respective Sub-Treasury Officers.

NOTE 1.—

- i. Correction or amendment slips to the Cypher Code and the Check Signal Book including supplements and corrections thereto are as important and confidential as the main books and the above instructions apply to them also. Immediately on receipt of amendment slips, the reference number and dates appearing thereon should be serially recorded on a fly-leaf, at*

the beginning or end of the book under the signature of the Treasury or Sub-Treasury Officer. On the date on which each amendment becomes effective, which is generally given in the covering letter or on each slip, the amendment should be pasted at the appropriate place in the book and the fact that the amendment has been carried out should be noted in a separate column under the signature of the Treasury or Sub-Treasury Officer against the entry already made on the fly-leaf when the amendment slip was received.

- ii. A Treasury Officer who sends to a Sub-Treasury Officer corrections or amendment slips should enclose them in double cover of which the inner one should be sealed, marked "Confidential" and addressed to the officials concerned by their personal names, i.e.; the inner cover should be addressed "To Mr. A. if in headquarters and otherwise to Mr. B." At A the personal name of the Tehsildar or Naib-Tehsildar in charge of the Sub-Treasury is to be entered, and at B the personal name of the Taluk Head Accountant or, in the case of a Naib-Tahsildar's Sub-Treasury, the personal name of the officer who acts as Sub-Treasury Officer in the absence of the Naib-Tehsildar. The outer cover should be addressed to the Sub-Treasury Officer by designation only and not marked "(confidential" or sealed: The cover should then be dispatched by registered post, acknowledgment due and the Sub-Treasury Officer who receives the cover should immediately sign the postal acknowledgment for return by the Postal Department to the Treasury Officer.-When the Tehsildar or Naib-Tehsildar is on tour the Sub-Treasury Officer who opens the cover should acknowledge the contents in a separate letter to the Treasury Officer and should hand them to the Tehsildar or Naib-Tehsildar immediately on his return to headquarters. The latter should sent his acknowledgment for the contents to the Treasury Officer in all cases as soon as he receives them. The Treasury Officer should watch for the prompt return of the acknowledgment and should not close the case till he has received a separate acknowledgment for the Tehsildar or Naib-Tehsildar concerned as well as the postal acknowledgment sup.*

(b) Confidential Pamphlets, etc.

3.48 Memoranda of treasury frauds and other pamphlets or books of a confidential nature, should be kept in the custody of the Deputy Commissioner or Treasury Officer and on no account should any member of the establishment be allowed access to them.

(c) Corrections to Financial and other Rules

3.49 An extra copy of each list of corrections to the Subsidiary Treasury Rules, Financial Rules, etc., supplied to treasuries, should be kept in a separate file.

(vii) Supply and Distribution of Stamps and Match Banderols

3.50 Rules laid down by the Government of Pakistan for the supply and distribution of stamps of all descriptions are printed in Appendix 9.

3.51 [Deleted].

(viii) Destruction of Treasury Records

3.52 The periods after which treasury records may be destroyed are given in the statement appearing in Part II of Appendix 6.

For the reckoning of periods see rule 2.48.

V—SUB-TREASURIES

3.53 The general procedure followed at the treasuries as detailed in the foregoing rules and the rules in other parts of this book applies mutatis mutandis to sub-treasuries also. [See also Article 27 of Account Code. Volume I. Detailed rules relating to sub-treasuries are contained in the Sub-Treasury Manual.]

VI -- SPECIAL RULES FOR THE TREASURIES OF WHICH THE BUSINESS IS CONDUCTED BY THE BANK

(i) General

3.54 At places where there are branches of a Bank which act as agents of the State Bank of Pakistan in accordance with the provisions of the State Bank of Pakistan Act, 1956 (Act XXXIII of 1956), the treasury business is conducted by those branches of that Bank as agents of the State Bank of Pakistan.

NOTE.---At Lahore, the. State Bank of Pakistan has an office of its Banking Department Incharge of a Manager, which deals with a0 kinds of banking business on Government account.

3.55 The following rules for the guidance of Collectors and Treasury Officers and of the officers of the Bank in conducting the business of the Government treasuries banking with such branches, include information on most points likely to arise; but in cases of doubt, and as a general rule, the usage hitherto observed at the local treasury will be followed. The term "Collector" includes the officer-in-charge of the treasury by whatever designation he may be called.

3.56 On all printed and manuscript forms or documents used in connection with Government business at the Bank, the words "General Treasury", shall never be used, as these words do not correctly represent the relation of Government with the Bank. Any other erroneous expressions, which misrepresent this relation, should be carefully avoided by all Government servants and by the Bank itself.

The National Bank of Pakistan now acts as the agent of the State Bank of Pakistan.

(ii) Accounts

3.57 The books and accounts to be kept by the Bank will consist of—
The scroll cash book, being the primary record.

A daily account of the receipts and payments, made up for dispatch to the collector.

An account in the general ledger, in the name of the Punjab Government.

A pass book, to be daily forwarded to and returned by the Collector.

NOTE.—*Separate books and accounts should be kept for Central transactions, vide Article 42 of Account Code, Volume 11.*

3.58 In the scroll cash book will be entered all receipts and disbursements on account of Government. The net amount only of document paid, on which deductions have been made, will appear in this book, and the total of each side will form the daily entries in the general ledger.

(iii) Daily Returns

3.59 In the daily account such payments and receipts will be classified as may be directed by the Accountant-General in order that their arrangement may fit in with the forms prescribed for accounts kept at the treasuries. The daily account will be prepared everyday and the Manager or Agent, as the case may be, after satisfying himself as to its accuracy, will docket and forward it to the Collector, with the register of daily receipts and payments and with all the appertaining vouchers at the close of the day. The net amounts of payments only are to be entered, that is, when a deduction is made from the amount of a bill, the daily account will show only the amount paid after deduction and not the gross amount of the demand. [See also note 1 below Article 43 of Account Code, Volume II].

NOTE 1.—*It is of importance that these documents be secured in a locked box when sent by the Manager or agent, as the case may be, to the Collector, in order that there may be no possibility of any alteration or abstraction of any paper before they reach the hands of the Collector.*

NOTE2.—*With the concurrence of the Accountant-General the daily accounts may be submitted on the morning following the date to which they refer, instead of at the close of the same day; but the transaction shall invariably be incorporated in the treasury accounts under the date on which they take place at the bank.*

NOTE 3.—*See also note below rule 3.57 and rule I under Subsidiary Treasury Rule 4.157.*

3.60 The register of daily receipts and payments has five columns for (1) the date, (2) the total receipts for the day, (3) the total payments of the day, (4) the initials of the Manager or Agent and (5) the initials of the Collector. It will be written up and forwarded with the daily account to the Collector (vide Rule 3.59), the

entries being certified by the initials of the Agent in the 4th column. The Collector will check receipts and disbursements columns of the daily account, agree their totals with the figures entered in the register and examine the vouchers, and after initialing in the 5th column of the register in token of his verification, will return the register to the Agent the same day or the following morning.

Note: - See also note below Rule 3.57.

(iv) Treasure

3.61 The rules regarding (1) remittance of treasure from the Bank and the entertainment of extra potedars if necessary for the purpose, and (2) testing of remittances made to the Bank from Government treasuries, are laid down in Chapter V of the Subsidiary Treasury Rules.

(v) Additional Rules for District Officer

Registers of Challans issued and of Orders for Payment.

3.62 The District Officer must maintain two registers, viz; a register of challans issued and a register of orders for payment.

The former of these may be worked by departments, the challans of, land revenue being passed and registered by the Land Revenue Department of the District Officer's Office, those of excise revenue by the Excise Department, and so forth.

Daily Posting of Accounts

3.63 When the daily account with the challans and vouchers is received from the Bank, the account will first be examined against the challans and vouchers which support it. Then the challans and vouchers which have already been approved and registered by the District Officer will first be marked off in the register of challans issued and of orders for payment, that is, the date of discharge will be noted against the entries of them in those registers. Then each item of receipt or payment will be posted from the daily account with its chalans and vouchers, into the cash book either direct or through some subsidiary register, in the same way as is prescribed to be done by the accounts department of treasuries which do not bank with the Bank. The net difference between the total receipts and the total payments as shown in the daily account will then be posted in a subsidiary register in accordance with the provisions of Articles 44 to 46 of Account Code, Volume II. [See also Article 96 (in) *ibid*].

NOTE.--The note below Rule 3.57 and note 2 below Article 43 of Account Code, Volume II.

(vi) Advices, Certificate, Returns, etc.

3.64 Advices of receipts or payments should be prepared in the Treasury and not in the Bank (see also Subsidiary Treasury Rule 2.25).

1. For treasury returns see Subsidiary Treasury Rule 2.26.

(vii) Miscellaneous

Opening of the Bank on days on which the treasury may be closed for public business.

3.65

- a) The Bank will be kept open for the transaction of the treasury business on all recognised holidays, if so required by the District Officer. [See also paragraph 10 of the agreement between the Governor of the Punjab and the State Bank of Pakistan (Appendix A to the Treasury and Subsidiary Treasury Rules).]
- b) Treasury Officers are authorised to arrange that the Bank should transact business on Government account on any day on which the local treasury may be closed for public business, but the Bank is open to ordinary business, provided that every formality has been observed which would allow the transaction on a day on which the local treasury as well as the Bank is open to business.

Rules for the receipt, custody and delivery by Government treasuries of sealed packets containing duplicate keys of strong rooms and chests of the bank conducting treasury business.

3.66

- a) If the Bank at which Government treasury work is conducted wishes to deposit the duplicate keys of the strong-room or currency chest in the Government Treasury, the Agent or other officer-in-charge of the Bank shall personally deliver a sealed packet purporting to contain such duplicate keys to the Treasury Officer in charge of the District Treasury and obtain his receipt.
- b) The receipt of the Treasury Officer shall merely acknowledge the receipt of a sealed packet and before signing the receipt the Treasury Officer shall satisfy himself that the seals are intact.
- c) On receipt of the sealed packet, the Treasury Officer will place the same in double lock and enter the transaction in a register, preferably the register of valuables. Such register will contain a column for description in which the Treasury Officer will note with his own hand the number of seals and date of consignment to double lock.
- d) The sealed packet shall not be taken out of double lock except on personal application by the Agent or other officer in charge of the Bank and by the Branch Khazanchee (or Head Shroff or Head Cash-keeper or his duly appointed Naib). On such joint application the Treasury Officer shall deliver the packet to the Agent or other officer and Khazanchee (or Head Shroff or Head Cash-keeper or his Naib) only and then on receiving back the receipt given by him for the sealed packet under clause (b) above as well as obtaining the joint receipt of the Agent or other officer and Khazanchee (or Head Shroff or Head Cash-keeper or his Naib) for the packet.
- e) The Agent or other officer in charge of the Bank shall periodically, and, in any case, at periods of not less than six months, verify the presence of the sealed packet in the double lock of the treasury and shall satisfy himself that the seals are intact.

f) The Treasury Officer shall verify, periodically, and in any case at periods of not less than six months, the presence of the sealed packet and satisfy himself that the seals are intact. He shall also verify its presence whenever there is a change in the charge of the treasury. IN the latter case the outgoing and incoming Treasury Officers shall personally hand over and take charge of the sealed packet and shall sign the register mentioned in clause (c) to this effect.

Procedure for the conduct of business in the event of the Agent of a Branch of the Bank dying or being temporarily incapacitated.

3.67

1. In case of death or incapacitation for duty of an agent of a Branch of the Bank, the Collector, or other responsible government servant should, in cases where he has by prior arrangement been requested by the Bank to do so—
 - a)** go personally (or, if he is m camp. send some other responsible Government servant) to the Bank, take over the keys of the strong-room and other receptacles of treasury, notes or books and see that the strong-room is properly secured. He will also direct the guard to report to himself:
 - b)** telegraph the occurrence to the Head Office; and
 - c)** arrange for the due transaction of the Government business entrusted to the Bank. He will abstain altogether from the Bank's private business.
2. Neither Government nor its servants will incur any son of responsibility, either to the Bank or to third parties, by reason of anything done under the instructions contained in clause (1) above.

CHAPTER IV

REVENUE RECEIPTS AND THEIR CHECK

I.---GENERAL

- 4.1** It is ordinarily the duty of the Revenue Department concerned, and not of the Audit Department to see that the dues of Government are regularly paid into the treasury.

The departmental controlling officers should accordingly see that all sums due to Government are regularly received and checked against demands, and that they are paid into the treasury. They should arrange to receive from their subordinates accounts and returns claiming credit for so much paid into the treasury and compare them with the figures shown in the returns received from the Accountant-General.

If any wrong credits are thus brought to the notice of the controlling officer, he should at once inform the Accountant-General with a view to the correction of the accounts. If any credits are claimed but not found in the accounts, it is usually more convenient to make enquiries first of the departmental officer.

NOTE 1.---It .is essential that the departmental controlling officer's account should not be compiled from the returns prepared by the treasury. But the Treasury Officer is in some cases required to verify returns prepared for submission to departmental controlling officers.

NOTE 2.---The reconciliation of differences should be carried out as promptly as possible especially in the case of returns for June .so that all corrections may be included in the accounts of the year concerned.

NOTE 3.---In order to reduce the difference between the treasury figures and the departmental figures it is essential that the chalans sent to the treasury should bear full, complete and correct classification.

NOTE 4.—The directions relating to the exhibition of recoveries of expenditure in Government Accounts are contained in Chapter 5 of Account Code, Volume I.

II.-- SPECIAL RULES FOR PARTICULAR CLASSES OF RECEIPTS.

(i) Lund Revenue — Fees for collection of Revenue

- 4.2.** Writs, warrants and other processes for the collection of revenue under Chapter VIII and IX. Of the Land Revenue Act 1967, shall ordinarily be served through the agency of the Tehsil Chaprasis and the fees recovered will be credited to Government.

NOTE.---Deputy Commissioners .should 'sec that the Sadar Tehsil Dakhilas are entered item 'by item in the prescribed registers and

that every item received or paid is at once entered in the hook or in some authorized register subsidiary thereto.

(ii) Fines

4.3.

- a) Every Court should maintain a register giving particulars of every fine imposed by it and tracing it to realization and payment into the treasury. The fine must not be written off this register as realized until it is paid into the treasury and it is the duty of the Court to see that the money reached the treasury.
- b) The Deputy Commissioner should arrange to collect from the several Courts in the district which have power to fine, monthly detailed lists of all fines realized and remitted to the treasury. From these lists a consolidated list, containing full particulars of all fines realized in the district and paid into the treasury should be compiled and forwarded to the Accountant-General, after comparison with the treasury figures, not later than the 7th of each month in order to facilitate check in case refunds are claimed. The Treasury Officer should certify on the statement that the total shown therein agrees with the amount credited as "Fines" in the treasury receipt schedule. Any difference between the total of this statement and the credit in the treasury receipt schedule should be clearly explained.
- c) Compensation fines due to an injured party which are creditable to deposits and fines, which under the orders of competent authority, are credited to a municipal or other local fund, will be excluded from this return.
- d) A consolidated statement in the same form should be furnished to the Accountant-General monthly, by the Deputy Commissioner giving particulars of fines and penalties, if any realized by Revenue Officers and remitted by them to the treasury to be credited under the appropriate heads.
- e) A fine realized in one district on account of another should not be remitted to the district concerned but should be treated, for the purposes of the fine statement, as if it had been imposed in the Court in which it is realized and an advice of the recovery sent by the realizing Court to the Court which inflicted the fines, note of the Court to which it relates being also made in the fine statement against the credit. The Court which inflicted the fine should, on receiving the intimation, note in its statement the amount of the fine realized and the name of the treasury into which it was paid.

(iii) Convict charges recoverable from the States acceded to Pakistan

4.4 [Deleted].

(iv) Miscellaneous Demands

- 4.5 Realization of miscellaneous demands of Government not falling within the ordinary revenue administration is watched by the Accountant-General.

NOTE 1.---All receipts from ferries and cattle ponds which are managed by local bodies, should First be credited to the respective local funds under the head "Suspense" and at the end of each month when the monthly account is closed they should be credited to the Provincial Revenues.

NOTE 2.---*All tents from temporary cultivation of Government lands in canal colonies should be credited to "Extraordinary Receipts" unless (the cost of the land has been debited to the capital account of a project, in which case the rent shall be credited to the department concerned and taken to the head "Revenue Receipts" or "Receipts and Recoveries on Capital Account", as the case may be.*

CLASSIFICATION OF THE PROCEEDS OF ILLICIT CULTIVATION

NOTE 3.—

- a) *In cases in which the trespasser pays rent after mutual compromise' with the Collector, the rent paid should be credited to the head "VII— Land Revenue — Miscellaneous Rent of Lands — Leafed for a Single Year or Harvest"..*
- b) *In cases where the of lender is punished by a Magistrate with a fine or with the confiscation of the crops growing on the land or if (he crops have been cut - with the assessed value thereof, the amount recovered should be credited to the head "VII - Land Revenue — Miscellaneous Fines and Forfeitures of Revenue Department".*

III. -- REMISSIONS OF, AND ABANDONMENT OF CLAIMS TO REVENUE

4.6. The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

The procedure for reporting such remissions, etc. is laid down in rule 2.34.

IV. -- AUDIT OF RECEIPTS

4.7. When the audit of the receipts of any department of Government is entrusted to the Auditor-General under the provisions of paragraph 11(2) of the Pakistan (Audit and Accounts) order, 1973 it should be conducted in accordance with the regulations given below. A list of accounts of receipts the audit of which has been entrusted by the Punjab Government to the Auditor-General is given in the Annexure to this Chapter.

REGULATIONS FOR THE CONDUCT OF THE AUDIT OF RECEIPTS

1. It is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account and any investigation by audit must be so conducted as not to interfere with this executive responsibility. Audit shall, however, have power to examine the correctness of the sums brought to account in respect of receipts of any department in such manner and to such an extent as may be determined by Government in consultation with the Accountant-General

2. In conducting the audit of receipts of any Government department the chief aim should be to ascertain that adequate regulations and procedure have been framed to secure an effective check on the assessment, collection and proper allocation of revenue, and to see by an adequate detailed

check that all such regulations and procedure are being observed. In the audit of receipts ordinarily the general is more important than the particular.

3. In the audit of receipts it would be necessary in the case of a department, which is a receiver of public money, to ascertain what checks are imposed against the commission of irregularities at the various stages of collection and accounting and to suggest any appropriate improvement in the procedure. Audit might, for instance suggest in a particular case that a test inspection should be carried out by comparing a sample set of receipt counterfoils with the receipts actually in the hands of the tax-payers or other debtors, the results of such an inspection being made available to audit.

In no case, however, should independent enquiries be made among the tax-payers or the general public. Audit should confine itself to calling upon the executive to furnish necessary information, and in cases of difficulty it should confer with the administrative authorities concerned as to the best means of obtaining the evidence which it requires.

4. The audit of receipts should be regulated mainly with reference to the statutory provisions or financial rules or; orders which may be applicable to the particular receipts involved. If the test check reveals and defect in such rules or orders the advisability of amendment should be brought to notice.

It is, however, rarely if ever the duty of audit to question an authoritative interpretation of such rules or orders and 111,90 case may audit review, a judicial decision, or a decision given by an administrative authority in a quasi judicial capacity. This instruction does not, however, debar the Accountant-General from bringing to notice any conclusion deducible from the examination of the results of a number of such decisions.

5. Where any financial rule or order applicable to the case prescribes the scale or periodicity of recoveries, it will be the duty of Audit to see, as far as possible, that there is no deviation without proper authority from such scale or periodicity. When this check cannot be exercised centrally, a test audit may be conducted at local inspections, the aim being to secure that disregard of rule or defect of procedure are not such as to lead to leakage of revenue rather than to see that a particular debt due to Government was not realized at all or on due date.

6. Ordinarily, Audit will see that no amounts due to Government are left outstanding on its books without sufficient reason. Audit will continue carefully to watch such out standings and suggest to departmental authorities any feasible means for their recovery. Whenever any dues appear to be irrecoverable, orders for their adjustment should be sought. But unless permitted by any rule or order of a competent authority no sums may be credited to Government by debit to a suspense head; credit must follow, and not precede, actual realization.

7. The procedure prescribed by the Auditor-General for raising and pursuing audit objections in relation to expenditure, including powers to Audit Officers to waive recovery of Government dues under certain conditions, shall apply mutatis mutandis in respect of audit objections on any accounts of receipts.

ANNEXEURE

(Referred to in rule 4.7)

List of Accounts of receipts the audit or which has been entrusted to the Auditor-General under paragraph 11(2) of the Pakistan (Audit and Accounts) Order, 1973.

1. Government Presses.
2. Recoveries on account of cost of establishments (including contributions for leave and pension) entertained on behalf of, or lent for service under, outside authorities.
3. Interest on loans (except Revenue Advances).
4. All contributions payable under orders of Government by 'local funds or other bodies on account of Government, Health Services, Sanitary or other institutions.
5. Receipts-in-aid of superannuation.
6. Fees for Government audit
7. Revenue realized by officers of the Public Works Department.

(NOTE.--- Canal revenue realized by officers of the and paid direct into treasuries does not come under this heading).

8. Rents of buildings belonging to the Public Works Department and of electrical," water-supply and sanitary installations realized by direct payment into or by deduction from bills presented at treasuries.
9. ***[Deleted]***.
10. Recoveries on account of rent of furniture.
11. Copying agency accounts (every district).
12. The Central Museum Accounts.
13. Excerpt fees accounts of Special Qanungos.
14. Receipts under the Motor Vehicle Acts.
15. Receipts from Entertainment Tax.
16. Receipts from Urban Immovable Property Tax.
17. Receipts from Cotton Fee.
18. ¹Stamp Duty.
19. Registration Fee.
20. Abiana.

¹ Items 18 to 23 added vide Notification No. FD/ Accts (A&A) III-19/71, dated 26th September, 1993.

21. Hotel Tax.
22. Education Cess.
23. Excise Fee.

NOTE.---Audit of the receipt at entries No. (18) to (23) shall be made subject to the following conditions :-

- i. **The Audit shall be conducted by the Auditor-General of Pakistan, in accordance with the principles laid down in the Audit Code and the Punjab Financial Rules.**
- ii. **The scope of the Audit shall be limited to a test audit of the accounts of any two months in a year besides general examination of the accounts but the Auditor-General shall have discretion to raise this limit in any particular year if he considers it necessary to do so.**
- iii. **The audit report including a comparative statement of receipts under the relevant Heads for three preceding years alongwith reasons for variation given by the departmental authorities and audit comments thereon shall be submitted to the Governor by the Auditor-General.]**

See also items in the Annexure B to Chapter XV.

CHAPTER V
PAY, ALLOWANCES AND PENSIONS

GENERAL RULES

I. --DUE DATE

5.1

1. Pay bills may be signed at any time on the last working day of the month, by the labour of which the pay is earned, and are due for payment the next working day. But pay bills payable at Lahore, which require to be pre-audited and those payable at district treasuries, may be signed and presented for payment seven and five days, respectively before the last working day of the month to which they relate. Payment of such bills, however, should not be made before the first working day of the next month. In the following cases, separate bills must be presented in Pakistan for pay or pension due for part of a month, and these bills may be paid before the end of the month viz-

- a) When a Government servant proceeds out of Pakistan on deputation, on leave, or on vacation.

NOTE.---If a Government servant wishes to draw vacation pay in Pakistan, or to draw his leave salary in Pakistan, he will not be paid up to the date of his relief, or the date of proceeding on vacation, but will be allowed to draw his pay and allowances for the broken period of the month at the commencement of the next month along with the leave salary or vacation pay for the rest of the month.

b)

1. ¹When a Government servant is transferred to another Audit Circle, or within the same Audit Circle—
- i. from one department to another,
 - ii. from one Public, Works Division to another, or
 - iii. from the jurisdiction of one District Accounts Officer to another or to or from a District where a District Accounts Officer is not functioning.]

Note.---if as printed above, emoluments upto the date of transfer are not drawn before a Government servant.. Proceeds on transfer as also in other cases of transfer, emoluments for the whole of month, will be drawn in the new office.

2. The allocation of charge to the old and the new posts; when the transfer in valves change in classification of the charge, should be clearly specified on bills in which the pay of Government servants transferred is drawn for the first time in the new office. This is, however, not necessary in the case of pay and travelling allowance due to a Government

¹ Subs. vide .Notification No. FD Accts / (A&A)-I1-27/75, dulated ,1st January, 1980.

servant of the Forest Department on his transfer to another circle or division, which should be wholly debited against the appropriation of the new division.

- c) When a Government servant finally quits the service of Government or is transferred to foreign service.
- d) When an official is promoted as officer during the course of a month the payment of his pay may be made by the head of office up to the date on which he relinquishes charge of the lower post.
- e) When there is a variation in the rate of a pension consequent on the disbursement of the commuted value of a portion of it.

¹[NOTE 1.—If the first two days of a month are public holidays, the payment of pay and pension shall be made on the last working day of the month to which it relates.]

NOTE 2.—See sub-rule (1) under Subsidiary Treasury Rule 4.24 and note 5 to Subsidiary Treasury Rule 4.30 regarding last payment of pay to officers and officials respectively who quit the service of Government finally or are placed under suspension.

- f) ²If the festival of Eidul Fitr, Eidul Azha, Dussehra, Diwali, Easter, Guru Nanak's Birthday or Christmas falls within the last ten days of a month, pay and allowances of that month may be disbursed in advance to all Government Servants belonging to the community which is observing the festival, The advance should not be disbursed earlier than five days before the date of festival.]
2. In cases where delay or inconvenience results from the observance of the ordinary procedure prescribed in clause (1) above, pay bills, payable at Lahore require to be pre-audited and those payable at a district treasury, may, with the sanction of the competent authority, be signed and presented for payment any reasonable number of days before the last working day of the month to which they relate without regard to the limits prescribed in that, clause. Payment of such bills will not, of course be made before the first working day of the next month.
- 1) During the stay of the Government at a hill station in the summer months, pay bills may be signed and presented at the Treasury concerned seven days before the last working day of the month to which they relate, though they will not be due for payment before the first working day of the next month.
 - 2) The following Government servants have been authorized to sign and present, the pay bills of their establishments at the District Treasury (in the case of Lahore district at the office of the Accountant-Genera), Punjab) a week before the last working day of the months for which pay is claimed. The District Treasury Officer after passing the bill will endorse it as payable to the drawing officer concerned at the sub-treasury nearest to him and return the same by post- The drawing officer can then present the bill at the sub-treasury for payment on the first working day of the next month-

¹ Note 1 subs vide Notification No. FD/Accts/A&A-11-2/74, dated 1st June, 1988.

² Clause (f) subs. *ibid.*

1. Headmasters of Government High Schools situated at places which are not the headquarters of treasuries. (The bills of a school situated at a place where there is no sub-treasury are paid by District Treasury by money order.-vide note I below Subsidiary Treasury Rule 4.152).
 2. Colonization Officer, Nili Bar Colony, Pakpattan.
- 3) **[Deleted].**

NOTE.—There is no objection if the passed pay bills with an endorsement "Not payable before the first proximo" clearly recorded on the payment order are returned to the payees by the Treasury Officers after the close of the bank on the last working day of the month to which the bills relate instead of the first working day of the next month.

5.2

1. A pension is payable monthly on and after the first day of the following month. Non-service pensions are, however, payable half-yearly in the months of June and December excepts in special cases where the Commissioner has authorised monthly payments.
2. All charitable allowances which are little more than subsistence allowance should ordinarily be paid monthly.

NOTE.---See also Articles 956 to 959 of the Civil Service Regulations.

3. ¹If the festival of Eidul Fitr, Eidul Azha, Dussehra, Diwali, Easter, Guru Nanak's Birthday or Christmas falls within the last ten days of a month, pension for that month may be disbursed in advance but not earlier than five days before the festival, to the pensioners belonging to the community concerned],

II.--DEATH OF PAYEE

5.3

- a) Pay, allowances or pension can be drawn for the day of a person's death; the hour at which death takes place has no effect on the claim.
- b) ²Pay, allowances or pensions claimed on behalf of a deceased Government servant or pensioner be paid as follows:-

Authorities who can order payments.

Claims upto Rs. 25,000/- Deputy Commissioners. Payments should be made after such enquiries into the right and title of the claims as may be deemed sufficient.

¹ Sub-rule (3) Subs. vide Notification No. FD/Acctts/A&A-II-2/74, dated 1st June, 1988.

² Subs. vide Notification No. FD(FR)-11-32/79, dated 9th February, 1985.

Claims exceeding Rs. 25,000/- Commissioners on the execution of indemnity bond with such sureties as he may require if he, is satisfied of the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of letters of administration.

In any case of doubt, payment should be made only to the person producing legal authority.]

- c) Any person claiming as the heir of a deceased pensioner, should be required to produce the pensioner's half of the Pension Payment Order, or if no Pension Payment Order has been issued, the copy of the order in which sanction to the pension was communicated to the pensioner or his heir.

5.4

a) *[Deleted]*.

- b) Treasury Officers will furnish me Accountant-General annually on the 1st September, with a list of all retired Officers drawing pensions from the treasury whose deaths within the preceding twelve months have come to their notice.

The list should give the following information :-

1. Name.
2. Service or post.
3. Date of death.

NOTE.---Police or some other suitable agency should be made responsible for reporting promptly to the District Officer the death of any civil pensioner and District Officers should enquire immediately into the cause of the non-appearance of any pensioners to draw his pension.

c) *[Deleted]*.

III. -- BOND OF INDEMNITY FOR DRAWING LEAVE SALARY, PENSIONS, ETC

5.5

- a) Government servants and pensioners often make arrangements with their agents to draw (heir leave salaries or vacation pay, pensions, etc., either granting them powers-of-attorney to enable them to do so, or leaving their bills, ready and signed, in the. agent's custody for presentation, the agents in their turn giving Government a bond of indemnity as security against any loss in case of over-payment.

NOTE 1.---For life certificates and non-employment certificates to be produced by agents in respect of pensioners see Subsidiary Treasury Rules 4.105 and 4.100.

NOTE 2.---A Register of Powers-of-Attorney will be kept by the Treasury Officer in the form prescribed in paragraph 57 of the Government Securities Manual.

- b) The form of indemnity bond prescribed for use by banks or firms authorised to draw the pay and leave salary of Government servants, pensions, etc., is given below. The bond of indemnity must be stamped.

In consideration of our/their being permitted to draw the pay/leave/salary/pension of during his absence from the Province we the (here insert the name of bank) - do hereby engage to refund to Government, on demand, any overpayment that may be made to us/them as his agent/agents.

- c) It must, of course, be seen that the person signing the bond of indemnity has authority to bind the firm or bank.
- d) It is not necessary, however, for a separate bond to be entered into the case of each individual Government servant. The Banks included in the second schedule to the State Bank of Pakistan Act, 1956 (Act XXXIII of 1956) (hereinafter called scheduled banks) may for this purpose be allowed to enter into a general agreement in the form given in Appendix 10, provided they are in a position of drawing pay pensions, etc., for a considerable number of Government servants. The bonds so executed will also cover the leave salaries, pensions, etc., of Government servants belonging to this Province payable in other provinces.

A list of the Banks which have executed such bonds is given below: —

PAKISTAN BANKS.

1. Allied Bank of Pakistan Limited.
2. Habib Bank Limited.
3. Muslim Commercial Bank Limited.
4. National Bank of Pakistan.
5. United Bank Limited.
6. Punjab Provincial Co-operative Bank Limited.

EXCHANGE BANKS.

1. American Express International Banking Corporation.
2. Bank of America.
3. Bank of Tokyo Limited.

4. European Asian Bank.
5. First National City Bank.
6. General Bank of the Netherland.
7. Grindlays Bank Limited.
8. Chartered Bank.

NOTE 1.--Nothing contained in this rule shall affect (he validity of bonds duly executed and continuing in force from dates prior to 1st April, 1937 unless in any particular case the Government issue order to the contrary.

NOTE 2.—An advice should be sent to the Accountant-General of any change in the constitution of unincorporated firms which were allowed to execute indemnity bonds prior to 1st April, 1937. When such advice is received in the Account Office, as a recognition of the existing agreement that have been concluded previous to the change in the partnership will be obtained either by calling for fresh agreements to be executed by the new partnership or by obtaining an acknowledgment from the new partnership I hat they are bound by the existing agreements of the old partnership, or otherwise.

IV. -- LAST PAY CERTIFICATES

- 5.6** For the instructions issued by the Auditor-General for the preparation of last pay certificates see Subsidiary Treasury Rule 4.177.

V. -- FUND AND OTHER DEDUCTIONS

5.7

- a) The responsibility of drawing officers in the matter of deducting fund subscriptions, etc., from pay bills is laid .down in Subsidiary Treasury Rules 4.17 to 4.10.
- b) Deductions from pay bills on account of income-tax shall be made strictly in accordance with the relevant provisions of Income-tax Ordinance 1979 (XXXI of 1979), and the rules and orders issued thereunder and brought together in the Income-tax Manual.

NOTE 1. --[Deleted].

VI. -- TRANSFERS OF PENSIONS

- 5.8** A copy of an order issued under rule 4.175 of the Subsidiary Treasury Rules permitting the transfer of a pension from a treasury in the Punjab to a treasury in some other province should be forwarded to the Accountant-General, Punjab. The Collector of the district from which; the payment is to be transferred should also return his half of the Pension Payment Order to the Accountant-General. The Accountant-General, Punjab will then address the Accountant-General of the Province concerned to arrange for the payment of pensions at the treasury at which the payment .is desired.

VII. -- ATTACHMENT OF PAY, ALLOWANCES AND PENSIONS FOR DEBT

(i) Pay and Allowances

5.9

a) The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in Section 60(1) of the Code of Civil Procedure, 1908. The section is reproduced in Appendix 12.

b) The following instructions should be observed in recovering amounts from Government servants on account of attachment orders issued by Courts:-

1. The maximum amount attachable by a Civil Court is calculated on the amount earned and not on what remains after satisfying any debts due to Government on account of advances taken under the rule.
2. Any deduction which may have to be made on account of subscriptions to provident funds recognised by Government, taxes on income payable by the Government servant and debts to Government should be made from the non-attachable portion of Government servant's salary.
3. Recoveries in satisfaction of attachment orders should be made in the order in which they are received and should be made by the head of the office in the case of officials. In the case of officers the recoveries should be made by the Treasury Officer.

NOTE 1.---The cost, if any, of remittance to a Court of money realized under its attachment order should be deducted from the amount realized and the net amount remitted to the Court.

NOTE 2.---Cases may occur in which the judgment-debtor does not sign the acquaintance roll and intentionally allows his pay to remain un-disbursed, or the judgment-debtor being an officer or Government servant permitted to draw his pay on a separate pay bill, may refrain from preparing his pay bill and drawing his pay regularly in order to evade payment on account of an attachment order issued by a Court of Law. In such circumstances the head of the office or, in the case of Government servant drawing pay on separate bill, the Administrative Officer of the department concerned may draw the pay of the judgment-debtor in satisfaction of the attachment order subject to the prescribed restrictions and remit the amount to the Court concerned. "The amount drawn should be charged in the accounts, the particulars of the attachment order being cited in the acquaintance roll or the pay bill, as the case may be as an authority for the charge and the Court's receipts for the amount should be filed with the attachment register.

5.10 The liability of pensions to attachment by a Civil Court, is regulated by Section II of Act, XXHI of 1871, which runs as follows: -

"No pension granted or continued by Government on political considerations, or on account of past services or present infirmities or as a compassionate allowance, and no money due, or to become due, on account of any such pension or allowance, shall be liable to seizure, attachment or sequestration by process of any Court in the Pakistan at

the instance of a creditor for any demand against the pensioner, or in satisfaction of a decree or order of any such Court".

VIII. -- COMMUNICATION TO AUDIT OF THE ORDERS AFFECTING PAY, ETC.

5.11

a) Orders affecting the personal emoluments, posting, leave etc., of officers only should be communicated to Accountant-General by the sanctioning authorities. If, however, an order affecting such Government servant is notified in the Gazette, separate intimation to Audit, by letter, is not necessary except in cases of urgency.

b) Changes in the personnel of subordinate establishments and in their emoluments should be indicated in pay bills and absentee statements by the authorities preparing those documents, who are responsible that orders of competent authority are obtained in each case as required by the rules. Orders of a special nature authorizing the grant to an official (or ordering the discontinuance) of any increase in the emoluments or otherwise affecting the emoluments admissible to him against the sanctioned pay of the appointment, which he holds, should, however, be communicated to the Audit Office by letter.

c) All orders revising sanctioned scales or sanctioning the creation, or abolition, of permanent or temporary post should at once be communicated by letter to the Accountant- General.

IX.--TRANSFER OF CHARGE

5.12 In the transfer of charge the following points Should be observed:

1. The cash book (or where no cash book is maintained Acquaintance Rolls, contingent register and Imprest account should be-closed on the date of transfer and a note recorded in it over the signature of both the relieved and relieving Government servant showing the cash and Imprest balances, and the number of unused cheques, if any, made over and received in transfer by them, respectively.

2. The relieving Government servant in reporting that the transfer has been completed should bring to notice anything; irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash, inspect the stores, counterweight and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the records.

3. In the case of any sudden casualty occurring, or an emergent necessity arising, for a Government servant to quit his charge, the next senior Government servant of the department present will take charge. When the person who takes charge is not an officer he must at once report the circumstances to his nearest departmental superior and obtain orders as to the cash in hand, if any.

4. See also rule 5.42 of the Civil Services Rules (Punjab), Volume I, Part I, for the certificate in respect of occupation of Government buildings used as residences.

CHAPTER VI

PAY, ALLOWANCES, ETC., OF OFFICERS

I. -- PAY AND ALLOWANCES

- 6.1** Except as otherwise provided for in these rules or specially authorised in any particular case, pay and allowances are payable only upon (he personal claim of the officers and to his personal receipt, and not otherwise. At the written request or order of the Government servant pay bill may be made payable to some well-known hanker or agent. .

NOTE 1.--- *Under the above rule, the receipt of the banker or agent shall not he accepted as a final acquittance unless the bill itself is duly endorsed in favour of the hanker or agent by means of a distinct pay order. The receipt of the banker or agent alike, if it is recorded on the bill itself or separately, shall be stamped, unless the receipt on the hill has .already been duly signed and stamped by the Government servant himself.*

Pre-audit cheques in respect of pay bills presented by a bank or an agent can be made payable to the bank or agent only if the bills have been distinctly endorsed in favour of the hank or agent by the drawers, otherwise cheques will be issued in favour of the drawers of bills. Such endorsements on bills should be separately signed by the drawers.

NOTE 2.--- *A Government servant or any other single person cannot he constituted an "Agent" under rule 5.5 for the purposes of the above rule, except when he holds a legally valid power-of-attorney to act for the Government servant concerned.*

The practices of permitting a Government servant to direct his pay and allowances to be paid to a person whom he chooses to name by endorsement on the bill is, therefore, unauthorized, and facilitates fraud. The bills should, accordingly, be paid to the Government servants themselves or at their request or order to some well-known banker or agent. This, however, does not debar from sending, at his own risk, a peon or orderly to draw his pay hut there should be no endorsement on the bill to pay to any such person.

NOTE 3.--- *This rule applies to all payments in Pakistan, whether on account of pay, travelling or other allowances, which under the rules are made to Government servants on their personal account.*

NOTE 4.--- *When the endorsement on a bill is incomplete or irregular the procedure laid down in Subsidiary Treasury Rules 4.7 (m) .should he followed. When payment is made by cheque it is not correct to disregard the endorsement and issue a cheque in favour of (he drawer.*

NOTE 5.--- *If pay be due in Pakistan lo a Government servant absent abroad, he must make his own arrangements to receive it in Pakistan.*

NOTE 6. --- *Government servants proceeding for training to n country outside Pakistan under, a scheme sponsored by Government may draw a part of their pay in the currency of the country lo which they*

are sent for training subject to such limit as may be prescribed by the Government from time to time, and the balance in Pakistan. Notwithstanding the provisions of Note 5 and rule 6.1 above, pay of the Government servant may be drawn by the head of his office and the amount disbursed to the nominees of the Government servant concerned, unless the Government servant prefers to make his own arrangements to receive payment in accordance with the procedure prescribed in rule 6.1.

NOTE 7.---*Notwithstanding anything contained in rule 6.1 the Secretary, Punjab Public Service Commission may draw the amount payable to officers on account of honoraria in connection with Competitive Examinations conducted by the Commission. The drawal shall be made in a separate bill in respect of each such Government servant full particulars being given therein. Each such bill shall be sent to the Accountant-General for pre-audit. The amount, when received shall be remitted to the Government servant concerned; and the payees receipt when received by the Secretary; Public Service Commission, shall be attached to the office copy of the bill.*

II. -- TRANSFER OF CHARGE

- 6.2** Every transfer of charge of Officer should be reported by post on the same day to the Accountant-General in Form P.F.R. 7.

III. -- ENGAGEMENT OF PASSAGES

- 6.3** *[Deleted].*

CHAPTER VII

PAY, ALLOWANCES, ETC. OF ESTABLISHMENT

7.1 *[Deleted].*

7.2 *[Deleted].*

7.3 The date of birth should be given by Christian era and if the exact date is not known the approximate date or year should be stated.

NOTE 1.--- *In cases where only the year of birth of a Government servant is known the 1st of July of that year should be taken as the date of birth. In cases where the month of birth is known but not the exact date, the 16th of the month should be taken as the date of birth.*

In respect of cases arising on or after 20th May, 1938, the above procedure has been modified as follows :-

When a Government servant enters civil service either with or without having rendered any military service and the exact date of birth is not known but only the age is stated at the time of attestation, the Government servant should be assumed to have completed the stated age on the date of attestation.

NOTE 2.—*Corrections in the dates of birth already recorded in the Service Record should not be made without the sanction of the Government in the case of officers and of the Head of the Department or Commissioner of Division in the case of officials. Against every such correction a note should be made of the number and date of the order authorizing it, and a copy of the order should be pasted in the Service Record.*

NOTE .---*For administrative instructions in respect of alterations in the date of birth, see Annexure B to this Chapter.*

COMMENTS

Correction of date of birth in Service Records.-Civil servant himself declaring his date of birth at his first entry into service and this fact supported by an affidavit. Civil servant failing to apply for correction within two years as provided in R. 7.3 and while applying for pension he was sure that age given by him for re-employment was correct. Medical certificate produced by him not based on any scientific analysis. Correction of date of birth declined, in circumstances. 1984 P L C (C.S.) 628.

According to the case of Government of Punjab v. Shamim Waheed Sheikh, a Civil servant an employee of Health Department, applying directly to Chief Minister for correction of date of birth. Chief Minister directing correction of date of birth in his service record and for issuing necessary notification for that purpose. Chief Secretary, objecting to such direction on the ground that correction of age could only be allowed within two years of joining service while civil servant was seeking correction of age on the verge of her retirement. Petitioner moving High Court, in its Constitutional jurisdiction and seeking interim relief for permission to continue in service till the decision of the petition which was allowed by High Court. Validity. None of the grounds required to be examined for issuing

an interim order had at all been adverted to by High Court. Very first question related to the jurisdiction of Service Tribunal under Art. 212 of the Constitution; if such matter was relatable to the terms and conditions of service, it stood excluded from the jurisdiction of the High Court. High Court also did not examine whether civil servant had a prima facie case and whether balance of convenience was in her favour. High Court omitted to notice that civil servant was guilty of breach of service discipline in approaching the Chief Minister direct and such conduct deprived her of equitable interim relief. By denying interim relief to civil servant, no irreparable loss was likely to be caused to her as she could be adequately compensated. Interim order permitting her to continue in service beyond her recorded date of birth, was misconceived and such relief should not have been granted. Interim order permitting her to continue in service was set aside. Matter would proceed and decision on merits would be given without interim order being available. 1993 S C M R 1692 (2); 1993 P L C (C.S.) 1599.

7.4 **[Deleted].**

II. -- ALTERATION OF ESTABLISHMENT

7.5 When the entertainment of a new establishment or a change, temporary, or permanent, is proposed in an office, a letter, fully explaining the proposals and the conditions which have given rise to them should be submitted to the authority concerned. In this letter should be set out -

- i. the present cost, either of the section or sections affected or of the total establishment as the circumstances of the case may indicate to be necessary;
- ii. the cost after revision; and
- iii. details of the number and pay of the posts which it is proposed to add or modify.

Explanation (a).---hen a scheme requires the sanction of higher authority only, because particular items arc beyond the powers of sanction of the subordinate authority, in the letter submitted to the. higher authority full details should be given of these items and of any other part of the scheme so connected with them that, unless it is explained, it must be difficult for the higher authority to determine whether sanction should be given to these items or not. Details of other parts of the scheme arc not required and should not be given, lump sum figures showing the total cost of each part of the scheme being sufficient.

Example.—It is proposed to establish a medical college, and the sanction of higher authority is required only because it is desired to create posts for the Principal and Professors. Full details of the teaching staff should be given because without these details the necessity for these appointments cannot be gauged. No details should be given of the clerical m other subordinate staff.

Explanation (b).—When the revision of a number of establishment is undertaken in pursuance of one definite central idea, which constitutes a single scheme for purposes of sanction, and when the scheme requires the sanction of higher authority, in the letter submitting the proposals for sanction full details of the several establishments need not be given, by only such details as will indicate the financial effect of each portion of the proposals.

Thus if the scheme is for the' increase of pay of a number of establishments it will suffice to set out -

- i. The present cost of all establishments concerned.
- ii. The various increases of pay or the various percentages of increases proposed and the reasons justifying the proposals.
- iii. In respect of each separate rate of increase proposed, as set out in (ii)-
 - a) A list of the establishments or classes of Government servants to which it is to be applied and the reasons for such differentiation.
 - b) As accurate an estimate as possible of the probable cost with a statement that this has been worked out in consultation with the Accountant-General and that it is accepted by him as correct.

NOTE.---In determining the extra cost, allowances whether fixed or variable, should be included. The estimate of the extra cost due to variable allowances, cannot be exact but it should be as accurate as possible.

7.6

- a) In the following cases a proposition statement in duplicate in P.F.R. Form 9 should also be submitted :-
 - i. cases of general revision of establishment;
 - ii. proposals which cannot be set out clearly without it; or
 - iii. ***[Deleted].***

NOTE 1.---The simpler P.P.R. Form 10 may be used in case when the full details of P.F.R. Form 9 are not necessary.

NOTE 2.--- [Deleted].

NOTE 3.---The Director of Public Instructions need not submit duplicate copies of proposition statements to the Accountant-General, as these will be sent by him direct to Government.

- b) The details to be shown in the proposition statement will be determined by the following rules :-
 - i. The proposition statement, where this is necessary should relate strictly to the section or part of the office affected by the proposals. As regards the other parts or sections of the office, neither details nor figures of total cost need be included.
 - ii. Where a section consists of both inferior and superior servants, details need be given only of the . class affected, if a saving of labour will result from the adoption of this procedure.
 - iii. The rules as to details set out in Rule 7.5 above should be observed.

NOTE 1.---The fixed allowances referred to in the note to Rule 7.5 above, should be entered in proposition statement when such statements are prepared but the variable allowances should not be included therein.

NOTE 2.---The employees paid out of contingencies need not be included in the proposition statement.

NOTE 3.---Proposition statements are required for all temporary changes in establishment except (1) in those cases where pay is passed against a budget grant, (2) in the case of temporary establishment for work which is quite outside the ordinary routine of administration, e.g., census, plague and special duty of any kind.

NOTE 4.—When it is proposed to change all or part of a temporary establishment into a permanent establishment the 'present scale' column in the proposition statement, must show both the temporary and the permanent establishment thus the increase in the permanent scale will be balanced by the temporary scale decreased.

7.7 In the case of time-scales of pay whether existing or proposed, the average monthly cost, not the actual or commencing cost, must be given. The average cost in such cases should be calculated in accordance with the following formula.

Explanation

1. Formula (1) is to be used in the case of officers while formula (2) in the case of officials. In case where one grade is the channel of promotion to another grade, that is to say, where everybody in the first grade is ultimately promoted to the second grade, formula (3) may be adopted to find the average cost of posts in the first grade. The use of formula (4) should be restricted to cases involving an elaborate scale consisting of two or more sections with efficiency bars at one or more stages.
2. *[Deleted]*.

FORMULAE FOR CALCULATING AVERAGE COST

OF TIME SCALES OF PAY

Formula (1)

$$\begin{array}{ccccccc}
 & A + B & & (B - A) & & 1 - 01R & \\
 \text{Average pay =} & \text{-----} & + & \text{-----} & [1-(R+1)] & \{ .014 & + \\
 \text{-----}] & & & & & & \\
 & 2 & & 2 & & F - E &
 \end{array}$$

Formula (2)

$$\text{Average pay} = \frac{A + B}{2} + \frac{(B - A)}{2} [1 - (R+1) \{ .021 + \frac{1 - 01R}{F - E} \}]$$

In the formulae (1) and (2) -

A = Minimum pay.

B = Maximum pay

R = Period of rise, and

E = average age at entry in the grade

F = average age at retirement on superannuation pension. This may be taken to be 60 in almost every case unless there are special reasons to take it either at a lower or a higher figure.

Formula (3)

$$\text{Average pay} = \frac{A + C}{2} + \frac{(B - C)}{2} [1 - (S+1) \{ .006 + \frac{1 - .004S}{G - E} \}]$$

In formula (3) —

A = Minimum pay,

C = Pay just before promotion to the second grade,

S = Period of rise from A to C,

E = average age at entry in the first grade, and

G = average age at the time of promotion to the second grade.

Formula (4)

$$\text{Average pay} = 1/2 (A + W1 B1 + W2 B1 + X1 (C1 + X1 C2))$$

Where **A** = the initial pay of scale.

B1 , **B2** = the maximum pay of the different sections of the scale, such as the ordinary scale, the scale for passed clerks.

W1 , **W2** = the proportion of the establishment which would normally reach the maxima of Bp By respectively.

C1 , **C2** = the pay at the different efficiency bars, and X1 , Xz = the proportion of the establishment which would normally be retained at C1, Cy respectively.

NOTE.—Where the pay is not incremental, it is sufficient to enter it in the column headed "Maximum".

- 7.8 The proposition statement or the proposal for revision should be forwarded through the Accountant-General who will verify the present scale or state the present cost, as the case may be, according to his records. If there are discrepancies between the figures of the Accountant-General and those furnished by the authority initiating the proposals, the figures of the former may be accepted by the sanctioning authority unless the discrepancies are very large.

NOTE.---Proposition statement coming through the Board of Revenue shall be returned by the Accountant-General to that officer.

- 7.9 The statement prescribed in paragraph 14.9 of the Punjab Budget Manual (Fifth edition Reprint) should also be submitted when necessary.
- 7.10 In cases where a revised proposition statement is sent before Government has accorded sanction to a proposition statement still under its consideration, the existing scale should be entered in the revised proposition statement with a note that an application for its revision involving an annual expenditure of Rs. _____ is already before Government.

III. -- MONTHLY PAY BILL

(i) Preparation of bills

- 7.11 Instructions regarding the preparation and payment of establishment and travelling allowance bills are contained in Section 1 of Chapter IV of the Subsidiary Treasury Rules which should be carefully observed by all the drawing officers.

Drawing officers are responsible for seeing that pay bills are checked and initialed by a responsible Government servant and that the check must always include verification of the total amount entered in the bill. Failure to observe these precautions as well as those regarding disbursement of moneys drawn (mentioned in the succeeding rules) will render them liable for making good any loss that may occur thereby.

NOTE 1.---The pay bills of Medical Officers employed under Municipal Committee/Zilla Councils should not be presented at Treasuries but paid by the Committees/Councils.

NOTE 2.---When a Government servant signs an absentee statement accompanying an establishment bill, he should see that a diagonal line is drawn across the blank space, if any, below the last entry. Similarly, if the statement is blank he should see that a diagonal line is drawn across it with the word "Blank" in brackets in the middle of the line.

NOTE 3.---See also rule 7.15 infra.

NOTE 4.--- Recoveries made from officials on account of attachment orders issued by Courts of Law (vide Rule 5.9) should not be made from these bills but should be made in cash and then remitted to the Court concerned. The receipts of the Court should be obtained and

filed with the attachment register. For recoveries on account of security deposits see Subsidiary Treasury Rule 3.5 et seq.

(ii) Disbursement of moneys drawn on monthly bills

- 7.12** The head of an office is personally responsible for every pay drawn on a bill signed by him or on his behalf until he has paid it to the person entitled to receive it and obtained his receipt, duly stamped where necessary, on the office copy of the pay bill. If in any case, owing to the large size of an establishment or because certain of its men being working in put-stations, it is not found feasible or convenient to obtain the receipts of payees on the office copy of the pay bill the head of the office concerned may, at his discretion, maintain separate acquittance rolls in P.F.R. Form 11 for each set of payments made at one place or at one time. If the payee does not present himself before the end of the month, the amount drawn for him should ordinarily be refunded by short drawal in the next bill, it being drawn a new when he presents himself to receive it. In cases, however, where this restriction will operate inconveniently, the amount of un-disbursed pay may, at the option of the Disbursing Officer, be retained for period not exceeding three months provided proper arrangements can be made for the safe custody of the sums retained. Pay must not, under any circumstances, be placed in deposit. So long as the drawing officer finds himself in a position to keep a proper watch over un-disbursed amounts, by a periodical examination of acquittance rolls and office copies of bills, it is necessary for him to keep a detailed account showing the amounts drawn from the treasury from time to time and their subsequent disposal. There is no objection, however, to such an account being maintained in a subsidiary register if found convenient.

NOTE 1.---Acquittance Rolls and receipted office copies of bills are not required to be submitted to the Accountant-General, but as they are important records they should be stamped, paid and preserved carefully for the periods specified in Appendix 6.

NOTE 2.---This rule applies also to cash received by a subordinate Government servant for payment of pay and allowances of Government servants serving under him.

NOTE 3.---The orders contained in sub-rule (2) under rule 6.1 are mutatis mutandis applicable to the disbursement of pay and allowances of an official.

7.13

- i. When a drawing officer checks an acquittance roll where one is prepared, he should either himself total up the items of it, check the total against the total of the corresponding establishment bill and the money received from the treasury, and see that any difference between the total is properly accounted for, or cause all this to be done by an officer O1 where no officer is available, by the Superintendent or the Head Clerk of the Office.
- ii. Wherever practicable it should be arranged that disbursements on account of establishment bills are not made by the clerk who prepared them, and the maintenance of separate acquittance rolls is dispensed with, as far as possible.

- 7.14** Heads of offices are responsible for seeing that signatures on office copies of the pay bills or acquittance rolls, as the case may be, are taken by the official making the payment at the time of payment and not by the Bill Clerk previous to payment; and that in the case of offices in which Government servants are present on the spot, payments are ordinarily made to them in person and not to a third person on the authority of the payees.
- 7.15** The head of an office is not at liberty to re-adjust the pay of a Government servant by giving one Government servant more and another less than the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the Civil Services Rules (Punjab), Volume I or the Fundamental Rules, as the case may be. But in the case of departments or establishments divided into grades there is no objection to an excess appointment being made in a lower grade against a vacancy left unfilled in a higher grade. This liberty must, however, not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher grade only one extra post in a lower grade is admissible.

NOTE.---This rule is applicable to ministerial establishments also.

- 7.16** An official on leave in Pakistan must make his own arrangements for getting his leave allowances remitted to him Charges for remittances of pay and allowances of establishment by postal money order when so permitted by competent authority under rule 8.3 may, however, be paid from Provincial Revenues and debited to Contingencies.

NOTE.---This rule applies also to remittances of contingent charges rewards, etc., payable to officials.

IV.-- RECORD OF SERVICE

(i) Service Books

- 7.17** Special attention is drawn to the rules regarding maintenance of service books, which are given in Chapter XII of the Civil Services Rules (Punjab), Volume I, Part I. The service book is a contemporary record in minute detail of a person's official career. Non-pensionable service should be distinctly shown as such in column 2 of the service book, and every entry should be attested at the time by the head of the office.

NOTE.--- It is the duty of all heads of offices to see that the service books of the establishments employed under them are punctually and regularly written up, that the entries made on the opening pages are re-attested at least every five years, and that no member of the office has access to the books.

- 7.18** At a fixed time early in the year say January, the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record in it a certificate in the following form, over his signature :-

Service verified up to.....(date) from (the record from which the verification is made).

NOTE.—The verification of service referred to above should be in respect of all service qualifying for pension whether permanent, provisional, temporary or officiating.

The head of the office in recording the annual certificate of verification should in the case of any portion of service that cannot be verified from office records, distinctly state that for the excepted period (naming them) a statement in writing by the Government servants, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, an official is transferred from one office to another, the head of the office under whom he was originally employed, should record in the service book his signature the result of the verification of service, with reference to pay bills and acquittance rolls, in respect of the whole period during which the Government servant was employed under him before forwarding the service book to the office where the services are transferred.

(ii) Service Rolls

7.19 Rule 7.18 regarding the verification of service and recording of certificate by the head of the office applies also to the service rolls kept under rules 12.10 and 12.11 of the Civil Service Rules (Punjab), Volume I, Part I

ANNEXURE A

[Deleted]

ANNEXURE B

(Referred to in Rule 7.3 and note. 3 thereunder)

1. In regard to the date of birth a declaration of age made at the time of, or for the purpose of, entry into Government service shall, as against the Government servant in question, be deemed to be conclusive unless he applies for correction of his age as recorded within two years from the date of his entry into Government services. Government, however, reserves the right to make a correction in the recorded age of a Government servant at any time against the interests of that Government servant when it is satisfied that the age recorded in his service book or in the History of Services of an officer is incorrect and has been incorrectly recorded with the object that the Government servant may derive some unfair advantage therefrom.
2. The orders in this Annexure have effect from 4th July, 1928.
3. When a Government servant, within the period, allowed, makes an application for the correction of his date of birth as recorded, a special enquiry should be held to ascertain his correct age and reference should be made to all available sources of information such as certified copies of entries in the municipal birth registers, university or school age certificates, janam partis or horoscopes. It should, however, be remembered that it is entirely discretionary on the part of the sanctioning authority to refuse or grant such applications and no alteration should

he allowed unless it has satisfactorily been proved that the date of birth as originally given by the applicant was a bona fide mistake and that he has derived no unfair advantage therefrom.

4. The result of every such enquiry should, in the case of officials be briefly stated in their service books and if a correction is sanctioned the fact should be reported to the Accountant-General.

CHAPTER VIII

CONTINGENCIES

I. -- INTRODUCTORY

- 8.1** The rules in this chapter apply primarily to "Contingencies" but "Other expenditure" as defined in sub-rule (I) under rule 4.43 of the Subsidiary Treasury Rules is also subject to the rules of procedure prescribed in this chapter, except in so far as it may be governed by any special rules in other chapters of this book.

II.--CLASSIFICATION

- 8.2** Contingent Charges are divided into the following three classes, viz:—
- i.** Contract Contingencies, i.e., those for which a lump sum is allotted annually within which the drawing officer may incur expenditure as and when required, with proper sanction where necessary. They generally, consist of charges the annual incidence of which can be averaged with reasonable accuracy.
 - ii.** Countersigned Contingencies, i.e., those which are controlled and reviewed by authorities declared by the competent authority as the countersigning officers, the control usually taking the form of countersignature after payment on a monthly detailed bill submitted to the Accountant-General," vide rule 8.10 below.

In some cases the control over these contingencies is exercised before payment. In such cases monthly detailed bills are not required to be submitted to the Accountant-General but the bill exhibits full details of the charges. [See also sub-rule (I) under Subsidiary Treasury Rule 4.52].

- iii.** Audited Contingencies, i.e., those which are under the direct audit of the Accountant-General, for which the bills paid at the treasury are ordinarily complete with sub-vouchers for items in excess of Rs. 100.00 and which do not require counter-signature.

III. -- GENERAL RULES

- 8.3** Subject to the sanction of the competent authority to the incurring of expenditure and to the provisions of the rules in this chapter, a drawing officer may draw money from the treasury for contingent expenses within the amount allotted to him in the budget estimate or otherwise, unless there is something novel, doubtful or irregular in the character of the expenditure. As explained in sub-rule (I) under Subsidiary Treasury Rule 4.43, the term contingent expenses as used in this rule includes also 'Other Expenditure' such as scholarships, stipends, rewards, fees, bonus, grants for uniforms, equipments, grants-in-aid, contributions, donations, etc.

NOTE 1.—*In cases where any scales in regard to contingent charges (e.g., rewards for destruction of wild animals) have been prescribed by Government, those scales should be strictly adhered to.*

NOTE 2.—*In the case of non-recurring charges, the competent sanctioning authority may where this course is more convenient,*

accord sanction by countersigning the bill on which the money is drawn, prior to its drawal, instead of by a separate sanction.

NOTE 3.—Special rules relating to the following matters are contained in the appendices quoted against them :-

Miscellaneous rules regarding contingent expenditure	Appendix 14
Supply of articles from jails, co-operative societies and industrial institutions.	Appendix 16

NOTE 4.—Instructions relating to the purchase of Stationery and Printing Stores are contained in the Punjab Printing and Stationery Manual.

8.4

1. Except in the case of employees engaged on part- time, seasonal, piece-rate or daily wage basis, no pay of any kind and no additions to pay may be charged as contingent expenditure.
2. If a personal claim on account of pay of a contingencies paid employee has been left un-drawn for more than six months, the period for which such pay is drawn shall be specified in the contingent bill.

NOTE 1.—No servant of the Boarding Houses attached to Government Schools and Colleges, except Chowkidars and sweepers, should be paid from Provincial Revenues".

NOTE 2.—Contingent charges incurred on account of the wages of coolies engaged on manual labour and paid at daily or monthly rates should be supported by a certificate signed by the disbursing officer to the effect that the coolies were actually entertained and paid. The audit will call for some of the paid muster rolls in each quarter and check them to see that they are properly maintained.

In the case of employees paid out of contingencies certificates in the following form should be furnished by the disbursing officer:-

- i. Certified that the rates of skilled/unskilled employees paid out of contingencies have been sanctioned by-----with effect from-----to----- with effect from-----for an indefinite period in exercise of powers under----- and that they were actually entertained during the period for which their pay has been drawn in this bill.
- ii. Certified that the rates of pay of daily paid staff drawn in this bill are not higher than those fixed by the Commissioner of-----Division in pursuance of Finance Department letter No. 1- Contingencies (PR)/61, dated 2nd September, 1961.

- iii. Certified that no charges of account of pay of low-paid servants which have been left un-drawn for more than six months are included in the bill.

No details as to the rate of pay and period for which the pay of low-paid servants is drawn need be entered in the bills.

- 8.5 Actual payees' receipts duly stamped where necessary, showing full particulars, of the charges, should invariably be obtained, when making payments of claims against Government. In order to avoid their being used again all such receipts (whether required to be submitted to the Audit Office or not) should be stamped "Cancelled" by the drawing officers at the time of initialing the entries relating to them in the contingent registers.

NOTE.—A payee who has signed a postal money order receipt, need not be required to give a separate receipt, but as it is essential to know on what account the payment was made, the sender of the money order should secure this information by noting in the postal money order receipt the necessary particulars of the payment after the printed words "Received payment of the sum specified above on account of -----." The payee's signature on this endorsement will then be all that will be necessary and the postal money order receipt may be treated as a sufficient voucher for the expenditure.

Similarly, Value Payable Parcel covers showing the amount paid to the post office may be treated as payees' receipts, provided they are certified to be the paying officer and are furnished in addition to the regular invoice or bill of the firm showing details of the items paid for.

- 8.6 In the case of diet and road money of witnesses a certificate in the following form should be given on the contingent bills :-

"Certified that diet and road money of witnesses have been paid at the rates fixed by the High Court".,

IV.--SPECIAL RULES RELATING TO PARTICULAR KINDS OF CONTINGENCIES AND OTHER EXPENDITURE

(i) Contract Contingencies

- 8.7 In the case of contract contingencies, all sub-vouchers should be retained in the office of the disbursing officer.
- 8.8 As under the contract system, disbursing officers are entirely responsible for the regularity of the expenditure charged against contract grants, it is unnecessary to show the details of expenditure under the head "Miscellaneous" in contract contingent bills. At the same time it should be understood that, the Accountant-General is not debarred from calling for details, if for any reasons, he considers this course advisable in particular cases.

(ii) Countersigned Contingencies

- 8.9

a) From the monthly totals of the contingent register (vide rule 8.16) the monthly detailed bill will, in the case of contingent charges countersigned after payment he prepared in P.F.R. Form 12 headed "Note payable at the treasury". It will show the monthly total of each column, with description of each charges requiring explanation. The numbers of the sub-vouchers will be entered in detail against each item. At the foot of the bill will be a memorandum of the, number and date of every contingent bill cashed at the treasury, and the sub-vouchers included in each. The amount charged in the bill must be agreed with the amount actually drawn from the treasury within the month. It will be signed by the head of the office and submitted to the countersigning officer with all sub-vouchers above Rs. 100, his signature to the certificate endorsed on the bill taking the place of the smaller ones.

b) If in any month, the monthly proportion of the appropriation has been exceeded, a report of the special circumstances which rendered the excess necessary, should be sent to the countersigning officer with the detailed bill.

1. District Officer need not personally give the certificate required from a disbursing officer; with the sanction of the Commissioner, he may delegate the duty to one of his subordinate officer.
2. When in paying rewards to informers, it is; not considered desirable to disclose the names of the payees, a certificate in the handwriting of the Collector to the effect that the reward has been duly paid, should be submitted to the Accountant-General in support of the payment in lieu of the payee's receipts ordinarily required.

NOTE 1.--- *The limit of Rs. 100.00 laid down in this rule is subject to alteration by the Auditor-General.*

NOTE 2.—*There are occasions when it is not possible to meet the charge from the permanent advance, or even where this is possible, there is delay in obtaining the payee's receipt, e.g., when the payee happens to reside at a distance and the amount has to be remitted to him. In such cases, the particulars of sub-vouchers to follow should invariably be stated in the appropriate space, immediately below the disbursement certificate on a contingent bill form.*

NOTE 3.---*The following instructions should be carefully observed in preparing detailed contingent bills :-*

a) *One detailed contingent bill should be prepared for the amount drawn on all abstract contingent bills, in any one month, and should be headed as appertaining to the month in which payment was actually made from the treasury or in which the pre-audit cheques in payment of the abstract bills were issued from the Accountant-General's office.*

b) *Charges on account of one major head only should be included in one detailed contingent bill.*

c) All sub-vouchers for items exceeding Rs. 100.00 each should be noted with their amounts in column 1 of (he detailed bill provided for the purpose.

d) Details of Miscellaneous charges or other items should be fully given in the detailed bill.

NOTE 4.---The sanction of the competent authority should, where necessary, be quoted in the detailed bill.

- 8.10** On receipt of the monthly detailed bill in the office of the countersigning officer, its figures will be transcribed in a register of the same form as the disbursing officer's register, with 'similar description of items requiring explanation, and the bill will then be reviewed by the countersigning officer with the sub-vouchers. Any disallowance, with the number of the sub-voucher concerned and explanation of the objection, will be noted on the bill and in the 'Remarks' column of the register and the amounts shown in the register in the columns affected will be corrected in red ink; the countersigning officer will then enter in the register the date of admission under his initials sign the bill, and dispatch it to the Audit Office with the vouchers for items in excess of Rs. 250.00 his signature to the certificate endorsed on the bill taking the place of the smaller ones.
- 1.** The word item refers to the items of expenditure, not items of charges, e.g., a charge for Rs. 120.00 for section-writers would not require to be supported by a voucher, if the amount was made up of sums paid to several individuals none of which exceeds Rs. 100.00.
- 8.11** The statements referred to in Subsidiary Treasury Rule 4.48 are, on receipt in the office of the Accountant-General forwarded by him to the countersigning officers concerned. The latter should see that they are returned to the Accountant-General with suitable entries made in columns 5 and 6 and note of any error in column 4, within a week of their receipt by them.
- 8.12** In the register maintained in the office of the countersigning officer the columns to the right will be written up as follows:-

That concerning the detailed bill will show the date of its receipt. The column, for date of admission will show the date of dispatch of the countersigned bill. In the register maintained by the disbursing officer, the entry in this column will record the date of recovery of any disallowance, or that of the countersigning officer's letter further passing a disallowed item not yet actually recovered; any disallowance will be recorded by each in the column of remarks on the same line with the figure affected.

8.13 After dispatch of the detailed bill to the Audit Office, the countersigning officer should communicate any disallowance to the disbursing officer, and 4\$ amount should without fail be refunded by short drawal from the next contingent bill presented at the treasury; therein the gross amount of each sub-voucher would be entered, and below the total would be entered "Deduct disallowed from bill of Rs. ", and the receipt given would be for the net amount only. An item disallowed must without fail be recovered, and if, after correspondence, the countersigning officer withdraws his objection, the amount may be re-drawn: after the total of sub-vouchers in the next bill presented at the treasury would be entered "Add amount of disallowance from bill of refunded by deduction from contingent bill

No. dated , and re-allowed as per , " the receipt would be for the gross amount, and the items would be re-included in the next-monthly contingent bill.

NOTE 1.--- *It will be observed that the total in the disburser's register are those of amounts charged, not of those admitted by the countersigning officer; but when an amount disallowed by him on one detailed head is adjusted by a short charge on another en-cashed bill, the actual charge for each head may be worked out by entering the amount retrenched, in black ink with a minus sign in the column of the retrenched head on the line of totals for the bill in which the adjustment is made; the forward totals will thus be correct.*

(iii) Audited Contingencies.

8.14 In the case of audited contingencies, sub-vouchers for items not exceeding Rs. 100.00 should be retained in the office of the drawing officer and those above that limit should be attached to the contingent bills in support of the charges they represent.

NOTE 1. ---Sec also Subsidiary Treasury Rule 4.50 and the notes thereunder.

NOTE 2. ---See also sub-rule (2) and notes 1, 2 and 4 below Rule 8.9 and sub-rule (1) below Rule 8.10.

(iv) Grants-in-Aid'

8.15 Grants-in-aid are sanctioned either by the Government or by authorities subordinate to it (Heads of Departments, etc.). After the budget allotments have been communicated by the Finance Department, the payment is authorised at the treasury either through the Accountant-General or direct, as the case may be,-vide Subsidiary Treasury Rule4.4.

In order to ensure that the grants-in-aid are not disbursed to the local bodies before they are required by them for expenditure on the object for which they are granted, the instructions given below should be observed. These instructions do not, however, apply to grants of less than Rs. 5,000.00 or to grants which are given for a specific purpose which has been carried out at the time of the payment of the grant.

- a) Grants-in-aid other than those relating to works to be executed through the agency of the Public Works Department :-
 - 1. The sanctioning authority will issue the necessary letter of authority to the Accountant-General or the Treasury Officer, as the case may be, for the payment of the amount required for immediate disbursement.
 - 2. The letter of authority will contain instructions that no drawal shall be allowed, except on a regular bill signed by the Chief Executive of a local body concerned and countersigned by a Government servant named in the letter of authority.
- b) Grants-in-aid to local bodies for works to be executed through the agency of the Public Works Department other than Public Health Engineering Department;

1. The orders sanctioning the grant-in-aid to a local body and requiring the Public Works Department to execute the work on behalf of the local body as a contribution work shall be issued simultaneously and the local body shall be informed accordingly.
 2. The sanctioning authority will issue the letter of authority to the Accountant-General or to the Treasury Officer, as the case may be, for the payment of the amount required for immediate disbursement.
 3. The letter of authority will contain instructions that no drawal shall be allowed except on a bill presented by the local body and made payable by transfer credit to "Public Works Deposits".
- c) In the case of Public Health Engineering Department the following procedure shall be observed:-
- i. A Current Account in the name of the particular Scheme will be maintained with the National Bank of Pakistan. Where there is no branch of the National Bank of Pakistan the Account will be maintained with a Nationalized Bank chosen in consultation with the Finance Department.
 - ii. All funds provided by the Provincial Government in the form of loans and grants as well as those contributed by the Committees concerned will be deposited into the said Bank Account.
 - iii. The Bank Account will be operated jointly by the Administrator of the Committee and the Executive Engineer or the Sub-Divisional Officer of the Public Health Engineering Division concerned.
 - iv. The expenditure out of the Bank Account will be incurred only in connection with the scheme in question and for no other purpose.
 - v. Loans and Grants will be released by the Provincial Government on quarterly basis. Releases for the fourth quarter will depend on the physical and financial progress of work and will be based on the revised estimates.
 - vi. The Public Health Engineering Division will not make any advance payment out of the head "Public Works Advance".
- d)
1. Each Department sanctioning the grants-in-aid shall certify by 30th November each year that—
 - vii. the grant sanctioned in the previous year has been utilized for the object for which it was given;
 - viii. the grant was spent within the prescribed time limit or where no time limit was prescribed within a reasonable time; and
 - ix. any portion of the amount which was not ultimately required for expenditure on the specified object was duly surrendered to the Government.

2. If any Department fails to give the aforesaid certificate by the stipulated date, the Audit Office shall bring the case of default to the notice of the Government in the Finance Department by the 31st December each year.

NOTE.---Grants-in-aid to local bodies, private associations, etc., unconnected with Government are made for various purposes. Some of those grants are recurring and are paid year after year and others are merely lump- sum grants to be paid for a definite number of years and then stopped. In the case of such grants-in-aid, the head of the department when the total grant for the entire head is communicated to him at the commencement of the year, should issue definite orders authorizing the Accountant-General to disburse each such grant-in-aid included in his estimates. This would give him an opportunity of reviewing the grants and of deciding whether they ought to be continued or not and thereby avoid the real danger of grants going on being paid automatically year after year even after their justification has ceased.

V. --RECORD OF CONTINGENT EXPENDITURE-CONTINGENT REGISTER

8.16 A register of contingent expenditure shall be kept in each office, and the initials of the head of the office or any other officer to whom this duty has been delegated by him {see rule 8.26 below), shall be entered against the date of payment of each item.

This register will be in P.F.R. Form 13 (except in the case of the office of the Controller; Provincial Stationery Office in which this register shall be maintained in P.F.R. (Form 13-A) in which the Accountant-General will assign to the several columns headings suitable to the conditions of each department and office. If the appropriation for contingencies of an office be divided under two or three main sections only, still under each the most common sub-heads may be detailed, and a single column allotted for the more varied items; if the appropriation be parceled out under many detailed heads, the most common will have each its own column with appropriation noted at the top, while the rest with their appropriations will be thrown into the column of miscellaneous charges. Any Charge, falling, under any of the separate columns, but requiring explanation, should be described in the column headed "Description", though the amount of it is entered only in its special column; and the same "Description" column will serve also for note of the month or period to which any recurring charges (e.g., rent or pay of punkha pullers) entered in the other columns belong.

1. If more convenient, a separate register may be maintained for each class of contingent charges (see rule 8.2).
2. If during the absence of the head of the office or an officer to whom this duty has been delegated, the entries have been initialed by an official the register must be reviewed and the entries re-initialed by the head of the office or officer on return to headquarters.
3. When any sub-vouchers which should accompany a contingent bill are to follow, a note to this effect should invariably be made in the "Remarks" column of the Contingent register, in order that the necessity for furnishing these vouchers, as early as possible, may not be overlooked.

4. The contingent register maintained under this rule gives full information in respect of contingent charges. It is, therefore, not necessary to prepare and preserve office copies of contingent bills.

8.17 As the office cashier pays away any money, he will enter in the contingent register the date, name of payee, and number of sub-vouchers in the three columns to the left, and the amount in the Proper column; and in the case of any charge requiring explanation, he will also take against the description the initials of the Government servant incurring it.

NOTE.---*Regarding the entries to be made in the final columns, see rule 8.12.*

8.18 To enable the \ disbursing officer to watch the progress of the expenditure under each detailed head, as compared with the budget appropriation for it, a progressive total of all the columns must be made monthly, immediately after the monthly total, and will include all payments under each head, as also all work bills [see rule 8.22] from the commencement of the year upto the end of the last expired month.

The charges relating to two major heads are not to be shown in one register. But in the case of joint grant (vide Subsidiary Treasury Rule 4.44) such grant may be entered in one register only for the purposes of control.

NOTE.--*See also Subsidiary Treasury Rule 4.45.*

VI. -- PURCHASE OF SERVICE POSTAGE, STAMPS

8.19 The following procedure should be adopted by Government servants for obtaining service postage stamps and for the adjustment of their value :-

- i. **Government servants who draw money from the treasury on contingent bills--**A bill in Form S.T.R. 33 should be prepared by disbursing officers when they require service postage stamps. The bills will contain the acknowledgment of the drawing officer of the receipt of the stamps indented for and will in other respects be treated in the same way as a contingent bill for drawing cash from the treasury. The treasury officer should pass the bill for "payment by transfer", have the stamps issued, and enter the amount in the list of payments, crediting the value of the stamps to the head to which the cash realised is now credited. The Audit Office will exercise the same check over the transactions as it would exercise, if they were cash transactions, except that a voucher in support of the entry in the bill will not be required, as cash is not paid into the treasury.
- ii. **Government servants who draw money by cheques from treasuries--**Cheques to be presented in payment of the value of service stamps should be drawn in favour of the officer (designation without name) who supplies the stamps, whether they are drawn by the officer who indents for the stamps or by a departmental indenting officer on the indenting officer's requisition. (See Subsidiary Treasury Rule 4.15 regarding the method of crossing such cheques).

NOTE 1.—*Cheques drawn for obtaining stamps from treasuries are not subject to any minimum limit.*

NOTE 2.---Service postage stamps should be issued to the Railway Account Officers immediately when the Treasury Officer accepts the cheque and the accompanying chalang; the Railway authorities should be required to obtain the receipt chalan from the bank where the treasury business is conducted by the bank before issuing the service postage stamps.

The cheque should be sent to the bank by the Treasury Officer for collection with instruction that its amount should be credited in the bank's daily scroll under the head "Post Office-Scale of Service Postage Stamps".

- iii. **Government servants whose bill are pre-audited by the Accountant-General**—As an exception to the rule by which all bills payable at Lahore should be pre-audited, bills for service postage stamps may be prepared in the special form prescribed for use in mofussil treasuries, and paid by transfer in the usual way, without pre-audit by the stamp officer. The stamp officer will submit the bills to audit in support of the issues in the stamps account in the same way as other Treasury Officers.

VII. - PAYMENTS FOR ARTICLES ORDERED FROM ABROAD

- 8.20 ¹[Payments of articles obtained from abroad shall be made in accordance with such rules as may be prescribed by the Government from time to time.]

VIII. - INSPECTING OFFICER'S BILLS

- 8.21 An inspecting officer cannot take advances on account of office contingent charges. He should provide himself with a portion of his permanent advance, and recoup himself from time to time by presenting at the different treasuries contingent bills, in the ordinary form, for recovery of contract or countersigned contingent charges, as the case may be. Thus, in the case of countersigned contingent charges, one detailed bill may adjust money drawn at more than one treasury; and in this case it will be well to require details at foot of the bill of the places of payment of the several en-cashed bills, as well as their dates and amounts. But the amounts drawn will be taken as final payments, and not as advances.

IX. - INTER-DEPARTMENTAL TRANSFERS

- 8.22 In the case of work done by a Government factory (such as a jail, mint, workshop) or other authorised transfers (see Appendix 3) the Government servant in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in duplicate to the Government servant served, who on approving the invoice, will countersign both, and return one copy to the supplying Government servant. The other copy he will file in his own office, noting the amount in the statement of account at foot, of his contingent bill for the current month, in order to work out the available balance of his grant, but not including it as a disbursement among the charges of his bill. Before dispatching his monthly bill, however, he should post the amount of the work bill in his contingent register and include it in the forward total in order that he may agree the it forward total with that shown in the statement of account on his contingent bills;

¹ Rule 8.20 Subs. vide Notification No. PD/Accts S/A & A-II-2/74, dated 16th February, 1987.

in the register of the countersigning officer the amount of such a bill should in like manner be separately entered. Such invoices will never be retained by the countersigning officer.

NOTE 1.—The Government servant served cannot charge the amount in his contingent bill, as no cash payment is made but only a book adjustment is made in the Account Office; but the amount available for contingent expenditure is reduced, and so, to work out the available balance, note is made in the register of contingent expenditure and in the statement of account at foot of the bill.

NOTE 2. ---One of the invoices returned to the Supplying Government servant by the Government servant supplied should have a note, in red ink, entered therein, showing in what month's Departmental Return credit has been taken for the value of the supply and it should then be forwarded by the former to the Accountant-General, who will adjust the amount in his books.

NOTE 3. ---"In case Superintendents of Jails delay in sending their work bills for June (or any other month of which the cost has not been adjusted later than the 10th of July following) Government servants supplied should remind them, so that the charges may be adjusted in that year's accounts and the submission of detailed bills may not be delayed beyond the 15th July.

Disbursing officers should attach to their detailed bills for June a certificate to the effect that they have accounted for, in that or in previous month's detailed bills., the cost of all Jail supplies made to them up to the 30th June.

Controlling officers should not countersign and forward to the Accountant-General any detailed bill for June unless it is accompanied by the certificate prescribed above. At the same time they should dispatch the bill so as to reach the Account Office not later than the 25th of July.

NOTE 4.—All waste paper should be carefully stored and sent periodically to the nearest paper-making Jail, provided the price paid by the Jails for the paper is sufficient to cover the cost of carriage.

The amount of the Waste Paper Bill, when adjusted by transfer, should be entered in the Departmental Returns for the same month in which the bill has been sent to the Account Office, after obtaining the countersignature of the Superintendent of Jail, irrespective of the month in which the supply has actually been made.

NOTE 5.—In the case of the Forest Department the cost of the supplies, etc., shall be adjusted by the budget and Accounts Officer, Forest Department, Lahore.

NOTE 6.—The following instructions should be printed on all forms of invoices for the supply of stores, etc., and the Government servant served should be required to comply with them before accepting a bill.

"It is essential for accounting purposes that the entries below be filled in. Failure to do so will result in unnecessary delay and return of this invoice for compliance.

1. Head of charge (Major, Minor and Sub-head, Primary and Secondary unit).
2. Month and year to which charge relates.....
3. Designation of the Accounts Officer to whom the charge is debatable
4. Name of the Province to which debatable.....

8.23 Commercial concerns in the Punjab have been permitted to settle their accounts with other departments by the method of making actual payments instead of by book transfer as laid down in paragraph 14 of Appendix 3. This system will apply both in the case of payments to be made by the concerns and in the case of payments to be made to the concerns by other departments for services rendered or supplies made. In both cases the payments will be made by cheques, State Bank government drafts or demand drafts. Payment in cash is prohibited altogether. As the issue of a State Bank Government draft for less than Rs. 25 is not permissible, the payment is permitted by means of postal money order of petty sums not exceeding Rs. 25 either to or by concerns. Cheques or demand drafts should be crossed and marked "not negotiable" so as to ensure credit of the sale-proceeds of the cheques, etc., to a Government head of account at the treasury.

X. -- EXPENDITURE FOR OTHER GOVERNMENT SERVANTS

8.24 It is often expedient for a Government servant to make purchase or incur expenditure in another district, making his arrangements through a Government servant in that other district. If the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50 payment may be made by State Bank Government draft, but otherwise every Government servant who incurs expenditure in this way must treat it as expenditure of his own office and not demand recoupment by State Bank Government draft from the Government servant at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the Government servant requiring the expenditure is attached and, therefore a Government servant should address his application for any service to the principal officer of his department in the district indented on e.g., a police officer should ask the District Superintendent, not the Magistrate, to purchase blankets for him. The Magistrate in such a case would pass on the indent or the voucher if he has supplied any articles, to the police officer, who would deal with the charge as a final one of his own office, applying to the proper authority for an extra-appropriation, if his own should fall short before the end of the year. The responsibility for obtaining proper sanction always rests with the originating Government servant.

1. This rule is not applicable when purchases are effected at Lahore. The cost in such cases may be sent by State Bank Government draft.
2. This rule does not apply to expenditure chargeable to local funds, which should always be recovered.

XI. -- RESPONSIBILITY OF DRAWING OFFICERS

- 8.25** The Responsibility of drawing officers is determined by the provisions of rule 2.31. The drawing officer is also responsible for seeing that the rules regarding the preparation of vouchers are carefully observed and that in the case of contract contingencies the expenditure does not cause any excess over the amount fixed there for. He is also to see that steps are taken to obtain additional appropriation if the original appropriation has either been exceeded or is likely to be exceeded.
- 8.26** Where there is more than one Officer attached to an office the head of the office may delegate to any officer subordinate to him the immediate responsibility for the supervision of the contingent accounts, including the duty of signing the contingent bills and registers and checking and canceling the vouchers. The delegation of power will not, however, relieve the head of office of the responsibility of seeing that the grants placed at his disposal are disbursed in proper manner and under due authority. With the extension of the system of contract grant the control of expenditure rests chiefly on him and it is important that he should make use of the authority delegated with due caution.

NOTE.—The disbursing officers are responsible for checking expenditure in cases where an annual limit is imposed on their spending powers. The audit will be satisfied if the disbursing officer merely furnishes a certificate either on the bill itself or separately, whenever such a charge is sanctioned or incurred, to the effect that the total charges so far incurred during the year do not exceed the prescribed annual limit.

XII. - RESPONSIBILITY OF CONTROLLING OFFICERS

- 8.27** It is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity, and are at fair and reasonable rates; that previous sanction for any item requiring it is attached; that the requisite vouchers are all received and are in order, and that the calculations are correct: and specially that the appropriations have not been exceeded or are not likely to be exceeded, and that the Accountant-General is informed either by a note on the bill or otherwise of the reason for any excess over the monthly proportion of the appropriation. If expenditure be progressing too rapidly, he should communicate with the disbursing officer and insist on its being checked.

CHAPTER XI
MISCELLANEOUS CHARGES

I. -- REFUNDS

9.1

a) A competent authority may accord sanction to a refund of revenue which may either be given on the voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Audit Office.

NOTE.---Remissions of revenue allowed before collection are treated as reductions of demands and cash payments of revenue after collection as refunds.

b) No check can be exercised over refunds of revenue in the Account Office except in cases where full details of the collections of such revenue are received in that office, either through the treasury accounts or other documents, e.g.. Fine statements. It is, therefore, essential that every refund should be noted against the original credit in the departmental accounts where all sums are entered in detail.

9.2 Refunds of stamps by Courts can be made in the same way as refunds of fines. Refunds by District Officers are regulated by departmental rules.

9.3 ***[Deleted].***

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

NOTE 1.---As a precaution against double refunds of land revenue or other receipts the details of which are not furnished to the Accountant-General, the amount and the date of each such refund should be noted by the Treasury Officer against the original item of credit in the Treasury Receipts Register or in the Cash Book if the item has not been credited in a separate Receipt Register at the time the item is verified for refund. The fact of refund should also be noted against the item refunded in the Receipt Register or the Cash Book, as the case may be, when the voucher is passed for payment.

NOTE 2.---Payments on account of refunds should be recorded by the Treasury Officer in a register in P.F.R. Form 14. In the column "Miscellaneous refunds" only those items will be entered which cannot be recorded under any other column in the form.

NOTE 3.---A Collector or other Government servant concerned should on passing an order of refund at once issue to the payee a refund

order combined with a notice inviting the person to whom the refund is to be made to receive payments at the treasury. [See also Subsidiary Treasury Rules 4.58].

NOTE 4.—There is no objection to the payment of the refund vouchers of revenue deposits through a recognized bank in whose favour they are endorsed by the payee.

II. - COMPENSATION FOR LAND

- 9.5** The procedure to be observed for the payment of compensation for land taken up for public purpose under the Land Acquisition Act of 1894, is regulated by the rules in Part I of Appendix 17.

NOTE. ---See also notes below paragraph 7 of Appendix 3.

- 9.6** In cases where landed property is acquired by Government by voluntary agreement the department concerned should be careful to see that in order to avoid any possible claims for interest, payment is made before or immediately after taking possession, if for any reason this course is impracticable the circumstances of the case should be reported through the Commissioner and Board of Revenue, for the information of Government. All preliminaries to acquisition such as examination of title deeds, etc., should be completed before possession is taken.

CHAPTER X
LOANS AND ADVANCES

I. -- GENERAL

(i) Sanctions

- 10.1** A competent authority may sanction loans and advances to private individuals, local bodies and Government servants for the purposes and subject to the conditions specified in the following rules.

(ii) Estimates

- 10.2** Provision should be made in the estimates for all loans and advances which can be foreseen; a timely estimate both of the advances and of the recoveries of the coming year should, therefore, be made in accordance with the provisions of the Punjab Budget Manual.

II. -- LOANS TO LOCAL BODIES, REVENUE ADVANCES, ETC.

(i) Issue of Loan Money

- 10.3** Payment shall be made in the following manner:-
- i. Every loan to a Municipality, Corporation, Society or other Local Body shall be sanctioned subject to such conditions as may be prescribed by the Finance Department.
 - ii. The loan shall be released in such manner as may be prescribed by the Finance Department in individual cases.
 - iii. The payment of loan shall be recorded in the books of the Accountant-General, Punjab, for watching the recoveries of loan.
 - iv. The payment of loan shall reckon for interest on the last day of month in which such payments are made.

(ii) Conditions of Repayment

- 10.4** Loans and advances are usually made to local bodies under the following rules:-
- a) The terms of loans may, in very special cases, be extended to 30 years, but ordinarily the advances should be repaid within as short a period as possible.
 - b) The term is to be calculated from the date on which the loan is completely raised or declared by the competent authority to be closed.
 - c) Dates should be fixed for the payment of installments.
 - d) Installments paid before the due date will be taken entirely to principal, unless, of course, any interest for a preceding period is overdue.

NOTE 1.---When a loan of public money is taken out in installments, the first half-yearly repayment" should not be demanded until six months after the last installment is taken; meanwhile simple interest only should be realised. But, should it appear that there is undue delay on the part of the debtor in taking out the last installment of a loan, the Government may, at any time, declare the loan closed and order repayment of capital to begin. The Accountant-General will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for the taking of installments or not.

NOTE 2.---If, in any case, dates have been fixed for the payment of interest or for the repayment of installments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December the first half-yearly installment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

NOTE 3.—Notes 1 and 2 are applicable, *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly installments.

NOTE 4.---It must be remembered that the calculation fixing the amount of equal periodical installments, by which an advance is repaid with interest, pre-supposes punctual payment of the installments, and that, if any installment is not punctually repaid, the fixed installment will not in the end discharge the loan.

(iii) Interest

- 10.5 A loan bears interest for the day of advance, but not for the day of prepayment. Interest for any shorter period than a complete half-year will be: Number of days — 365 x yearly rate of interest. The amount of interest received should be credited to the head "XX-Interest-Interest on Loans and Advances by the Provincial Governments".

(iv) Defaults in payment

10.6

- a) Any default in the payment of interest upon a loan of public money, or in the repayment of the principal will be promptly reported by the Accountant-General to Government. On receipt of such a report, the Government will immediately take steps to remedy the default.

NOTE.---The responsibility imposed on the Accountant-General by this rule refers only to the loans the detailed accounts for which are kept up by him.

b) The authority which sanctions a loan may, insofar as the law allows, enforce a penal rate of compound interest upon all overdue installments of interest, or principal and interest. If a penal rate is enforced it should not be less than 3 per cent above the normal rate of interest for the year.

10.7 Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of those terms in their favour can be made subsequently only for very special reasons.

(v) Plus and Minus Memorandum maintained at treasuries in connection with Revenue Advances

10.8 If a Government servant authorised to make revenue advances desires to question the accuracy of the plus and minus memorandum of loans and advances maintained at the treasury in which transactions of each loan are separately recorded,- (vide Article 90 of Account Code, Volume II), he must address the Accountant-General and satisfy him as to its incorrectness and ask him to correct it. Every Government servant should, therefore, see that the debits and credits made to his account accurately correspond with those which enter his own registers and returns. If he is not the District Officer, he should obtain from the treasury a copy of the plus and minus memorandum with which he is concerned. Special care should be taken in paying recoveries into the treasury to show the amount of interest and of principal separately so that they may be separately credited in the treasury accounts as the former must not, and the latter must be, credited in the treasury plus and minus memorandum of loans and advances.

NOTE.---In the case of Takavi advances recoveries effected in one district on account of advances made in another district, should not be included in the plus and minus memorandum of the treasury in which the recovery is effected but shown separately as distinct items in the miscellaneous portion of the cash account, the intimation of the recovery being at the same time sent to the Treasury Officer who has made the advance so that he may include it in his plus and minus memorandum. Recoveries on account of Public Works Takavi advances should be shown distinctly in the schedule of unclassified items appended to the cash account.

(vi) Revenue Department Returns

10.9

a) With every return of revenue advances made to the Revenue Authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account and agreeing them with the figures of the return.

b) The Accountant-General will, at the close of every half-year's accounts, send to the Board of Revenue as the Chief Revenue Controlling Authority a return in such form as may be agreed upon, showing the figures that pass on his books in respect of revenue advances. The object of the statement is to enable the Chief Revenue Authority to check the reconciliation prescribed in clause (a).

(vii) Irrecoverable Loans and Advances

- 10.10** A competent authority may remit loans and advances or waive recoveries of loans and advances on account of their recoverability or otherwise. Such loans and advances should be debited to the Provincial Revenues by per contra credit to the loan or advance account concerned.

NOTE. ---See note 2 below Rule 18.4.

- 10.11** In the case of Revenue Advances, it shall be the duty of the Revenue Authorities, as soon as any such advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts, and to advise the Accountant-General in order that he may charge off the amount as expenditure and direct its being written off the treasury plus and minus memorandum. Such irrecoverable advances should nevertheless be registered by the Revenue Authorities in a separate account or record, in order that any possible eventual recovery may be made; but they will not affect the treasury plus and minus memorandum, and any recoveries will be taken as revenue. [See also note below Article 90 of Account Code, Volume II],

(viii) Periodical Review

- 10.12** An annual report upon outstanding loans will be submitted by the Accountant-General for review by the Government.

III. -- LOANS AND ADVANCES TO GOVERNMENT SERVANTS

NOTE.—It is not permissible to sanction an advance which involves the breach of any of the canons of financial propriety (see rule 2.10); provided that in any case where a cash grant would be within the powers of sanction of particular authority, the grant of an advance of an amount not exceeding that of the cash grant does not require the sanction of a higher authority.

(i) General

- 10.13** Rules in this connection do not apply to Government servants who are not in permanent Government employ. As the pay of such Government servants does not constitute adequate security for a loan, advances should not ordinarily be granted to them. If, however, in any special case, the circumstances admit of the provision of adequate security an advance may be sanctioned, in accordance with the terms of these rules by the competent authority to temporary Government servants. The temporary Government servants with at least three years continuous service are, however, eligible to an advance for the purchase of bicycle.

NOTE.—Advances on account of pay, travelling allowance, and other allowances are permissible to temporary Government servants under the conditions given in, the Punjab Travelling Allowance Rules.

- 10.14** The last pay certificate granted to a Government servant under advances must specify the original amount of such advances, the amount repaid and the balance together with interest, if any, accrued in accordance with rule 10.15, remaining due.

10.15

1. Simple interest at the rate specially fixed by the competent authority for the purpose will be charged on advances granted to Government servants for house building (including advances for the purchase and repair of houses) and for the purchase of motor cars, motor cycles, and other conveyances. The interest will be calculated on balances outstanding on the last day of each month.

In cases where, under rule 5.1 pay bills for a month are paid before the end of the month, an installment of an advance recovered through the pay bill will be taken as having been refunded on the 1st of the following month, the normal date for disbursement of pay.

When an advance is drawn in more than one installment the rate of interest recoverable is determined with reference to the date on which the first installment is drawn.

2. In case a Government servant dies before retirement and against whom recoveries are due on account of House Building/Purchase and/or Conveyance Advances, no recovery shall be made in respect of interest charges thereon. In case recoveries on account of interest charges may be in progress at the time of death, no recovery shall be made in respect of the remaining amount of interest charges.
3. ¹
 - i. No interest shall be charged from Government servants on advances for the purchase of bicycles granted out of government funds on or after December 2, 1978, or on advances which were in the process of repayment on that date.
 - ii. No interest shall be charged from Government servants in NPS-1 to 15 on house building advances sanctioned on or after December 2, 1978, or on advances which were in the process of repayment on that date.
 - iii. In case a Government servant, who was in NPS-15 or below at the time when house building advance was sanctioned to him, is promoted to NPS-16 or above, no interest shall be charged from him. However, if the amount of advance is revised on the basis of his pay in NPS-16 or above, interest shall become payable under the normal rules and instructions.
 - iv. In case a Government servant, who was in NPS-16 or above, when house building advance was sanctioned to him, is reverted to a post in NPS-15 or below, interest shall be charged from him under the normal rules and instructions.]
 - v. ²No interest shall be charged by Government on the advances for construction/purchase/repair of houses or purchase of Motor Cars, Motor Cycles or other conveyances drawn by Government Servants whose deposits in the Provident Fund Account carry no interest, subject to the following conditions:-
 - i. The Government Servant has not received interest on his Provident Fund accumulations prior to the drawal of the advance from the Government.

¹ Clause (3) added vide Notification No. FD(FR) VI-25/78, dated 24th March, 1979.

² Clause (v) added vide Notification No. FD(FR) VI-25/78, dated 12th March, 1983.

- ii. The interest to be remitted under these orders shall not exceed the amount of interest foregone by the Government Servant concerned on his Provident Fund Account upto the date on which the interest on Government loans would become due for payment.
- iii. If at any time the Government servant who has availed himself of this concession chooses to take interest on his Provident Fund deposits, he shall pay in full to the Government amount of interest accrued on the advances drawn by him from the Government.

Explanation---This concession shall be admissible also to a Government Servant who has drawn an advance from the Government; -but the recovery of interest charges accrued thereon has not been made from him.]

4. ¹

- i. No interest shall be charged from Government Servants in BS-16 on house building advance sanctioned on or after July 1, 1989, or on advances which were in the process of repayment on that date.
- ii. In case of a Government Servant, who was in BS-16 or below at the time when house building advance was sanctioned to him, is promoted to BS-17 or above/no interest shall be charged from him. However, if the amount of advance is revised on the basis of his pay in BS-17 or above, interest shall become payable under the normal rules and instructions.
- iii. In case of a Government Servant, who was in BS-17 or above, when house building advance was sanctioned to him, is reverted to a post in BS-16 or below, interest shall be charged from him under the normal rules and instructions.]

(ii) House Building Advances

(a) Advances for construction of a house

10.16

- I. Advances may be made by the competent authority (vide Rule 10.1) to Government servants who desire to build house for occupation by themselves or by their families at places where no houses' are available, or where house rent is exceptionally high. The advance will be admissible for the construction of a house anywhere in Pakistan.
- II. All such advances must be bonafides required for the purpose of building suitable houses for the residence of the Government servants concerned, or for their families and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.
- III. The advance should be drawn by installments, the amount of each installment being such as is likely to be required for expenditure in the next three months. Satisfactory evidence should be produced to show that the amount of the

¹ Clause (4) added vide Notification No. FD(FR) VI-25/78, dated 13th December. 1989..

installment has been actually utilized for the purpose for which it was drawn before the next installment is paid. The repayment shall commence from the fourth issue of pay after the first installment is taken and be completed in ten years or less.

NOTE 1.—If an advance is paid in lump sum, the recovery shall commence from the 4th issue of pay after the payment of the advance.

NOTE 2.—The amount of the advance should be regularized as not to require a Government servant to pay more than one-fourth of his pay in any month, should his remaining period of service be less than 10 years.

NOTE 3.—If an advance is required by a Government servant for the construction of house on the land allotted to him in the satellite towns and it is intended to have the house constructed through the executing agencies of the Urban Development Department, the Public Works Department, Buildings Branch, or the local Improvement Trust, it will be drawn in full and deposited with the Urban Development Department, Public Works Department Buildings Branch, provided the house is built and mortgaged to Government within 6 months of drawal of the advance.

IV. No advance to a Government servant shall exceed his twenty-four months pay or Rupees fifty thousand, whichever is less; not more than one advance shall be made for the same house and no Government Servant may receive a second advance while any portion of a previous advance with interest accrued thereon is outstanding against him.

NOTE 1.—In order to guard against speculation on the part of Government servants, it has been decided that the house built with the first advance should invariably be disposed of by the Government Servant before the second advance is granted and the amount of such advance together with the sale-proceeds of the first house should not exceed twenty-four months pay of the Government servant or rupees fifty thousand whichever is less ¹[or such amount as may be admissible as an advance under Note 2 below.]

²[NOTE 2.—In case of a grade 1 or grade 2 employee, full amount of house building advance, i.e., 36 months pay, may be granted upto the age of 40 years. Between the ages of 40 to 48 years, a written undertaking may be obtained from him that recovery may be made from his pay at uniform rate not exceeding 1/4th of his pay, so that the amount of the advance is repaid in full before his attaining the age of 60 years. In the case of an employee above the age of 48 years, the amount of the advance shall be reduced to enable deduction being made at a rate not exceeding 1/4th of pay in any one month to complete the recovery before his attaining the age of 60 years.]

¹ Words added vide Notification No. FD (FR) 11-5-80, dated 3rd March, 1980

² Note 2 added vide Notification No. FD (PR) H-5-80, dated 3rd March, 1980.

- V. Advances will be recovered by the deduction of monthly installments, equal to over one hundred and twentieth part of the total advance, from the pay bills of the Government servant concerned. The authority sanctioning an advance may, however, permit recovery to be made in a smaller number of installments, if the Government servant receiving advance so desires. The amount of interest will be recovered in one or more installments, each such installment being not appreciably greater than the installments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

¹[NOTE 1.---In case of a grade 1 or grade 2 employee the advance will be recovered by deduction of monthly installments equal to two hundred and fortieth part of the total advance from his pay, subject to the condition as laid down in Note 2 under paragraph IV above.]

NOTE 2.—The amount of the advance to be recovered monthly should be in whole rupees except in the case of the last installment when the remaining balance including any fraction of a rupee should be recovered.

- VI. In order to secure Government from loss consequent upon a Government servant dying or quitting the service before complete repayment of the advance, with interest accrued thereon, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount due.

NOTE 1.---The mortgage bond will be prepared in P.F.R; Form 15 and the re-conveyance in P.F.R. Form 16.

²[NOTE 2.—Ordinarily where a Government servant has already obtained loan from a commercial bank on the security of the land and the house to be built, the same land and the house shall not be accepted as security for repayment of the loan advanced under these rules. However, where the loan sanctioning authority, keeping in view the value of encumbrances including the loan applied for and future interest, is satisfied that the land and the house will be a sufficient security, it may allow the advance:]

Provided that the prior mortgage (commercial bank) agrees that the loan advanced by the Government shall be *pari passu* with the loan advanced by the bank and joins the execution of mortgage deed. The mortgage deed in that case will be prepared in P.P.R. Form 15-A.]

The mortgage bond is exempt from duty chargeable under Section 40, clause (b) of Schedule 1 of the Stamp Act, 1899. It should, however, be duly registered.

¹ Existing Note shall be renumbered as Note 2, new added as Note 1 vide Notification No. FD(FR)II-5/80, dated 3rd March, 1980.

² Existing Note renumbered as Note 1 and new Note 2 added vide Notification No, FD(FR)II-9/77, dated 5th November, 1988.

- VII. The Government servant must satisfy the sanctioning authority regarding his title to the land upon which the house is or is proposed to be built.

NOTE 1.—This rule docs not preclude the grant of an advance to a person who does not possess full proprietary rights in the land upon which he intends to build, provided the sanctioning authority is satisfied that the applicant has a lease of which, the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgagor's title care should be taken to see that the lease does not prevent any sub demise by the lessee (the mortgagor). Forms 17 and 18-A will be used.

In cases in which ground-rent, municipal taxes and similar dues are payable to local authorities on account of land taken on lease, the sanctioning authority may, at its discretion, ask the Government servant taking the advance to produce for inspection receipts for these payments within fifteen days of their falling due. If the sanctioning authority finds that such dues have not been paid by the borrower, steps may be taken to recover the said dues including interest thereon, if any, from the pay of the Government servant concerned or payment to the parties concerned.

NOTE 2.—The applicant's title to the property should be examined by the sanctioning authority before the advance is actually paid, and in case where there is any doubt as to the validity of that title, the Revenue and Registration authorities, or, if technical legal advice is necessary, the Solicitor, Punjab Government should be consulted. It should be seen that, in the case of a house-building advance, he has undisputed title to the land on which it is proposed to build and that, in the case of an advance for the purchase of a house, he will obtain such title as soon as the purchase price is paid; that there will be no legal obstacle in either case to the property being mortgaged to Government; and that Government will have the right of foreclosing on the conditions mentioned in the mortgage bond.

NOTE 3.—This rule does not also preclude the grant of advances for the purpose or building house on plots of land taken from any Improvement Trust of Registered Co-operative House Building Society or Urban Development Department or Lahore Development Authority under an Agreement for sale even though in such case the Government servant concerned acquires proprietary rights to the land only if he constructs the house in accordance with the terms of the said Agreement. The grant of an advance in such cases is, however, subject to the condition that the applicant executes an agreement in P.F.R. Form 18 undertaking to repay the advance and to execute a mortgage of the land and buildings immediately he acquires proprietary rights thereto. Advances sanctioned under this note will be made in installments, the first installment not exceeding the amount of the premium paid for the site and subsequent installment based on the progress of work.

NOTE 4.---The Controlling Officer in the case of officers and the Head of office in the case of other Government servants should when asking for the authority for payment (vide Subsidiary Treasury Rule 4.14) send to the Accountant-General a certificate either in the bill on which advance is drawn or separately to (he effect that the mortgage bond in P.F.R. Form 15, has been executed by the Government servant taking the advance and that it has been duly registered.

VIII. A Government servant quitting, or removed from the station where he has built a house, before the whole amount due has been liquidated, will continue liable to the deduction of his monthly installment until the advance with interest accrued thereon has been repaid; but, with the special sanction of Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any Government servant of his own or higher rank, the future deductions being made from the pay of such Government servant.

IX. Application for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the

house is completed they will be at once refunded to Government. [See also rule 10.20 infra.]

NOTE.---Advances may also be given, where considered necessary, for the purchase of land on which to construct a house, if the other conditions laid down in this rule are satisfied and the total amount of the advance for the purchase of the land and the construction of the house does not exceed twenty- four months pay of-the Government servant concerned or rupees fifty thousand whichever is less.

The Government servant should sign an agreement in P.F.R. Form 19 at the time of taking an advance for the purchase of land and the amount should not exceed what is required for the purpose. A mortgage deed in P.F.R. Form 20 should be executed before any further advance is drawn for the purpose of constructing the house. The mortgage deed must be registered within four months of its execution. The mortgage bond should be kept in the safe custody of the authority sanctioning the advance and should not be released without a report from the Accountant-General that the advance has been fully repaid.

In order to save Government from loss, the applicant's title to the property should be carefully examined by the sanctioning authority and the instructions laid down in Appendix 18 should be followed.

The intention of the terms of agreement in P.F.R. Fund 19 will be met if the head of the office satisfies himself that the house is actually begun within five months of the advance being drawn. The departmental superiors of the grantee of the advance should also satisfy themselves that the building operations are completed without any avoidable delay.

(b) Advance for purchase of a house

- 10.17** An advance may be made to a Government servant in exceptional circumstances, for the purchase of a house in places where house rent is exceptionally high; the general principles of Rule 10.16 being applicable and the Government servant being required, in addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house. [See also rule 10.20 infra.]

NOTE 1.---*An advance drawn under this rule may include provision not only for the cost of the house purchased but also for the cost of any repairs or improvements which the purchaser of the house may desire to make.*

NOTE 2.—*The advance may be drawn in full at once, but satisfactory evidence should be produced before the Accountant-General to show that the amount advanced for the purchase has been spent within 3 months of its drawal and the amount advanced for repairs or improvements (see Note 1 above) within a further period of 2 months. A certificate to this effect from the head of the office will ordinarily suffice. The repayment in this case shall commence with the first issue of pay after the advance is taken and be completed in ten years. Interest will be calculated in accordance with rule 10.15 and the recovery thereof will be made as laid down in clause V under rule 10.16.*

NOTE 3.—*When asking for the authority for payment of the advance," (vide Subsidiary Treasury Rule 4.114), the Controlling Officer should record on the bills a certificate to the effect that he has secured and retained with him an agreement in P.F.R. Form 19, signed by the applicant pending execution of the final mortgage bond in P.F.R. Form 15, after the house is actually purchased. The fact of execution and registration of the latter bond should also be intimated to the Accountant-General as soon as possible;*

(c) Advance for repayment of a private loan taken for purchase of a house.

- 10.18** An advance may also be given for the purpose of repaying a private loan taken by a Government servant expressly (i) for the purchase of land for building a house or (ii) for the purchase of a house, provided —
1. that the usual conditions specified in the Note under clause IX of Rule 10.16 and in Rule 10.17 and the notes thereunder are satisfied;
 2. that the applicant has through his private loan acquired an unencumbered title to the land or the house purchased; and
 3. that the original loan for the purchase of the land or the house, as the case may be, was taken not more than 18 months before the date of receipt of the application for an advance to discharge the private debt.

NOTE.---*See also rule 10.20 infra.*

(d) Advance for repairs to a house

10.19 An advance may be made under the following conditions to a Government servant to enable him to effect repairs to his house:

- I. An advance may be made only if (1) the repairs are required to make the house habitable (2) they are not in the nature of ordinary repairs, and (3) they involve an outlay large in comparison with the value of the house.
- II. Not more than one advance is admissible in respect of the same house.
- III. No advance shall exceed six months' pay of the Government servant to whom it is made, and it will be drawn as laid down in clause III under Rule 10.16.
- IV. An advance may be made to a Government servant to repair a house which he has built or purchased with a previous advance under Rule 10.16 or 10.17 but unless the competent authority permits otherwise, at least five years must elapse since the previous advance was drawn.
- V. Subject to the above, the general principles of Rules 10.16 and 10.17, as the case may be, shall apply, the maximum period for repayment of such advances being two years. Interest will be calculated and recovered in accordance with Rule 10.15 and clause V under Rule 10.16.

NOTE.---See also rule 10.20.

(e) Instructions for dealing with applications for advances for construction, purchase or repair of house, etc.

10.20 General instructions in laying down the procedure to be followed in: dealing with applications for advances for the construction, purchase or repair of houses are contained in Appendix 18. The following instructions should also be carefully observed in dealing with such applications :--

1. As the "gross" amount of advances granted under these rules is not to exceed the amount provided in the sanctioned Budget Estimates so the authority empowered to deal with an application shall not, issue an order of sanction until the Accountant General has certified that funds are available in the year in which payment of the advance will be made.

If the advances (or the first installment of a house building advance) in respect of which a certificate of availability of funds has been issued by the Accountant-General is not drawn within three months from the date of its issue or 30th June, whichever is earlier it will be treated as cancelled and a fresh certificate of availability of funds (for the entire advance in the case of a house building advance) will be insisted upon by the Accountant-General.

To avoid inconvenience and lapse of funds it is important that sanctioning authorities should not send applications to the Accountant-General for report as to funds being available unless they are satisfied that the amount applied for, if made available, will be drawn before the end of the financial year. Similarly, when a sanctioning authority comes to know that any advance in regard to which the Accountant-General has reported that funds are available, will not be sanctioned or will not be drawn from the

treasury within the financial year, the Accountant-General, should always be informed so that the funds earmarked for the purpose may be devoted to other applications.

2. For the purpose of instruction (1) above applications will be dealt with in the order of receipt in the office of the authority receiving the application.
3. These advances should not be granted to Government servants unless they can be repaid before the normal date of retirement from service. The sanctioning authorities will include a provision to this effect in their orders of sanction. The applicant must make a statement to this effect and the superior authority must certify whether, in his judgment, the statement can be accepted as correct

(III) ADVANCES FOR PURCHASE OR CONVEYANCES

(a) Advances for Motor Cars

10.21 Advance may be sanctioned to a Government servant for the purchase of a motor car subject to the following conditions: --

1. An advance will be given only when the Government considers that it is in the interest of the public service that the Government servant should use a car in the discharge of his duties.

Advances can only be granted to such Government servants as are compelled in the course of their official duties to do much touring or to make frequent journeys at short notice, or where the saving of time is of real importance.

2. The total amount to be advanced to a Government Servant shall not exceed Rs. ^35.000.00] or i[18] months pay or the anticipated price of the car whichever is less. If the actual price paid is less than the advance taken, the balance should be forthwith refunded to Government

NOTE 1.--- For the purpose of an advance drawn abroad in respect of a motor car "actual price" will also include, in cases in which the advance drawn included estimate!! of these charges, the amount of freight actually paid on the car up to a port in Pakistan, the cost of its insurance during the voyage and the customs duty paid in Pakistan.

NOTE 2.—In the case of Government's servant who import cars as personal baggage on return from deputation or study tour abroad, the advance would be meant to cover the charges on account of Custom Duty, Sales Tax and Inland Freight. In such cases, certificate of availability of funds would not be required from Audit Office, but sanction shall be issued by the competent authority immediately on receipt of request from the officer stating that the advance is subject to the availability of funds.

Separate allocation of funds will be made to (he Accountant-General, Punjab for earmarking of funds in favour of officers' who proceed out of Pakistan on deputation or study tour and import car on (heir return.

NOTE 3. ---Since Government servants drawing less than Rs. 112,3201 as pay plus special pay arc not eligible to maintain car, they shall not be entitled to Motor Car Advance.

3. Advances should if possible be applied for before the purchase is made, and the application for an advance should certify that the Government servant is unable to make the purchase without one. The possession of a conveyance should not be taken by the Government servant concerned until after he has received an intimation that an advance has been sanctioned. Where a Government servant has purchased or taken possession of a conveyance before he has received such intimation, the sanction of the advance will cease to be operative, and any money drawn must be forthwith refunded to Government, or fresh sanction accorded with the consent of the Finance Department, which will agree to such fresh sanction only when the circumstances are unusual.
4. Applications for the grant of advance in respect of conveyance which has already been purchased or taken possession of by a Government servant, irrespective of whether the price has been paid or not, should not ordinarily be sanctioned. Where, however, special circumstances exist for making a departure from the rules, the case should be referred to the Finance Department.
5. Recovery of advance will commence with the first issue of pay after the advance is drawn. It will be effected in the manner laid down in clause V of Rule 10.16 and the note thereunder with the modification that the number of monthly installments in this case will be ¹(60] in place of 120.
6. Except when a Government servant proceeds on leave, other than leave on average pay not exceeding four months or earned leave not exceeding 120 days, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor car necessary, the previous sanction of the Government is necessary to the sale by him of the car, purchased with the aid of an advance which, with interest accrued has not been fully repaid. If a Government servant wishes to transfer such car to another Government servant who performs the duties of a kind that renders the possession of a motor car necessary, the Government may permit the transfer of the liability attaching to the car to the latter Government servant, provided that he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.
7. In all cases in which a car is sold before the advance received, for its purchase from Government with interest has been fully repaid, the sale-proceeds must be applied, so far as may be necessary, towards the repayment of such outstanding balance; provided that when the car is sold only in order that another car may be purchased the sanctioning authority may permit a Government servant to apply the sale-proceeds towards such purchase, subject to the following conditions:-
 - a) the sale price will be set off against the cost of the new car and the second advance, if any, reduced accordingly;

¹ Subs. for '100' vide Notification No. FD (FR)11-5-80 (Vol. II), dated 6th January, 1989.

- b) the amount outstanding shall not be permitted to exceed the cost of the new car;
- c) the amount outstanding shall continue to be repaid at the rate previously fixed;
- d) the new car must be insured and mortgaged to Government as required by these rules.

NOTE 1.—A government servant may be allowed advances to purchase more than one car at a time if it can be shown that such action is clearly desirable in the public interest and provided that the total amount outstanding at any one time by way of such advances against a particular Government servant does not exceed the limit within which advances may be given.

NOTE 2.—When an advance has been granted, a second advance will not usually be granted after a period of less than three years from the grant of the first advance.

NOTE 3.—In case a Government servant draws an advance for the purchase of a new motor car, he should produce evidence to the effect that the dealer will supply him a Motor Car within two months of the drawal of funds by him. In the case of second-hand car, evidence shall also be produced by the officer to the effect that the seller of the conveyance is prepared to dispose of Motor Car of the type—— No. _____ Make_____ to the officer concerned within one month of the drawal of the funds by him. This condition should always be mentioned in letters sanctioning such advances. Failing such completion and payment, the full amount of the advance drawn with interest thereon for two/one month must be refunded to Government.

NOTE 4.—At the time of drawing the advance the Government servant will be required to execute an agreement in P.F.R. Form 21. No advance will be granted until this agreement has been signed. This condition should be clearly stated in all orders sanctioning such advances. When the advance is drawn, the sanctioning authority will furnish to the Accountant - General a certificate that an agreement in P.F.R. Form 21 has been signed by the Government servant drawing the advance and that it has been examined and found to be in order.

The sanctioning authority should see that the conveyance is purchased within the period stipulated in Note 3 above from the date on which the advance is drawn. On completing the purchase the Government servant will further be required to execute a mortgage bond in P.F.R. Form 22 hypothecating the conveyance to the Government as security for the advance. (Such a bond is exempt from the duty chargeable under Section 40, clause (b) of schedule 1 of the Stamp Act, 1899). The cost price of the conveyance should be entered in the schedule of specifications attached to the bond. This bond should be promptly submitted by the sanctioning authority to the Accountant- General for examination before final record.

The mortgage bonds should be kept in the safe custody of the administrative department concerned in cases in which the advance is sanctioned by the Government.

When the advance has been fully repaid the bond should be returned to the Government servant concerned, duly cancelled, after obtaining from the Accountant-General's office a certificate as to the complete repayment of the advance.

Administrative departments should satisfy themselves by careful scrutiny of all such bonds that they are in proper legal form and have been regularly executed.

NOTE 5.---The form of Mortgage Bond executed by a Government servant drawing an advance in Pakistan provides for insurance against full loss by fire, theft or accident. Insurance on owner-driven or other similar qualified terms is not sufficient for the purpose of this rule. Insurance policies at a reduced rate of premium shall, however, be accepted as adequate in cases where—

- a) the owner of the car undertakes to meet the first Rs. 50.00 or so of a claim preferred against an insurance company in the event of an accident, or**
- b) the car is not insured against accident for any season of the year during which it is not in use but is stored in a garage, e.g., during the summer when the Government servant is at the summer headquarters of Government, if any.**

Such insurance should be effected within one month from the date of purchase of the car. A Government servant drawing a similar advance abroad is required to effect insurance within one month of his arrival in Pakistan, unless an insurance policy is already in existence. On receipt of the certificate prescribed in the first sub-paragraph of Note 4 above, the Accountant - General will obtain from the Government servant drawing the advance a letter in P.F.R. Form Z3 to the Motor Insurance Company with whom the motor car is insured to notify them the fact that the Government "is interested in the insurance policy secured. He will himself forward this letter to the Company and obtain their acknowledgment. In the case of insurances effected on annual basis the process prescribed above shall be repeated every year until the advance has been fully repaid to Government. As soon as the insurance has been effected the policy or renewal note, as the case may be, should be submitted to the Accountant-General for scrutiny.

Contravention of these orders (evidence in respect of compliance whereof should be promptly furnished to the Accountant-General) will render the Government servant liable to refund (the whole of the amount advanced with interest accrued, unless good reason is shown to the contrary. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If, at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance including interest already accrued, the Government servant will be required by the Accountant-General to refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly installments.

NOTE 6.---Advances for the purchase of motor cars to Government servants in foreign employ should be granted from the funds of the foreign employer and when the latter desires to make such an advance, he should apply to the Government for the necessary sanction. The competent authority may grant sanction in such cases

subject to the proviso that the advance should be regulated by the same conditions as would apply if the Government servant were serving directly under Government. In special cases, however, where a Government servant's service has been lent to a Municipality whose financial position will not permit of the advance being made from its funds, the competent authority may, at its discretion, sanction the advance from the revenues of the province, provided the Government servant's duties are such as to render the possession of a motor car practically a necessity.

NOTE 7.---The grant of an advance under this rule to Government servant who proceed*, on deputation out of Pakistan and desires a motor car for use during his deputation, is not admissible.

NOTE 8.---The instructions regarding provision of funds given in clause (1) of rule 10.20 apply mutatis mutandis in the cases of advances for the purchase of conveyances.

NOTE 9.—When sanctioning an advance, the sanctioning authority shall carefully observe the instructions given in this rule and shall always draw the attention of the Government servant concerned to these instructions. (h) Advances for Motor Cycles

10.22 An advance may be sanctioned to a Government servant for the purchase of a motor cycle subject mutatis mutandis to the conditions laid down in rule 10.21 and the notes thereunder excepting clause (2) thereof, and further to the conditions, given below :-

1. That the substantive pay of the Government servant exceeds Rs. 800.00 P.M. but does not exceed Rs. 3[2,319] a month.
2. That the amount of advance does not exceed Rs.2[12,000.00] or [eighteen] months salary whichever is less. If the actual price paid is less than the advance taken, the balance should be forthwith refunded to Government.

(c) Advance's for other conveyances

10.23 An advance may be granted to a Government servant for the purchase of means of conveyance other than a motor car or a motor cycle, subject to the following conditions:-

1. An advance will be allowed only when the appointment held entails duties involving touring. In the case of the purchase of bicycles, the advance will be admissible only to those Government Servants who are living at a distance of at least 2 miles from their place of duty.
2. The total amount to be advanced to a Government servant shall not exceed Rs. [1,000.00] and shall be limited to the anticipated price of the article;- to be purchased. If the actual price paid is less than the advance taken the balance should forthwith be refunded to Government.
3. Recovery will be made unless the competent authority otherwise specially directs, by deducting monthly installments equal to one-twelfth part of the advance from the pay

h«l of the Government servant concerned. In case of Government servants drawing pay upto Rs, 200.00 P.M. the recovery of the advance shall be effected in [30 equal monthly installments for temporary employees and 48 equal monthly installments' for permanent employees}.It will commence with the first issue of pay after the advance is drawn. The amount of interest will he recovered as laid down in Clause V under Rule 10.16 and the note thereunder.

4. The article purchased with the advance will he considered to he the property of Government until the advance with interest accrued thereon is repaid.
5. 2nd or fresh advance for the purchase of a Bicycle will hot he allowed until 1st advance with interest thereon, is fully paid and a period of at least 3 years from the date of the grant of 1st advance has expired. The rules or orders governing the grant of 1st advance shall also be applicable to the grant of 2nd or fresh advance.

NOTE.--- See clause (2) of Rule 10.20 which applies *mutatis mutandis* in the case of these advances also.

(IV) ADVANCES FOR PURCHASE OF TYPEWRITERS

10.24 *[Deleted]*

(V) OTHER ADVANCES

10.25 Advances may also be made for the purposes specified below :--

- a) To a Government servant under orders of transfer, up to an amount not exceeding one month's substantive pay plus the travelling allowance to which by may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by any Government servant who should not ordinarily be of low rank than the principal District Officer in the department concerned: (See also notes 7 and 8 below.) The advances should be recorded on the Government servant's last pay certificate. The advance of pay should be recovered from the pay of the Government servant in three equal monthly installments beginning with the month in which a full month's pay is drawn after the transfer. The advance of travelling allowance should be recovered in full on submission of the Government servant's travelling allowance bill.

NOTE 1.---*Authorities competent to sanction advances under this clause may sanction such advances for themselves also.*

NOTE. 2.—*The advances referred to in this clause are also permissible to a Government servant who receives orders of transfer during leave.*

NOTE 3.—*This clause docs not preclude the grant of a second advance to a Government servant to cover the travelling expenses of any member of his family who, follows him within six month As from the date of his transfer and in respect of whom, an advance of travelling allowance, has not already been drawn.*

NOTE 4.—*When a single lump sum advance is drawn: to cover the travelling expenses both of the Government servant himself and of his family, it may be adjustable by the submission of more than one bill if*

it so happens that the members of the Government's servant's family do not actually make or complete the journey with him. In such a case, the Government servant should certify on; each adjustment bill submitted by him that a further bill in respect of travelling allowance of the members of his family (to be specified) who have not yet completed the journey will .be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

NOTE 5.—*The advance of pay under this clause may be allowed to be drawn at the new station soon after the arrival of the Government servant there, on production of the 'lust pay' certificate showing that no advance was drawn at the old station.*

NOTE 6.—*The amount of the advance to be recovered monthly should be fixed in whole rupees, the balance being recovered in the last installment.*

NOTE 7.—*A Superintending Engineer or Divisional Officer of the Public Works Department may grant advances to any Government servant under his jurisdiction, including himself.*

NOTE 8.—*In the P.W.D., if the encashment of a bill for an advance on transfer or on tour is likely to delay a transfer or tour which is urgently necessary in the public interest, the advance may be made from the main chest, Permanent Advance (if any), Works Imprest or other available cash in the hand of the disbursing officer concerned against payee's acknowledgment on a Hand Receipt (Form D.F.R. P.W. 26) which should show full particulars of the advance made together with the necessary details of the purpose for which given, pending recoupment when the bill is subsequently en-cashed.*

NOTE 9.—*The sanction of the competent authority to personal advances may, if preferred, be obtained in the form of counter signature on the bill itself before it is presented at the treasury.*

NOTE 10.—*A head of a Government Institution under the control of the Education Department should be regarded as the Principal District Officer under this clause for the purposes of sanctioning advances of pay and travelling allowances to teachers of Government Institutions.*

NOTE 11.—*An advance of travelling allowance taken on the occasion of transfer should be adjusted by submitting traveling allowance bills promptly within one month of the date of completion of the journey.*

- b) *[Deleted]. Advances on tour*
- c)
- i. To a Government servant, other than an inspecting officer for himself or an Assistant or Deputy, proceeding on tour, up to an amount sufficient to cover for a month his contingent charges, such as those for the hire of conveyances or animals for the carriage of records, tents or other Government property, subject to

adjustment upon the Government servant's return to headquarters or 30th June, whichever, is earlier.

NOTE.---Advances under this sub-clause should not be applied to the expenditure of any officer except that of the Forest Department, which is meant to be covered by his travelling allowance.

- ii. ¹ [To an officer proceeding on tour when the cost of travelling is so heavy as to be a serious tax on his private resources. In such cases the advance may be sanctioned in respect of long and expensive tours by officers of Category I and II specified in this First Schedule to the Delegation of Powers under the Financial Rules and the Powers of Re-appropriation Rules, 1962, on the following conditions :-
- i. That the advance should be just sufficient to cover for a period of tour or a month, whichever is earlier, travelling expenses of the officer and his contingent charges such as those for the hire of conveyances, etc., subject to adjustment upon return to headquarters or the 30th June, whichever is earlier.
- ii. The officer who has taken an advance for any particular journey may not take payment in travelling allowance or other bills drawn in respect of the same journey while the advance, or any portion of it, still remains unadjusted.
- iii. The advance is recommended by the officer, who countersigns the travelling allowance bill.]
- iii. ²[The officials when proceeding on tour shall be granted Travelling Allowance advance sufficient to cover their personal travelling expenses by the Head of their Office subject to adjustment on completion of their tour or 30th June, whichever is earlier.

NOTE 1.---A second advance cannot be made to a Government servant under this clause until account has been given of the first.

NOTE 2. --- Subject to the restrictions specified above advances under this clause may be granted in all cases of journeys in respect of which travelling allowance is admissible, as for a journey on tour.

³[NOTE 3.—Authorities competent to sanction advances under this clause may sanction such advances for themselves also.

NOTE 4.--- See N.B. under clause (e) below. Advances for expenses connected with remittances of treasure

¹ Clause (ii) added vide Notification No. FD (FR) 11-29-7V, dated 29th March, 1980.

² Clause (ii) renumbered as Clause (iii) ibid.

³ [NOTE 3. --- Authorities competent to sanction advances under this clause may sanction such advances for themselves also.]

- d) To a Treasury Officer or District Superintendent of Police, for expenses connected with a remittance of treasure, to be adjusted when the duty is completed.

NOTE.---See N.B. under clause (e) below.

Advances for law suits

- e) For law suits to which Government is a party.

N.B.—The advance mentioned in clauses (c), (d) and (e) are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as contingent charges or travelling expenses of establishments.

Advances to patients proceeding to the Anti-Rabic Centre at Lahore or any other Centre for anti-Rabic treatment

- f) Under the rules in Appendix 19, to patients proceeding to the Anti-Rabic Centre at Lahore or any other Centre for Anti-Rabic treatment.

Advances for passages overseas

- g) ***[Deleted].***

Advances for purchase of tents

- h) By Superintending Engineers to Engineering Subordinates for the purchase of tents on the first occasion of their requiring one; such an advance

should be limited to a reasonable amount, and should be recovered in twelve equal monthly deductions from pay commencing three months after the date of the advance.

Advances for purchase of agricultural machinery

- i) On account of agricultural machinery purchased by the Agricultural Engineer, Faisalabad. The amount will be charged against "special advances" and money realized from sale of machinery, etc., will be taken to the credit of this account. The surcharge on sales should be credited monthly direct to the revenue head concerned and deposits of intending purchasers should be credited to Revenue deposits and adjusted on completion of the purchase.

Recoverable advances in the Reclamation Department

- j) For relief of distress, purchase of seed, cattle and agricultural implements, maintenance, clothing or any other necessary and reasonable purpose connected with the reformation and uplift of the prisoners released, on probation under the Good Conduct Prisoners Probationer Release Act, 1926, and to paroles released under the Punjab Borstal Act and prisoners released under Section 401 of the Code of Criminal Procedure, in accordance with- rules in Appendix 21.

Advance for petty Pensions

To Treasury Officers of banking treasuries for payment of pensions not exceeding Rs. 50.00 P.M. excluding temporary increase.

(VI) CONDITIONS OF REPAYMENT

10.26 All advances are subject to adjustment by the Government servants receiving them in accordance with rules applicable to each case. When an advance is adjustable by recovery the amount to be recovered monthly should not be affected by the fact of a Government servant going on leave of any kind with allowances or on subsistence allowance. A competent authority, may, in exceptional cases, order a reduction in the amount of the monthly installment but the whole amount shall have to be completely recovered by the due date.

(VII) IRRECOVERABLE ADVANCES

10.27 A competent authority may remit advances, or waive recovery of advances which are found to be irrecoverable.

NOTE.---See also note 2 below Rule 18.4.

CHAPTER XI
REMITTANCES THROUGH TELEGRAPHIC
TRANSFERS, BANK DRAFTS AND
GOVERNMENT DRAFTS

I. - INTRODUCTORY

(i) General

11.1 The State Bank of Pakistan with the concurrence of the Federal Government, and the various Provincial Governments has agreed to provide remittance facilities throughout Pakistan to the public in general, scheduled and non- scheduled banks, indigenous banks and Co-operative Banks and societies and other approved banks and also to Government servants on Government account.

The detailed scheme is embodied in the Memorandum issued by the State Bank of Pakistan regarding the New Scheme of Remittance Facilities in Pakistan which inter alia lays down the different types of drawings, the rates of exchange to be charged on various kinds of remittances and the limits of drawings. Extracts from the memorandum in so far as they affect the treasuries and the public servants have been given in the Annexure 'A' to this Chapter.

11.2 The person who draws, i.e. (issues or grants) a draft is called the Drawer; the person on whom it is drawn (and who will have to pay it) is the Drawee; the person to whom the draft is granted is the Remitter; and the person to whom it is payable is the Payee.

(ii) Remittances between places where offices of the State Bank or offices or branches of the National Bank exist at both ends

11.3

- 1.** Drawings by offices of the State Bank and offices and branches of the National Bank of Pakistan on offices and branches of those banks are regulated entirely by the instructions contained in the memorandum referred to in rule 11.1 which also provides for the accounts procedure to be followed by those offices and branches.
- 2.** The instructions governing the issue of Government drafts by the offices of the State Bank of Pakistan and the offices and branches of the National Bank of Pakistan on their own offices and branches have been abstracted in the Annexure W to this Chapter.

NOTE.---A list of the offices of the State Bank of Pakistan and of the local head offices and branches of the National Bank of Pakistan is given in the schedule to this chapter.

11.4 At a place where the branch of the National Bank has not full currency chest facilities, or is not conducting government business, telegraphic transfers. State Bank drafts and State Bank Government drafts drawn on or by an office or agency of the State Bank will be drawn by or on the treasury agency at such place and the

National Bank Government drafts [vide Annexure A to this Chapter] will not be issued.

NOTE.---The National Bank having limited currency chest facilities (i.e., treasury pay offices) will not draw State Bank remittances nor will they be drawn upon. The remittances at such places, will be drawn by or on the treasury agency.

(iii) Remittances between places where a treasury or sub-treasury exists, but an office of the State Bank or an office or a branch of the National Bank does not exist at one or both ends.

- 11.5** Transfers of money on behalf of the State Bank from or to a place where there is no office of the State Bank or an office or branch of the National Bank at one or both ends, are effected through telegraphic transfers, bank drafts and Government drafts drawn by and on Government Treasuries, as the case may be, in accordance with the instructions contained in the memorandum referred to in rule 11.1 and the rules in this Chapter.

NOTE 2.---The rules in the succeeding sections of this Chapter do not apply to remittances granted to the Federal Government (including the Defence Department) which are governed by the rules issued by the Federal Government as have been incorporated in the Treasury Rules of that Government.

NOTE 2.—All treasuries and sub-treasuries in Pakistan with currency chest facilities, at places where the State Bank of Pakistan is not represented, will be regarded as "Treasury Agencies" of the State Bank for the issue and payment of telegraphic transfers and drafts.

NOTE 3.---A list of the treasuries and sub-treasuries in Pakistan which issue and cash telegraphic transfers and drafts is given in Annexure "C". From that list it will be observed that certain treasuries and sub-treasuries at which there are no currency chests have been given restricted powers to issue and en-cash drafts. Such treasuries and sub-treasuries should In; treated as treasury agencies to the extent noted therein.

- 11.6** Bank drafts and Government drafts are prepared on forms specially prescribed for the purpose by the State Bank of Pakistan and supplied by it, free of charge,, direct to treasuries. Similarly forms of schedules and advices, application forms for telegraphic transfers and drafts, etc., are prescribed, and supplied by the State Bank free of charge.
- 11.7** The Government and not the State Bank will be responsible for any loss in connection with remittance transactions caused by the dishonesty or negligence of the officials at treasury agencies. Treasury Officers should therefore, see that the greatest care is taken in dealing with telegraphic transfers and drafts.

II.--SPECIAL RULES RELATING TO TELEGRAPHIC TRANSFERS AND BANK DRAFTS

11.8 The following conditions are applicable telegraphic transfers and bank drafts :"

1. A person requiring a telegraphic transfer or a draft must tender the amount of such transfer (together) with the prescribed charges including the cost telegram) or draft with a formal application in t prescribed form which may be obtained from t treasury. The application form duly filled in w serve as a chalan for the money tendered-and will retained by the Treasury Officer for transmission the Accountant-General with the daily Schedule State Bank of Pakistan Remittances Drawn, vide rule 11.36. If a receipt for the amount is demand by the purchaser of a draft or transfer memorandum showing the amount of the draft transfer and the exchange charged thereon should issued to him in the form prescribed by the Bank.
2. All transfers and drafts will be payable in legal tender currency, i.e., notes or rupees at the convenience of the officer making the payment. other words the payee will have no right to demand payment in any particular form of currency though, practice, his requirements will be met as far possible.

11.9 Remittances on Government Account are ordinarily made by means of Government Drafts but in cases of extreme urgency, the State Bank have permitted remittances Telegraphic Transfer at par within the Province on payment the cost of telegrams. At place where State Bank does n conduct Government business, the National Bank or Treasury Agencies will arrange for sending these remittances Telegraphic Transfer.

Extra Provincial remittances by Telegraphic Transfer w be charged for at the following rates :—

Upto Rs. 5,000.00--00.03 per cent (minimum Rs. 1).

Over Rs. 5,000.00--00.02 per cent (minimum Rs. 1.50 in case of both Government drafts and Telegraphic transfers). Actual telegram charges will be charged in addition.

11.10 Remittances in respect of land revenue and cesses, excise and other remittances which under Article 171 of the Civil Account Code, Volume I, were previously made through remittance' transfer receipts at a premium and such other remittances at a premium as Government may direct will be made by means of bank drafts and not through Government drafts.

III. -- SPECIAL RULES RELATING TO GOVERNMENT DRAFTS.

(i) Money Limit

11.11 No Government drafts should be granted for less than Rs. 25.00 save when it. is required for a policeman's remittance and the remittance of the surplus of the estates of deceased persons and for payments in connection with securities deposited with the State Bank of Pakistan for and on behalf of Government.

The limit of the Government draft obtainable for private purposes is, in all cases but that of a policeman proceeding on leave, the amount of a month's pay and allowances of the remitter.

(ii) Conditions under which issued

11.12

1. "State Bank of Pakistan Government Drafts" will be drawn for transfers to and from places where the State Bank is represented by treasury agencies and will be issued at par or at a premium according as the remittance is inter- provincial or extra-provincial (See Annexure "A" to this Chapter). Further drafts at par will be issued only under the conditions and in the cases specified in rule 11.13 and 11.14 and in such other cases as the competent authority may decide from time to time.

NOTE.---The consent of the Finance Department should not be considered as given to the granting of remittance facilities at par in cases other than those specified in the rules mentioned above. Copies of orders of the Finance Department sanctioning new remittance facilities at par will invariably, be endorsed to the State Bank.

2. "Government drafts" are also drawn by the offices of the State Bank of Pakistan and offices and branches of the National Bank of Pakistan on their own offices and branches as given in the Annexure "A" to this Chapter. The drafts will be issued at par or at a premium in the cases and on the conditions specified in clause (1) above.

3. Government drafts are issued in two forms:"

- i. "State Bank of Pakistan Government drafts" to be drawn—
 - a) by and on treasuries where the State, Bank is represented by treasury agencies, and
 - b) by the State Bank on its own offices and on branches of the .National Bank of Pakistan.

"National Bank of Pakistan Government Drafts" to be drawn on National Bank's own offices and branches.;

NOTE 1.---State Bank and National Bank "Government Drafts" will be superscripted on "Government Account".

NOTE 2.---Drafts will be marked in the right hand top comer "intra-provincial or "extra-provincial", as the case may be.

NOTE 3.---See also rule 11.9.

- 11.13 A Government draft may be issued to a Government servant at par for an ultra-provincial remittance to be made by him in his official capacity in payment of any service rendered to Government or in pursuance of his official duties. Government servants requiring Government Drafts on public service will submit with the cash a formal application certifying that the draft is wanted exclusively for bona fide public purpose and describing the exact nature of such purpose. [See also rule 11.8 (1).] If the Treasury Officer doubts whether the object is really public, he should state his doubt to the applicant or take the orders of the Deputy Commissioner. Questionable grants should be reported to the Currency Officer with a view to the issue of instructions for future guidance.

11.14 Intra-provincial Government drafts can also be issued at par in the following cases:-

(i) Public Works

To Executive Engineers, and to Sub- Department. Divisional Officers whether they have drawing accounts or not, for payments to be made outside their divisions but only on public service, and not for private purpose or the convenience of contractors. When purchases are effected, or work is done, by one division on account of another, the adjustment will be made by book transfer.

(ii) Subscriptions for a public or Quasi Public purpose

The Government when desiring to facilitate the collection of subscription for any public or quasi- public purpose in which it is interested may allow the issue of one Government draft a month, from any district treasury to the local secretary or treasurer of the fund or institution for the purpose of remitting subscriptions to the central body.

(iii) Workmen's Compensation

To a Commissioner for workmen's compensation in favour of another Commissioner for the remittance of money remaining in his hands or invested by him for the benefit of any party to any proceedings pending before him but transferred to another Commissioner in accordance with Section 21(2) of the Workmen's Compensation Act (VIII of 1923).

(iv) Pay and allowances

The remittance of pay and allowances is not ordinarily a bona fide public purpose, but a Government draft may be granted for the remittance of the pay and allowances of a Government servant deputed beyond the limits of the district in which his pay has to be drawn.

Government servants of the Public Works Department may, when presenting bills for the pay and travelling allowance of the establishment, obtain Government drafts on other district treasuries for amounts which may have to be disbursed outside the civil district but within their own jurisdiction. Such drafts may, if the Government has so authorised, be made payable even at sub-treasuries under note to Subsidiary Treasury Rule 4.170.

(v) For family remittances in the case of Police Department

To officers and men of the police battalions and police constabulary for remitting money to their families in the form and on the terms provided for sepoy's remittances, the heading of the descriptive roll being altered to suit the case.

(vi) Refunds of electoral deposits

For the remittance of electoral deposits refunded to candidates for the legislative bodies (both Federal and Provincial) who are residing in districts which are different from those where the deposits originally lodged.

(vii) Local Funds

- i. To local funds mentioned below and to such additional funds as may be determined from time to time by the competent authority after consultation with the State-Bank subject to the condition that the remittances are for bona fide public purposes-
 - a) District funds including district and local boards funds.
 - b) Police funds.
 - c) Chowkidari Uniform Fund.
- ii. To local boards for investment of their surplus funds in an office of the State Bank of Pakistan or a branch of the National Bank of Pakistan or in any Co-operative Bank authorised by the Government for this purpose.
- iii. To Co-operative Banks in which the surplus funds of the local boards have been invested for remittances of interest or investments realized for payments to the local boards or municipalities.
- iv. To municipalities and school boards for remittance of their surplus funds for investment in any Co-operative Bank.

NOTE: --- Intra-provincial remittances at par will be made by Government drafts; all remittances at a premium will be Bank drafts and will be accounted for in the manner given in Annexure 'A' to this Chapter.

11.15 Government drafts can also be issued for extra- provincial remittances on behalf of the Government and for the purposes specified in rules 11.13 and 11.14 and for such other quasi-public purposes as may be determined by the competent authority from time to time. These drafts will be subject to the exchange prescribed by the State Bank.

IV.--ISSUE OF DUPLICATES OF DRAFTS

11.16

- a) When satisfactory evidence has been given that a draft has been lost or destroyed, and application is made within a reasonable period after issue, but before it has lapsed under rule 11.22 a duplicate may, without reference to Currency Officer, be issued. The duplicate draft should not be issued unless the issuing officer has satisfied himself by reference to the office drawn upon that the original has not been paid. A duplicate draft issued in lieu of a lost one should be revalidated by the drawing officer if the period of currency of the lost draft has expired. The duplicate must be drawn in exactly the same terms as the original instrument with the Same date, the same number, the same amount and the name of the same payee.
- b) In the case of State Bank Government drafts, the duplicate may be issued to the party who obtained the original or to the payee, or to the legal representative of either, but to no other person, on their providing satisfactory evidence that the original bill has been either lost or mislaid. If a lost Government

draft had been endorsed to the payee's banker, the endorsee must apply for a duplicate through the original payee as required by rule 11.18 infra.

c) A duplicate of a State Bank "Bank" draft will not be issued to any one other than the person who applied for the original draft. A letter of indemnity in the form given in Annexure B to this Chapter should be taken from the purchaser of the original draft irrespective of whether the draft reported lost is current or has lapsed. The letter of indemnity should be signed by the purchaser and, ordinarily, by two sureties each good for the amount of the draft. If the applicant is of undoubted standing and the amount of the draft is small, the production of sureties may be waived, but where the amount involved is large, sureties must be taken. If the issuing officer has any doubt as to the advisability of dispensing with the sureties or as to the acceptability of the names of the purchaser and/or the sureties on the agreement for indemnity he should refer to the Currency Officer, at the same time forwarding his confidential reports on the means and standing of the parties. The letter of indemnity should be stamped as an Agreement in accordance with the Punjab Stamp Act and should not be attested. The complete letters of indemnity will be retained for record at the issuing office, of which the officer-in-charge will be personally responsible for their custody.

In all the cases enumerated above it is not necessary for the Treasury Agencies to obtain fresh application in the Prescribed forms from the purchasers. A letter intimating the see of the original draft and requesting the issue of a duplicate one in lieu thereof will be sufficient for the purpose.

NOTE.—No special form is prescribed for duplicate drafts. When it is necessary to issue a duplicate the words "Duplicate issued in lieu of Draft No. -----, dated----- should be prominently superscribed thereon in red ink under the initials of the issuing officer on the face of the ordinary form and a fresh advice in respect of the duplicate draft prominently marked "Duplicate" in red ink should also be issued to the office drawn upon.

11.17 In the event of the loss of both original and duplicate, a triplicate may be issued on the same terms as the duplicate, the non-payment of the other being certified. Neither duplicate nor triplicate can be issued without reference to currency officer if the draft has lapsed.

11.18 The duplicate and triplicate should be drawn in exactly the same terms as the original draft, with the same date, the same number, the same amount, and the name of the same payee; so that if a lost draft has been endorsed the endorsee must apply for a duplicate through the original payee. It will be issued under the signature of the officer-in-charge of the treasury at the time, although he be not the person who signed the original draft.

NOTE.—For the checks to be applied to the payment of duplicate and triplicate drafts see note 2 below Subsidiary Treasury Rule 4.119.

V.-- CANCELLATION OF DRAFTS.

11.19 No draft can be cancelled without surrender of the whole set. Thus, if a duplicate or a triplicate has been issued, the draft can be cancelled only if the original together with the duplicate (and the triplicate if issued) be surrendered. Consequently no

refund can be made on a lost draft, a duplicate should be obtained and payment taken at the treasury or office drawn on. Although no difficulty should be made about cancellation of Public Service Government drafts it should be clearly understood that either of the other classes, i.e.. Bank drafts and private Government drafts can be cancelled only as an indulgence, and for sufficient cause shown. [For the cancellation of Policemen's drafts see rule 11.23.] .

NOTE 1.---For the procedure regarding the refund on cancellation of the drafts see Subsidiary Treasury Rule 4.126.

NOTE 2.---If alteration of the name of the payee is required by the remitter, it will suffice for the drawer to alter the name in the draft under his full signature and to advise the drawee.

VI.-- EXCHANGE OF DRAFFS

11.20

a) A Treasury Officer will grant a Government draft in exchange for one drawn on him if on public service, only if the payee be a Government servant and requires the draft to be exchanged for reasons to be stated in his application if for a private remittance, only if the payee has been removed to the neighbourhood of a treasury or office different from that originally drawn on.

b) A bank draft cannot be exchanged.

NOTE.—A draft is said to be exchanged when the payee, being unable to appear and take payment in cash, applies for a new one, endorsing the original "Received payment by Government draft on".

If he can appear and take payment in cash, his obtaining a new draft with the cash paid on the old one is a matter to be disposed of under ordinary rules.

VII.-- UNPAID DRAFTS

11.21 Drafts which are outstanding for more than six months can be paid only after obtaining necessary confirmation from the drawing office.

VIII.--LAPSE OF DRAFTS

11.22

a) Drafts which are not paid before the end of the third account year after that in which they are issued shall be treated as lapsed and shall be so marked in the advice. Should any one apply for payment of a lapsed draft, he should be directed to address the Currency Officer for orders.'

b) Government drafts which are not paid before the end of the third account year after that in which they are issued shall be treated as cancelled and shall be so marked in the advice. Should any one apply for payment of a draft so cancelled, he should be directed to approach the remitter for issuance of a new draft which may be issued to him on the production of a non-payment certificate

from the drawee office. Their payment at the treasury is regulated by note 2 below Subsidiary Treasury Rule 4.119.

IX.-- GOVERNMENT DRAFTS TO POLICEMEN

- 11.23** In the case of policemen's remittances, the District Superintendent of Police will forward the Government drafts to the payees direct. Descriptive rolls of the payees, duly filled in and signed, will, at the same time, be sent to the Treasury Officers concerned.

NOTE 1.—There is no objection if such a course is preferred or is required by departmental rules, to the draft being sent to the Superintendent of Police of the district in which the payee resides, who will deliver it to the payee after satisfying himself as to his identity.

NOTE 2.—See Subsidiary Treasury Rules 4.124 regarding payment of these drafts.

- 11.24** These drafts, if not presented for payment before the expiration of six months from the date of issue, should be considered as cancelled, and if they are presented after that period, payment should be refused. Drafts which have thus become un-current will be returned by the payee to the drawer for the issue of a fresh draft or for the refund of the amount as may be required. Should such a draft, whether original or duplicate, be lost in transit, report should be made to the currency officer who will decide the case specially on its merits, sanctioning refund to the person indicated if it appears right. When the draft is six months old and, therefore, void, there need be no hesitation in permitting refund on production of a non-payment certificate from the treasury office on which it was drawn.

NOTE.—These drafts may also be cancelled as provided for in Rule 11.19.

X.--PROCEDURE At TREASURIES

(i) Introductory

- 11.25** The receipt and payments on account of telegraphic transfers and draft drawn by or encashed at the office of the State Bank or offices and branches of the National Bank do not pass through Government accounts and the rules in this section are not, therefore, applicable to those transfers in drafts. The procedure to be observed by Treasury Officers in respect of the issue and payment of telegraphic transfers and drafts will be governed by the following rules and by any general special instructions that may be issued to them in this behalf by the Currency Officer.
- 11.26** All transactions connected with the drawings and en-cashments of telegraphic transfers and drafts should be classified in the treasury accounts in accordance with the directions contained in Account Code, Volume II. Exchange charged and collected by treasury agencies at the prescribed rates will be credited to the State Bank through the accounts submitted to the Accountant-General.

The provisions of rule of 3.14 supra apply mutatis mutandis to the rule in this section also.

(ii) Issue of telegraphic transfers and drafts

- 11.27** In issuing telegraphic transfers the following points should be kept in view by a treasury officer :-
1. The telegram to the officer making payment of the, transfer should be sent in the State Bank's Cypher Code authenticated by the State Bank of Pakistan treasury agencies' Private Check Signal.
 2. A post copy of the telegram should be dispatched to the paying officer at the same time as the telegram is issued.
- 11.28** drafts should be prepared and signed from time to time as 'they are applied for, immediately on the receipt of cash or its equivalent, the business of signing them should not be postponed till the close of office, and on no account may the office be closed till all drafts applied for have been issued. Each draft must be signed legibly with the signature of the drawer (who should take pains to maintain a uniform signature, - See Rule 11.33).
- 11.29** If alterations be made in a draft prior to issue, the corrections and alterations should be noted in the advice (Rule 11.31) and each alteration both in the draft and the advice should be authenticated by the drawer's full signature. If the drawer should enter the amount so carelessly as to enable a stranger to alter it, and fraudulently to obtain payment of a larger amount, the drawer, and not the drawee, must bear the loss. But the drawee must remember and apply the numerous defensive checks provided for him. (See also Subsidiary Treasury Rules 4.119 and 4.120).
- 11.30** At the time of signing the draft, the Register of State Bank of Pakistan Remittances drawn, together with the application for the draft, the advice and the book of forms, will be laid together before the Treasury Officer; the advice should be signed before the close of office, but the Treasury Officer will initial each entry therein, and in the register at the same time as he signs the draft, after has satisfied himself that --
- a) the several documents agree;
 - b) the authority for issue is sufficient;
 - c) the date and place of issue and the name of the payee are legibly and distinctly entered in the body of the draft; .
 - d) in addition to the amount being entered in figures, the amount of whole rupee is entered a second time in words and the Paisas in words or figures; that the words are written continuously without lifting the pen and that when the amount consists of rupees only and does not contain Paisas the words end with the word "only", and
 - e) a sum a little in excess of that for which the draft is granted, is entered in words across the draft at right angles to the type.

NOTE 1.—Under thirty rupees" will mean that the draft is for a sum not less than Rs. 20.00 but less than Rs. 30.00; and similarly, "under eight hundred rupees" will mean that it is for less than Rs. 800.00, but not less than Rs. 700.00.

NOTE 2.—The cross entry is not necessary if the amount in words is typed perforated by a special cheque writing machine.

(iii) Advices of drawings.

- 11.31** Advices of telegraphic transfers and drafts drawn during the day shall be prepared in the form prescribed by the State Bank. They shall be totaled, closed and signed by the Treasury Officer and dispatched to the treasuries or bank drawn on -without fail before the treasury closes on the day of issue in accordance with the directions given in the Account Code, Volume II.

NOTE.—In the case of two or more sheets being required to advice issue of telegraphic transfers and drafts. Treasury Officers should sign each sheet of the advice and not only (he first sheet.

- 11.32** Issue of duplicates or triplicates should be promptly advised to the drawee in order that a proper note may be made on the advice originally sent to him.

(iv) Regularity of signature

- 11.33** Variations in the signature of the drawer often entails much trouble on the paying office. The drawer will be held responsible for any inconvenience or delay which may be caused to individuals in consequence of change in, or illegibility of his signature, or other serious irregularity on the face of the draft, as the drawee would be justified in suspending payment in cases of doubt arising from such causes. Accordingly, an officer- in-charge of a treasury should sign his name in English or Urdu.

- 11.34** When any change of Treasury Officer occurs, a specimen of the signature of the relieving officer should be forwarded by the out-going Government servant to all treasuries and the offices or agencies of the Bank usually drawn on The following form will be convenient:-

The undersigned begs to notify to———"——that he has on this day been relieved of the executive charge of the treasury at——.——by——, a specimen of whose signature is annexed. Relieved Government servant. The———19 .
Relieving Government servant.

NOTE 1.—If it should be necessary for a Treasury Officer to issue a draft on a treasury or an office not usually drawn upon. to which a specimen of his signature has not been sent, then at the lime of issue of the draft he should also forward a specimen of his signature under a special forwarding letter duly stamped with the seal of the treasury which should be posted in a separate cover and not in the cover containing the advice.

NOTE 2.—In the case of an officer who signs in any unrecognized script his name should also be written in Urdu or English characters in this notice, as well as after his signature in drafts (Rule 11.33).

NOTE 3.—When a Government servant who was formerly Incharge of a treasury resumes charge of it after a lapse of time, his signature need not again be circulated.

- 11.35** The instructions in rule 11.34 are intended to apply in all cases in which a Government servant performs the functions of a Treasury Officer and signs drafts drawn on other treasuries, etc., whether there is formal transfer of charge of the treasury or not. In cases of temporary transfer of charge the specimen signature of the locum tenents should be furnished by Deputy Commissioner or other officer-in-charge of the District of those treasuries, etc., only on which drafts are actually drawn by the temporary holder during his incumbency of the Treasury Office.

(vi) Register and Schedules of Drawings

- 11.36** Telegraphic Transfers and drafts drawn each day should be recorded in the "Register of State Bank of Pakistan Remittances — Drawn" and listed in the schedule prescribed by the State Bank. The register should be written up and the schedule prepared, checked and submitted to the Accountant-General the same day in accordance with the directions contained in Account Code, Volume II. Among other checks it should be seen that the number of forms issued agrees with the number of items in the schedule.

(vi) Register and Schedules of Encashment

- 11.37** Telegraphic Transfers and drafts en-cashed (vide Rule 4.125 of the Subsidiary Treasury Rules) should be recorded in the "Register of State Bank of Pakistan Remittances — En-cashed" and listed in the schedule prescribed by the State Bank for submission to the Accountant-General. The register and the schedule should be written up and prepared in accordance with the directions contained in Account Code, Volume II.
- 11.38** The following are the cross checks which the Treasury Officer shall each evening apply to the several documents connected with remittances drawn and en-cashed. The Registers of Remittances drawn and en-cashed and the connected schedules checked one another directly; the total of each schedule must agree with total receipts or total payments for the day as booked under the head "State Bank of Pakistan Remittances" in the Cash Book, after allowing for receipts and payments, if any, at sub-treasuries which will be entered under a separate sub-head. The total of the several Advices for the day must also agree with the total in the column "Amount" in the schedule of drawings, and this agreement shall be at times checked by the Treasury Officer himself.

(vii) Drafts cancelled

- 11.39** When a draft is cancelled as provided in rule 11.19 the fact of cancellation should be conspicuously noted on the face of the drafts; and an intimation sent to the office drawn on in order that the fact may be recorded in the advice originally sent and necessary precautions taken against payment of the cancelled draft. The cancelled draft shall be duly receipted by the remitter or the payee and the amount

refunded noted in the "Register of State Bank of Pakistan Remittances – Encashed" and in the schedules, etc., in accordance with the directions is given in Account Code, Volume II.

(viii) Drafts exchanged and lapsed.

11.40 When a draft is exchanged for another, the original should be treated and entered as a draft presented for payment, and the amount again credited as received for the issue of a new draft. Lapsed drafts (Rule 11.22) should be marked as lapsed in the column "date of payment" of the advice.

a) Supply of Forms

11.41 Forms of applications, drafts, advices, schedules, etc., will be supplied free of charge to the treasuries by the Currency Officer, Lahore. Indents for the supplies should be in P.F.R. Form 24 and should ordinarily be restricted to the actual requirements for 12 months. They should be submitted on or before 15th November each year for supplies required during the ensuing financial year. The indents should be carefully prepared and should be so framed as to prevent the need for supplementary indents which will not usually be complied with without an explanation being furnished.

11.42 Immediately on receipt of a parcel of forms of drafts they should be carefully examined and counted and acknowledgment sent. They are made up in books of specific number, and bear a printed number in general series. The series of numbers in each book should be checked, and the books themselves compared with the particulars given in the invoice. The acknowledgment should certify that the forms have been counted and found correct.

11.43 The forms of drafts and of advices should be placed in store under the key of Treasury Officer, who should each morning issue the book or books containing draft forms, and the advice forms, for the day's use. He should be careful not to issue a book of a later serial number before an earlier, and therefore should see that the store is so arranged as to prevent mistakes. Every evening the un-used forms will be returned to him, and he should see that this series is unbroken; that no form is kept back un-issued unless it is spoilt; that the number expended in the day agrees with the total number of the drafts issued.

11.44 Spoilt forms may be destroyed by the officer signing the draft after noting in the remarks column of the "Register of State Bank of Pakistan Remittances -- Drawn" under his full signature the printed numbers of the forms destroyed and certifying that the forms have been cancelled and destroyed.

(x) Periodical Returns

11.45 In order to enable the State Bank of Pakistan to review the rates of exchange, treasury officers shall furnish the Currency Officer, Lahore, with statistics regarding the various forms of remittances at the District treasuries and sub-treasuries under them. These statistics will be supplied every half year along with the cash reports for the months of June and December in the form prescribed by the Bank.

SCHEDULE

(See note below rule 11.3)

List of offices of State Bank and Local Principal Office and Branches of the National Bank of Pakistan acting as agent of the State Bank of Pakistan

I.--State Bank of Pakistan :--

1. Karachi.	2. Lahore.
3. Peshawar.	4. Rawalpindi.
5. Islamabad.	6. Quetta.
7. Faisalabad.	8. Hyderabad.

II.--National Bank of Pakistan--**SINDH**

1. Dadu.	2. Johi.
3. Khairpur Nathan Shah.	4. Kohistan (Mahalkari).
5. Kotri.	6. Mehar.
7. Sehwan.	8. Hyderabad.
9. Badin.	10. Matli.
11. Tando Muhammad Khan (Guni).	
12. Hala.	13. Tando Allahyar.
14. Tando Bago.	15. Jacobabad.
16. Garhi Khario.	17. Kandhkot.
18. Kashmor.	19. Thul.
20. Karachi.	21. Khairpur Mirs.
22. Faiz Ganj (Pacca Chung).	23. Gambat.
24. Kot Digi.	25. Mirwah.
26. Larkana.	27. Dokri.
28. Kamber Ali Khan.	29. Miro Khan.
30. Ratodero.	31. Shahdadkot.
32. Warah.	33. Mirpur Khan.

34. Chachro.	35. Digri.
36. Diplo.	37. Mameshabad.
38. Mithi.	39. Nagarparkar.
40. Samaro.	41. Umerkot.
42. Nawabshah.	43. Maharabpur.
44. Kandiaro.	45. Moro.
46. Naushero Feroze.	47. Sakrand.
48. Sanghar.	49. Sinjhor.
50. Shahdadpur.	51. Khipro.
52. Sukkur.	53. Garhi Yasin.
54. Ghotki.	55. Mirpur Mathelo.
56. PanoAkil.	57. Rohri.
58. Shikarpur.	59. Ubaro.
60. Thana Bula Khan.	61. Tando Muhammad Khan.
62. Thatta.	63. Ghorabari.
64. Jati.	65. Keti Bandar.
66. Mirpur Bathero.	67. Mirpur Sakro
68. Sujawal.	69. Shah Bundar (Landiun).
BALUCHISTAN	
70. Mastung.	71. Bhag.
72. Dhadar.	73. Gandawa.
74. Kalat.	75. Khuzdar.
76. Mashkai.	77. Lehri.
78. Sarab.	79. Nushki.
80. Dalbandin.	81. Quetta.
82. Duki	83. Chaman.
84. Hamai.	85. Pishin.

86. Ziarat.	87. Kharan.
88. Loralai.	89. Barkhan.
90. Musakhel.	91. Sibi.
92. Fortsandeman.	93. Muslim Bagh.
94. Killa Siafullah.	95. Turbat.
96. Pasni.	97. Punjgur.
98. Gwadur.	99. Uthal.
100. Bala.	
Punjab	
101. Bahawalpur.	102. Ahmad Abad.
103. Hasilpur.	104. Bahawal Nager
105. Chishtian.	106. Fort Abbas.
107. Michinabad.	108. Haroonabad.
109. Attock	110. Feteheganj.
111. Pindigheb.	112. Talagang.
113. DeraGhazi Khan.	114. Jampur
115. Rajanpur.	116. Taunsa.
117. Gujrat.	118. Phalia.
119. Kharian.	120. Gujranwala.
121. Hafizabad.	122. Wazirabad.
123. Jhelum.	124. Chakwal.
125. Find Dadan Khan.	126. Jhang.
127. Chiniot.	128. Shorkot.
129. Lahore.	130. Chunian.
131. Kasur.	132. Faisalabad.
133. Gojra.	134. Jaranwala.

135. Samundari.	136. Toba Tek Singh.
137. Multan.	138. Kabirwala.
139. Khanewal.	140. Lodhran.
141. Mailsi.	142. Shujabad.
143. Burewala.	144. Vehari.
145. Sahiwal.	146. Depalpur.
147. Okara.	148. Pakpattan.
149. Muzaffargarh.	150. Ali Pur.
151. KotAdu.	152. Layyah.
153. Mianwali.	154. Bhakkar.
155. Isakhel.	156. Rawalpindi.
157. Gujar Khan	158. Islamabad.
159. Kahuta.	160. Murree.
161. Rahimyar Khan.	162. Khanpur.
163. Liaquatpur.	164. Sadiqabad.
165. Sargodha.	166. Bhalwal.
167. Khushab.	168. Shahpur.
169. Sheikhupura.	170. Nankana Sahib.
171. Shahdara.	172. Sialkot.
173. Daska.	174. Narowal.
175. Pasrur	176. Shakargarh
N.W.F.P.	
177. Bannu.	178. Laki Marwat.
179. Miran Shah	180. Chitral.
181. Deralsmail Khan	182. Kulachi.
183. Tank.	184. Abbottabad.

185.	Haripur.	186.	Mansehra.
187.	Kohat	188.	Hangu.
189.	Karak.	190.	Mardan.
191.	Swabi.	192.	Skardu.
193.	Malakand.	194.	Parachinar
195.	Mingora.	196.	Peshawar.
197.	Charsadda.	198.	Nowshera.
199.	Muzaffarabad.	200.	Mari Indus.
201.	Rawalkot	202.	Gilgit.
203.	Dir.		

ANNEXURE 'A'**(See Rule 11.1)**

Extracts from the Memorandum issued by the State Bank of Pakistan regarding the New Scheme of Remittance Facilities in Pakistan.

DIFFERENT TYPES OF DRAWING ON AND BY TREASURY AGENCIES

i. The State Bank of Pakistan, Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad will effect the under noted drawings on treasury agencies :--

1. Telegraphic transfers. -,
2. State Bank drafts.
3. Telegraphic transfers and drafts for scheduled banks.
4. Telegraphic transfers and drafts for indigenous bankers, non-Scheduled Banks, Co-operative Banks and Societies.
5. State Bank Government Drafts for the remittance of interest on securities held on account of Government Servants, at par.
6. Dividend warrant payment orders for the remittance of the bank's dividend to shareholders resident in districts where adequate banking facilities do not exist, at par.
7. State Bank "Government" drafts.

ii. The National Bank of Pakistan at all branches in Pakistan will effect the under-noted drawing on Treasury Agencies :-

1. Telegraphic Transfers.
2. State Bank drafts.
3. Telegraphic Transfers and drafts for scheduled banks.
4. Telegraphic Transfers and drafts for indigenous bankers, Non-Scheduled Banks and Co-operative Societies.

iii. The National Bank of Pakistan at all branches in Pakistan except Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad will effect the under-noted drawing on Treasury Agencies :—

State Banks Government Drafts.

iv. Officers in charge of treasury agencies will effect the under-noted drawing on-

a) The State Bank of Pakistan, Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad -

1. Telegraphic Transfers.
2. State Bank Drafts.
3. Telegraphic transfers and drafts for scheduled banks. '
4. Telegraphic transfers and drafts for indigenous bankers, non-Scheduled Banks, Co-operative Banks and Societies.
5. State Bank "Government" Drafts.

b) The National Bank of Pakistan at all branches except Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad.

1. State Bank of Government Drafts.
2. Telegraphic Transfers.
3. State Bank drafts.
4. Telegraphic Transfers and drafts for scheduled banks.
5. Telegraphic Transfers and drafts for indigenous bankers, Non-Scheduled Banks, Co-operative Banks and Societies.

c) Treasury agencies-

1. Telegraphic transfers.
2. State Bank drafts.
3. Telegraphic transfers and drafts for scheduled banks.
4. Telegraphic transfers and drafts for indigenous bankers, Non-Scheduled Banks, Co-operative Banks and Societies.
5. State Bank "Government" drafts.

Issue of Government drafts by the offices of the State Bank of Pakistan and offices and branches of the National Bank of Pakistan in Pakistan on the offices and branches of these banks.

i. State Bank "Government" drafts :--

These will be drawn by the State Bank of Pakistan on-

a) State Bank of Pakistan, Karachi, Peshawar, Lahore, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad.

b) National Bank of Pakistan at all branches except Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad, and Hyderabad.

ii. National Bank Government drafts :-

These will be drawn by the National Bank of Pakistan at

i. all branches in Pakistan except Karachi, Lahore, Peshawar, Rawalpindi, Islamabad, Quetta, Faisalabad and Hyderabad on the National Bank of Pakistan at all branches.

Limits to drawings.

- i. Telegraphic transfers, bank draft and Government drafts drawn by and on offices of the State Bank and offices and branches of the National Bank having Currency Chest facilities may be issued without restriction as to amount. The term "branches of the National Bank" includes "Sub-branches".
- ii. The limits laid down for drawing on treasury agencies may not be exceeded without the express sanction of the Currency Officers of the area in which the drawing office is situated.
- iii. Drawings will not be subject to any minimum except in the case of Government drafts, which will be for a minimum amount of Rs. 25.00 except in special circumstances,—vide Rule 11.11.

Rates of Exchange

In respect of drawings mentioned below exchange will be charged at the rates given against them. In the case of drawings mentioned in clause I, offices and branches of the National Bank will have discretion to sell at lower rates to the Public but treasury agencies will invariably charge full rates:-

1. Rates for telegraphic transfers and bank drafts :-

a) for general public :-

Up to Rs. 5,000.00 Re. 00.06 per cent.

(Minimum exchange :-	
telegraphic transfers	Rs. 1.00
Drafts	Rs. 0.25)

Over Rs. 5,000.00 Re. 00.03 per cent

(Minimum exchange both for telegraphic transfers and bank drafts Rs. 3.12).

Actual telegram charges will be recovered in addition,

b) For scheduled banks in respect of telegraphic transfers and drafts in favour of third parties. Upto Rs. 5,000.00 Re. 00.06 per cent

(Minimum exchange Re. 1.00). Over Rs. 5,000.00 Re. 00.03 per cent

(Minimum exchange Re. 3.12).

Actual telegram charges will be recovered in addition.

1. A list of the scheduled banks eligible for concessional rates is given at the end of this Annexure.

NOTE.—There is no objection to a scheduled Bank applying for a small drafts on the same terms as are available to the general public, namely Re. 00.06 per cent, minimum Re. 0.25. The minimum of Re. 1.00 only applies to the special Scheduled Bank rate of Re. 00.03 per cent. For example, on remittances up to Rs. 800.00 exchange at the rate of Re. 00.60 per cent, minimum Re. 0.25 would be charged and remittances over Rs. 800.00 would be charged at the rate of Re. 00.03 per cent, minimum Re. 1.00.

c) For indigenous bankers, non-scheduled banks, co-operative banks and societies and other approved banks :-

Upto Rs. 5,000.00 Re. 00.06 per cent

(Minimum exchange Re. 1.00).

Over Rs. 5,000.00 Re. 00.03 per cent

(Minimum exchange Rs. 3.12).

Actual telegram charges will be recovered in addition.

For co-operative banks and societies minimum exchange on Drafts and mail transfers (but not for Telegraphic Transfers) for amount upto Rs. 5,000.00 will be Re. 0.25 only).

These concessions rates will be granted only to -

c) For indigenous bankers, i.e., banks and firms recommended by Government and included in the approved list of indigenous bankers kept by the State Bank. The list will be circulated by the State Bank to all its offices and offices and branches of the National Bank and all treasury agencies for guidance.

NOTE.—The conditions prescribed by the State Bank for fulfillment before a banker can be brought on the approved list of and the detailed procedure to be followed have been given in Appendix to this Annexure.

- ii. Non-scheduled banks are admitted to the list on the conditions prescribed by the State Bank. The Bank will, with the approval of the Government, draw up a list of non-scheduled banks which will be circulated to all offices of the State Bank and offices and branches of the National Bank and treasury agencies for guidance.

Co-operative banks and societies formed and functioning under the Co-operative Societies Act, II of 1912, or any other Co-operative Societies Act for the time being in force in the Province.

NOTE.---The transactions on account of remittances to co-operative societies and co-operative banks from (1) a district treasury to its sub-treasuries and vice versa and (2) between a sub-treasury and another in the same district will also be effected through bank drafts.

- d) For local funds (both intra-provincial and extra-provincial remittances) with the exception of intra-provincial remittances granted at par by Government under the Rule 11.22 :-

Upto Rs. 5,000.00 Re. 00.06 per cent

(Minimum exchange for telegraphic transfers Rs. 1.00 and for drafts Rs. 0.25).

Over Rs. 5,000.00 Re. 00.03 per cent

(Minimum exchange Rs. 3.12).

II. Rates for Government Drafts :-

- a) Intra-provincial transfersAt par.

- b) Extra-provincial transfers :-

Upto Rs. 5,000.00 Re. 00.03 per cent

(Minimum exchange Re. 0.25).

Over Rs. 5,000.00 Re. 00.02 per cent

(Minimum exchange Re. 1.50).

Extra-Provincial remittances by Telegraphic Transfer will be charged at the following rates:-

Upto Rs. 5,000.00 Re. 00.03 per cent

(Minimum Rs. 1.00).

Over Rs. 5,000.00 Re. 00.02 per cent

(Minimum Rs. 1.50).

List of Scheduled Banks

PAKISTANI BANKS.

1. Allied Bank of Pakistan Limited.
2. Habib Bank Limited.
3. Muslim Commercial Bank Limited.
4. National Bank of Pakistan.
5. United Bank Limited.
6. Punjab Provincial Co-operative Bank Limited.

FOREIGN BANKS.

1. American Express International Banking Corporation.
2. Bank of America.
3. Chartered Bank.
4. European Asian Bank.
5. First National City Bank.
6. General Bank of Netherlands.
7. Grindlays Bank Limited.
8. Bank of Tokyo.

SPECIALISED BANKING INSTITUTIONS.

1. Agricultural Development Bank of Pakistan.
2. Industrial Development Bank of Pakistan.

ANNEXURE 'B'

(See Rule 11.16)

**Impressed
Stamp**

LETTER OF INDEMNITY WITH RESPECT TO ISSUE OF DUPLICATE STATE BANK OF PAKISTAN "BANK" DRAFT

The Treasury Officer/Sub-Treasury Officer,

In consideration of the Treasury Officer/Sub-Treasury Officer,-----on behalf of the State Bank of Pakistan issuing a duplicate of a State Bank of Pakistan 'Bank' Draft on ----- No. -----, dated the-----favouring ----- for Rs. ----- (in words) ----- I/We, the undersigned ----- hereby (jointly and severally) guarantee and agree to hold the said State Bank of Pakistan their successors and assigns, harmless and indemnified, from and against all consequences that may arise from their so doing and from payment of the original State Bank of Pakistan 'Bank' Draft and from and against all losses, charges, and expenses in connection with the said Bank Draft or duplicate, and I/We, the said----- further undertake to deliver to you the said Bank Draft if and when found.

Dated at-----this-----day of -----19

Signature (s) -----

(N.B.--To be stamped as an Agreement in accordance with the Stamp Act of the Province in which the indemnity is executed).

This document, will not be attested.

ANNEXURE 'C'*(Sec Note--3 below Rule 11.5)***LIST OF TREASURIES AND SUB-TREASURIES IN PAKISTAN****EXPLANATION OF ABBREVIATIONS**

C. Collector	C.O. Currency Officer
D.C. Deputy Commissioner	N.B National Bank of Pakistan.
A.C. Assistant Commissioner, West Pakistan Salt Revenue.	
O.C. Officer-in-Charge.	P.A. Political Agent.
P.O. Political Officer.	R. Resident.
S.B. State Bank of Pakistan.	G.D. Government Draft.
S. Superintendent.	B.D. Bank Draft.
T.O. Treasury Officer.	T.T. Telegraphic Transfer.

NOTE 1.---*Treasuries and Sub-treasuries have been arranged in accordance with the Government under whose administrative control they are situated. The names of District Treasuries are arranged alphabetically for each Province and are printed in capital letters. The name of sub-treasuries are given immediately below the District Treasuries concerned.*

NOTE 2.—*All names are spelt as far as possible after the Post Office Guide.*

NOTE 3.---*Provincial treasuries are under the audit of the Provincial Accountant-General. Treasuries of the Federal Government are under the audit of the Accountant-General, Pakistan Revenues, unless otherwise specified.*

S. No.	Names of Treasuries and Sub-Treasuries.	Officers, if any, on whom B Ds. And G.Ds. may be drawn
1	2	3
SINDH		
1	Dadu	N.B.
2	Johi	N.B
3	Khairpur Nathan Shah	N.B
4	Kohistan (Mahalkari)	O.C
5	Kotri	N.B
6	Mehtar	N.B
7	Sehwan	N.B
8	Hyderabad	S.B
9	Badin	N.B
10	Mathi	N.B
11	Tando Muhammad Khan (Guni)	N.B
12	Hala	N.B
13	Tando Allahyar	N.B
14	Tando Bago	N.B
15	Jacobabad	N.B
16	Garhi Khairo	O.C
16-A	Jaht Pat	O.C
17	Kandhkot	N.B
18	Kashmor	N.B
19	Thul	N.B
20	Karachi (a)	S.B
21	Malir Cannt	S.B

22	Mouripur	S.B
23	Khairpur Mirs	N.B
24	Faiz Ganj (Pacca Chung)	N.B
25	Gambat	N.B
26	Kot Digi	N.B
27	Mirwah	O.C
28	Nara	O.C
29	Larkana	N.B
30	Dokri	N.B
31	Kamber Ali Khan	N.B
32	Miro Khan	N.B
33	Ratodero	N.B
34	Shahdadkot	N.B
35	Warah	O.C
36	Mirpur Khas	N.B
37	Chachro	N.B
38	Digri	N.B
39	Diplo	N.B
40	Jamesabad	N.B
41	Mithi	N.B
42	Nagarparkar	O.C
43	Samaro	N.B
44	Umerkot	N.B
45	Nawabshah	N.B
46	Mehrabpur	N.B
47	Kandiaro	N.B
48	Moro	N.B
49	Nausharo Feroze	N.B

50	Sakrand	N.B
51	Sanghar	N.B
52	Sinjhero	N.B
53	Shahdadpur	N.B
54	Khipro	N.B
55	Tando Adam	N.B
56	Sukkur	N.B
57	Garhi Yasin	N.B
58	Ghotki	N.B
59	Mirpur Mathelo	N.B
60	Pano Akil	N.B
61	Rohri	N.B
62	Shikarpur	N.B
63	Ubaro	O.C
64	Thana Bula Khan	N.B
65	Thatta	N.B
66	Ghorabari	O.C
67	Jati	O.C
68	Keti Bundar	O.C
69	Mirpur Bathero	N.B
70	Mirpur Sakro	N.B
71	Sujawal	N.B
72	Shan Bundar	O.C

BALUCHISTAN

73	Dhadar	N.B
74	Bhag	O.C
75	Gandawa	O.C

76	Lehri	O.C
77	Fortsandeman	N.B
78	Muslim Bagh	O.C
79	Killa Saifullah	O.C
80	Kalat at Khuzdar	O.C
81	Kalat	O.C
82	Mash Kai	O.C
83	Mastung	N.B
84	Sarab	O.C
85	Kharan	D.C
86	Loralai	N.B
87	Bar Khan	O.C
88	Duki	O.C
89	Musakhel	O.C
90	Nushki	D.C
91	Dalbandin	D.C
92	Quetta	S.B
93	Chaman	N.B
94	Pishin	N.B
95	Sibi	N.B
96	Harnai	O.C
97	Ziarat	O.C
98	Turbat	N.B
99	Gwadur	N.B
100	Panjgur	O.C
101	Pasni	--
102	Uthal	N.B

103	Bela	N.B
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PUNJAB

104	Bahawalpur	N.B
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105	Ahmed pur East	N.B
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106	Hasilpur	N.B
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107	Bahawal Nagar	N.B
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108	Chistian	N.B
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109	Fort Abbas	N.B
------------	------------	------------

110	Minchinabad	N.B
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111	Haroonabad	N.B
------------	------------	------------

112	Attock	N.B
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113	Fatehjang	N.B
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114	Pindigheb	N.B
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115	Talagang	N.B
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116	Dera Ghazi Khan	N.B
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117	Jampur	N.B
------------	--------	------------

118	Rajanpur	N.B
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119	Taunsa	N.B
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120	Gujrat	N.B
------------	--------	------------

121	Phalia	N.B
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122	Kharian	N.B
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123	Mandi Bahauddin	N.B
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124	Gujranwala	N.B
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125	Hafizabad	N.B
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126	Wazirabad	N.B
------------	-----------	------------

127	Jhelum	N.B
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128	Chakwal	N.B
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129	Pind Dadan Khan	N.B
130	Jhang	N.B
131	Chiniot	N.B
132	Shorkot	N.B
133	Lahore (E)	S.B
134	Chunian	N.B
135	Kasur	N.B
136	Faisalabad	N.B
137	Gojra	N.B
138	Jaranwala	N.B
139	Samundri	N.B
140	Toba Tek Singh	N.B
141	Multan	N.B
142	Kabirwala	N.B
143	Khanewal	N.B
144	Lodhran	N.B
145	Shujabad	N.B
146	Vehrari	N.B
147	Mailsi	N.B
148	Burewala	N.B
149	Sahiwal	N.B
150	Depalpur	N.B
151	Okara	N.B
152	Pakpattan	N.B
153	Muzaffargarh	N.B
154	Ali Pur	N.B
155	Kot Adu	N.B

156	Layyah	N.B
157	Mainwali	N.B
158	Bhakkar	N.B
159	Isakhel	N.B
160	Rawalpindi	N.B
161	Gujar Khan	N.B
162	Islamabad	S.B
163	Kahuta	N.B
164	Murree	N.B
165	Rahim Yar Khan	N.B
166	Khanpur	N.B
167	Liaquatpur	N.B
168	Sadiqabad	N.B
169	Sargodha	N.B
170	Bhalwal	N.B
171	Khushab	N.B
172	Shahpur	N.B
173	Sheikhupura	N.B
174	Nankana Sahib	N.B
175	Shahdara	N.B
176	Sialkot	N.B
177	Daska	N.B
178	Narowal	N.B
179	Pasrur	N.B
180	Shakargarh	N.B

N.W.F.P.

181	Bannu	N.B
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182	Laki Marwat	N.B
183	Miran Shah	O.C
184	Chitral	O.C
185	Dera Ismail Khan	N.B
186	Kulachi	N.B
187	Tank	N.B
188	Abbottabad	N.B
189	Haripur	N.B
190	Manshra	N.B
191	Kohat	N.B
192	Hangu (e)	N.B
193	Karak	N.B
194	Mardan	N.B
195	Swabi	N.B
196	Skardu	O.C
197	Malakand	N.B
198	Parachinar	N.B
199	Mingora	N.B
200	Peshawar	S.B
201	Charsadda	N.B
202	Nowshera	N.B
203	Muzaffarabad	N.B
204	Mari Indus	N.B
205	Rawalkot	N.B
206	Gilgit	N.B
207	Dir	N.B

1. authorised to issue and cash Government Drafts without any limit for Military purposes and also to cash Government Drafts issued by the Treasury Officers in the N.W.F.P. for remittances of pay of Policemen under training at Hangu.

Conditions for indigenous bankers who wish to avail themselves of the concessional rates of remittances and the procedure relating thereto.

Conditions

1. Only those persons and firms will be included in the term indigenous bankers who accept deposits and/or discount handiest with Joint Stock or other Banks primarily with a view to making loans and who are placed on the approved list of the State Bank for this purpose. Just as Section 277-F of the Companies Act (VII of 1913), allow banks to undertake certain necessary ancillary work, there would be no objection to a banker having any other business so long as it is clear that banking is his main business. On the other hand those whose main occupation is something else like agriculture or shop-keeping or trade will not be considered as bankers, even though they may accept deposits and lend money as subsidiary business.

2. An indigenous banker to be qualified for inclusion in the approved list must have a minimum owned capital of Rs. 50,000.

3. An approved indigenous banker must conform to any money lending regulation applicable to him that may be in force in the Province.

4. A banker (a) who appears to have ceased to comply with the definition (1) above or (b) whose owned capital is known to have fallen below Rs. 50,000 or (c) who infringes provincial legislation regulating his transactions in such a way as to make it undesirable in the opinion of the Government that he should receive the concession shall be liable to be removed from the approved list.

Application to the Treasury or Sub-Treasury Officer Indigenous bankers who satisfy the above conditions and who desire to have their names included in the list of bankers to whom the concessional rates will be made available, may make an application to the nearest treasury or sub-treasury officer, submitting all the necessary particulars in the appended form. The information will be treated as confidential. Application direct to the State Bank

In case an indigenous banker expresses reluctance to reveal his affairs to the local Treasury or Sub-Treasury Officer, he can send application direct to the State Bank. On receipt of the application, the State Bank will, no doubt, consult the Government in regard to the fitness of the applicant-to be included in the list.

Disposal of applications received at the Treasury or Sub-Treasury

1. Treasury and Sub-Treasury Officers on receipt of an application should see that particulars regarding business, capital worth, etc., have been furnished by the applicant according to the form prescribed, and if the application is in order, they should forward it confidentially to the Deputy Commissioner.

2. The Deputy Commissioner should forward the application received to the Secretary to Government, Punjab, Finance Department, by name, in a confidential cover with a report on the credit and standing of the applicant, and as to whether he has infringed any debt legislation, etc., in such a way as to make it undesirable that he should receive the concession.
3. Government on receipt of such applications will forward them with their recommendation to the State Bank. The Bank will decide after obtaining the opinion of its agents; if necessary, whether the applicant should be included in the approved list.
4. An indigenous banker will not be entitled to the concession, unless his name has been included in the approved list by the State Bank of Pakistan and the list is received by the agency of the State Bank of Pakistan.

**Form of Application for Indigenous Bankers for
concession rates or remittances**

The Treasury/Sub-Treasury Officer,

Remittance Facilities in Pakistan

Dear Sir,

With reference to the Government of.....notification No..... dated..... on the above subject, we beg to apply for inclusion in the list of indigenous bankers to whom the concessional rates for remittance facilities mentioned in paragraph 2 of the said notification will be made available.

2. We agree to abide by all the conditions specified in the above notification and furnish herewith the necessary particular regarding our business, capital worth, etc., in the form required.

Yours faithfully,

Financial Statement as on -----

1. Name:
2. Address:
3. Character of organization (whether proprietorship, joint Hindu family, partnership):
4. Nature of business chiefly dealt in:
5. Assets—

Rs.

- i. Cash in hand and with banks
- ii. Deposits with other firms
- iii. Loans to market
- iv. Landed and houses property (location and approximate value)
- v. Accounts receivable
- vi. Shares and securities owned
- vii. Other assets (please specify)

Total:

6. Liabilities—

Rs.

- i. Accounts payable
- ii. Bank Loans
- iii. Borrowings from the market
- iv. Deposits received
- v. Mortgages on properties,
Other liabilities

Total:

Net worth

What is the annual turn over?

8. Are there any contingent liabilities such as guarantees?

9. What are partners worth outside banking business?

(In case of partnerships only).

10. Bank and trade references.

11. Please state; if possible the approximate amounts for which you might require remittance facilities.

12. Please state the names of places between places between which you will ordinarily require remittance facilities”.

CHAPTER XII

DEPOSITS

NOTE.---The provisions of rule 3.14 apply mutatis mutandis to the relevant rules in this chapter.

I. -- CLASSIFICATION AND LIMITATIONS

12.1 Deposits are generally classified according to the department through which they are received. The usual classes are—

1. Revenue Deposits;
2. Civil Courts Deposits; and
3. Personal Deposits.

There are also other classes of deposits operated upon, such as, Deposits of fees received by Government servants for work done for private bodies, Deposits for work to be done for public bodies and individuals, Unclaimed General Provident Fund Deposits, Deposits of Police Clothing and Equipment Fund, Public Works Deposits, etc. Other classes may be added under the orders of the Accountant-General/Director, Audit and Accounts (Works).

12.2 *[Deleted].*

12.3 The Treasury Officer should see that no item is credited as a deposit save under formal order of the authority competent to pass the order. If the amount could be credit to some known head in the Government account, he should make representations to the Court or authority ordering its acceptance. [See also article 62 of Account Code, Volume II],

NOTE.---Government Promissory Notes or other security deposits (not being cash) received from revenue farmers or other contractors are not revenue, and must on no account be credited as revenue.

12.4 In the following cases the treatment of items as deposits is prohibited:—

- 1) No pay, pension or other allowances should be placed in deposit on the ground of the absence of the payee or for any other reason; as a rule pay should not be drawn till the claimant appears.
1. When a pension is granted to several persons jointly, it may not be drawn on the appearance of one claimant only, and payment of his computed share made, the balance being placed in deposit.
 - 2) No fines should be placed in deposit on the ground that appeal is pending; they should be credited at once to Government and refunded, if necessary, on order of the Appellate Court. But compensation fines (including costs in criminal cases) due to an injured party, and not to Government, should be kept in deposit both in appealable and non-appealable cases, till they lapse under the ordinary rule.

- 3) Refunds, whether of stamp or of other receipts, may not be lodged in deposit pending demand,-vide Subsidiary Treasury Rule 4.55.
- 4) The sale-proceeds of unclaimed property are not to be placed in deposit at all; under Act, V of 1861, Section 26, the property itself is to be kept for six months, but money realized by sale is at once placed (Section 27) at the disposal of Government, and should be credited to the head "XXI- Administration of Justice". Exception must, however, be made in the case of property left by persons dying in testate, and without heirs, which civil Courts will secure and hold for certain periods in accordance with the local law.
 1. If unclaimed property be perishable and be sold because it cannot be kept or if it be sold for the benefit of the owner, or because its value is less than ten rupees, its proceeds should be held for six months in deposit, but the circumstances should be clearly stated under "Nature of Deposit".
 2. Money belonging to prisoners in jail should not be held for long terms by the Jail Department, but should be paid into the treasury at convenient intervals.
 3. The Police Department should have no deposits except security and earnest-money deposits which should be paid into the treasury as Revenue Deposits; unclaimed property found by, or delivered up to the Police should be made over to the Magistrate, see also items (1) and (6) under this rule.
- 5) Money tendered as personal deposits by private individuals or by Government servants acting in other than their official capacity, and funds of quasi-public institutions even though, like certain dispensaries, they are aided by Government, may not be accepted for deposit in a treasury without the special sanction of the competent authority. Nor can any jewels or other property received for custody and restoration in kind be brought on the deposit register, though the value be stated in money.
- 6) Sale-proceeds of old stores or Government property.

NOTE.---These should be credited to Government at once.

- 7) Licence fees recovered in advance from excise contractors which should be taken direct to the head "Excise".
- 8) Receipts in connection with the Tri-junction pillars.
- 9) Land Revenue and cesses collected in one tehsil on account of another tehsil or district.
- 10) Receipts for which full particulars are not shown should not be placed in deposit but should be credited as "unclassified items" of the Department concerned.

II. -- REVENUE DEPOSITS

A. -- Explanatory

12.5 Revenue Deposits are deposits made in Revenue, Criminal and Civil Courts other than Small Cause Courts or in connection with revenue administration; but see rule 12.15. These deposits include—

1. Civil Court decree money.
2. Compensation fines (including costs) payable to injured parties in criminal cases both appealable and non-appealable, till they lapse under the ordinary rule.
3. Cost of stamp in partition cases when it is known that the amount will not be disbursed' immediately.
4. Recoveries on account of cost of Chaukidars uniforms.

N.B.—Where there are extensive transactions, a Personal Ledger Account may be opened for them.

5. Chaukidari collections realized by process of distress or without the intervention of the Lamardar.
6. ***[Deleted]***.
7. Pre-emption money.
8. Sale-proceeds of unclaimed impounded cattle (for three months only at the end of which term they are credited to Government).
9. Un-disbursed amount of compensation for land taken up for public purposes.
10. Redemption money.
11. Sale-proceeds of confiscated property.
12. Un-disbursed portion of Patwaris' share of mutation fee (Temporarily).
13. ***[Deleted]***.
14. Inams payable to Ghakkars (in the Rawalpindi district only).
15. Pachotra payable to Lambardars. (In special cases only).
16. ***[Deleted]***.
17. Earnest-money deposits made by intending tenderers of Civil Departments (including the Forest Department).

NOTE.—No previous authority of a departmental Government servant to receive this money is necessary, but the depositor must state the designation of the Government servant in whose favour he makes the deposit; and that designation must be stated on the receipt given by the Treasury Officer.

18. Advance deposits in cash by temporary cultivation lessees in colony areas.

19. Other amounts received by Government but payable to private persons.
20. Security payments made under Rule 6(10) of the Retail Liquor License Instructions and also Tender fees under rule 6(6) *ibid*.
21. ***[Deleted]***.
22. Remittances made to the Deputy Commissioners by Consuls and Administrators of interstate estates in foreign countries for payments to heirs of deceased emigrants; and amounts received for disbursement on behalf of Military Officers and regiments after the march of troops/under formal orders of the Deputy Commissioner, unless the amounts can be disbursed without delay.
23. Security Deposits when rendered in cash by the keepers of Printing Presses and Publishers of Newspapers under the Press (Emergency Powers) Act, 1931.
24. ***[Deleted]***.
25. Publication charges in insolvency cases.
26. Election money deposits.
27. Probate in letters of administration and succession certificate fees.

NOTE.---The amount credited into the treasury on account of cost of court-fee stamps required for succession certificate should be drawn on revenue deposit repayment voucher which should be prepared not in favour of the applicant but in favour of the Officer Incharge of the treasury or sub- treasury who will credit the amount by transfer credit to the head "IX-Stamps- -B—Judicial-Sale of Stamps" and issue the stamps in the name of the applicant.

28. ***[Deleted]***.
29. One-fourth or one-fifth of auction or sale money of attached properties.
30. Commission fees.

B. -- Treasury Accounts and Procedure

(a) Receipts

- 12.6 Deposits received at the treasury should be recorded in treasury accounts in accordance with the directions contained in Articles 64 and 65 of Account: Code, Volume II.

(b) Lapse of Deposits

- 12.7. Deposits not exceeding five rupees unclaimed for one whole account year, balances not exceeding five rupees of deposits partly repaid during the year then closing, and all balances, unclaimed for more than three complete account years will, at the close of June in each year, be credited to Government by means of transfer entries in the Accountant-General's office. [See also Article 127 of Account Code, Volume II].

Exception.---*As items on account of Sheriffs Petty Accounts irrespective of their amounts will remain current for three complete account years and lapse to Government only on the expiry of that period. The Presiding Officers of the Court concerned will certify on the statements showing the amount which should lapse to Government on the expiry of three years, that all such amounts have been included in the statements.*

NOTE 1.—*The total of the list referred to in Article 127 of Account Code, Volume II, should be deducted in the plus and minus memorandum from balance shown at credit of the particular class of deposits, the list itself, signed by the district officer, being forwarded to the Accountant-General. This duty may be delegated by the district officer an officer of the district not being the Treasury Officer.*

NOTE 2.—*The Treasury Officer should, in addition to the list required by Article 127 of Account Code, Volume II, prepare by the 31st December each year a list of deposits exceeding Rs. 100 which have been in deposit for over a month, and should send to the Collector or other Government servant concerned a suitable extract from the list, so that it may be considered whether any notice in addition to the one referred to in the note below Rule 12.8 should issue to the payee.*

(c) Repayments

(i) General

- 12.8** The rules regarding repayments and the form of voucher for repayment are contained in Subsidiary Treasury Rules 4.128, 4.129 and 4.140. [See also Article 67 of Account Code, Volume II.]

NOTE.--- *See also note 3 below Rule 9.4 which applies mutatis mutandis to deposit repayments also.*

- 12.9** On the production of a lapsed deposit repayment order (vide Subsidiary Treasury Rule 4.129), (viii) the authority which originally granted it may if satisfied that the person producing it is entitled to receive payment, revalidate the order by writing on it-

Renewed.

(Signed).

Date.....

The fact and date of renewal should be noted on the original departmental record of the repayment order.

(ii) Lapsed Deposits

- 12.10** Deposits credited to Government under Rule 12.7 cannot be repaid without the sanction of the Accountant-General, vide Subsidiary Treasury Rule 4.130; but this sanction will be given as a matter of course on ascertaining that the item was really

received, was carried to credit as lapsed, and is now claimed by the person who might have drawn it any time before the lapse. The amount of a lapsed deposit refunded will, however, be charged in the cash book as a refund and not debited to deposits, [see Article 63 of Account Code, Volume II].

But the payment of the deposit should be recorded in the district register of receipts, so as to guard against a second repayment.

NOTE 1.—The entry of repayments in District Registers of Receipts will not be possible if the repayments are made after the registers have been destroyed. The rule in the last sentence of the above article, is, therefore, inoperative in such cases.

As neither the Treasury nor the Audit Officer has any means of verifying a claimant's title to a refund in such cases, the responsibility for such verification will devolve on the authority who signs the application for refund in Form S.T.R. 42.

(d) Accounts Returns to be submitted to the Accountant-General

12.11 Extract registers of deposits received, registers of repayments of deposits, plus and minus memoranda, quarterly certificates, clearance registers, statements of lapsed deposits, etc.; should be prepared and submitted to the Accountant-General in accordance with the directions contained in Articles 105 to 107, 111, 124, 125 and 127 of Account Code, Volume II.

NOTE 1.—Old items transferred from one Clearance Register to a second one, -vide Article 125 of Code, Volume II should be carefully watched by the district officer. Such items in the ordinary course lapse at the end of two years for which the latter is current. They cannot be allowed to be carried forward to a third Clearance Register without the special sanction of the Accountant-General.

NOTE 2.—It is not intended that Clearance Registers should be used in district offices.

NOTE 3.—The outstanding balances of the Sheriff's Petty Accounts should be included by the Treasury Officer in the Revenue Deposit Provincial Clearance Register, and the lapsed items of Sheriffs Petty Accounts in the lapsed statements of Revenue Deposit "Provincial".

II. --CIVIL COURT DEPOSITS AND SHERIFFS PETTY ACCOUNTS

A. -- Explanatory

12.12 The deposits of Civil Courts other than deposits of Small Cause Courts and Sheriffs Petty Account are treated in accounts as Revenue Deposits.

The deposits of Small Cause Courts and Sheriffs Petty Accounts are accounted for under "Civil Courts Deposits" and "Personal Deposits", respectively.

B. — Maintenance of Accounts

(i) Civil Courts other than Small Cause Courts.

12.13 Each item of deposit is separately paid into and drawn from the treasury, upon documents passed by the .Presiding Officer and setting forth the particulars necessary for the entries in the receipt registers. The registers of receipt and repayment are kept and the monthly and annual returns and lapsed list are submitted by the Treasury Officer in the manner prescribed for revenue deposits, although the sets of registers and returns at the treasury must all be kept separate from those of the revenue deposits. [See also Article 71 of Account Code, Volume II.]

NOTE.—Other detailed instructions for the deposit accounts of these Courts are given in Chapter 8 of Volume II, of the High Court Rules and Orders.

(ii) Small Cause Courts

12.14 All deposits are paid into and held at the Court. When, however, the sum in possession of the Court exceeds Rs. 1,000.00 the excess amount is at once remitted to the Government treasury. All repayments are made by the Court itself without the intervention of the Treasury Officer out of the balance held by it. If, however, the balance is not sufficient to meet the claims, the repayment is made by cheques on the Treasury Officer against the surplus collections remitted to the treasury.

All transactions of receipts and payments are brought to account by the Court concerned in the registers of receipts and repayments maintained by it.

The gross receipts and repayments, are reported by the Courts concerned from time to time,-vide Appendix 22 (including repayments by cheques at the treasury) are taken by the Treasury Officer to the personal deposit account opened separately for each Court. These personal ledgers and the corresponding accounts and returns must be kept by the Treasury Officers in the form prescribed for personal deposits, but quite separate from those of personal deposits proper, being designated as "Civil Courts Deposits".

Each Court submits to the Treasury Officer monthly returns (i.e., extract registers of deposits receipts and repayments with vouchers duly stamped where necessary and plus and minus memorandum), quarterly certificate, clearance register and statement of lapses, etc. These returns are transmitted in Original by the Treasury Officer to the Accountant-General.

NOTE.—For detailed instructions for the maintenance of Deposit Accounts of these Courts see Appendix 22.

(iii) Sheriff's Petty Accounts

12.15 The Sheriffs Petty Accounts are made up of the numerous petty sums received by Civil, Revenue and Criminal Courts from parties to suits or other-judicial proceedings for immediate disbursement in full (as for diet money of witnesses, commission fees, etc.). The receiving Courts should record and deal with these petty deposits with the same care and formality as with others. At the treasury these deposits are treated like Personal Deposits: but the system of accounting followed in the Courts is more or less similar to that of deposit transactions of Small Cause Courts. [For details see Chapter 8 of High Court Rules and Orders, Volume II.]

NOTE.---*No vouchers are required in support of repayments, but a certificate to the effect that the accounts are maintained in proper form and are in order, and that payments have been made to the rightful parties, and their receipts taken and are with the Nazir, and have been so cancelled that they cannot be used again to support a second claim against Government is required from each Senior Civil Judge for all petty sums repaid by his Court. If the Senior Civil Judge takes the responsibility on himself to give the certificate for all the Courts it will be sufficient.*

IV. -- PERSONAL DEPOSITS

A. — Explanatory

12.16 Special banking accounts are sometimes kept for certain classes of Deposits transactions of a public or quasi-public nature (such as receipts and payments on account of wards and attached estates under Government management) for which it is not necessary to treat each disbursement as made against a particular receipt. The account kept of them in the treasury is of the nature of banking deposit account. These accounts are called Personal Deposit Account.

Note.--- *For repayments against Personal Deposits see rule 4.132 in the subsidiary treasury rules.*

12.17

- a) Moneys tendered by Government Officers acting in their official or any other capacity and funds of quasi-public institutions may not be accepted as Personal Deposits at treasury without the sanction of the Government for the opening of a banking account with that treasury.
- b) The Autonomous Bodies and Local Bodies under the administrative control of the Provincial Government shall, however be required to Place the surplus balance in the Personal Deposit in such manner as may be prescribed by the Government from time to time.

A list of such accounts shall be circulated in July every year.

B.—Maintenance Of Accounts Officer

(i) Accounts and Returns.

12.18 Rules relating to the recording of personal deposits transactions in the registers of personal in the personal deposits accounts and in the register of personal deposits, and to the submission of monthly and other returns connected therewith are given in Article 68, 70, 108 and 126 of Account Code, Volume-II.

Note 1.--- *In the case of personal deposits accounts (Article 68 of Account Code, Volume-II) it is not necessary to transfer the accounts to a new volume with a new year but if there be no page available when it is necessary to open a new account or carry forward on old one, all unclosed accounts should be simultaneously carried forward to a new volume.*

Note 2.--- *If there be a large number of transactions on the same day, a balance in the personal deposits account need not be struck after each transaction, but the treasury officer, if there be any possible of an over drawl, should by totaling the items of receipts and refunds and striking overdrawn. The Treasury Officer shall invariably, however, strike a total at the end of each day's transactions.*

Note 3. --- *In the case of Minor's Estate of when the District Judges are ex-officio guardians under Section 18of the Act, VIII of 1890, and section 2(3) of Act, X of 1892, there need not be a separate account of each minor, but a separate account should be opened for each Government servant who acts as guardian of one or several minor's estates. These orders do not apply to estates under the court of wards for each of which separate account should be maintained.*

(II) PASS BOOKS

12.19 A pass book in P.F.R. Form 25 should be kept for each personal deposit account.

It should be the duty of the administrator of the fund to see that the pass book is sent to the Treasury Officer at least once a month and balanced.

The pass book should remain in the personal custody of the administrator and not of the official concerned either with the paying in or paying out of money of checking the account.

12.20 The Treasury Officer is responsible for seeing that the entries are correctly made and at the end of each month the entries on each side of the pass book are totaled and the balance struck and agreed with the treasury account. The book should then be signed by the Treasury Officer.

C. --Cash Orders and Tehsildari Letters of Credit

(i) Issue of each orders, etc.

12.21 Tehsildari letters of Credit and cash orders are issued by the District Treasury in respect of payments to be made at a sub-treasury,-vide rule 2 below Subsidiary Treasury Rule 4.5. The former are issued invariably in favour of the Tehsildar concerned while the latter are issued in favour of the person to whom money is due or who is responsible for its disbursement. Payments against a Letter of Credit can be made in several installments by the Tehsildar drawing cheques in favour of the persons to whom the money is due or who are responsible for its disbursement; while a Cash Order is payable on one installments to the individual named therein who obtain payment at the Sub-Treasury by presenting the Cash Order itself duly receipted.

1. In the case of Public Works and Forest Departments and Local Funds, if the payment of any cheque is intended to be made through the Tehsildar, it should be drawn by the Drawer in his own favour and duly receipted before submission to the District Treasury for the issue of a letter of credit. The Zilla Council should never require cash to be remitted to a Sub-Treasury as all District Fund payments from the Treasury are made on cheque.

2. When both cash and a bill are sent to the Treasury Officer for the issue of letter of credit or cash order, two separate requisitions should be sent and the Treasury Officer should issue two separate letters of credit or cash orders, i.e., one in respect of the cash tendered and the other against the bill.

3. The amounts of the letters of credit issued in favour of the Tehsildars at the Headquarters will be credited in the District Treasury Account to the Tehsildari Ledger and disbursed direct from the Treasury upon cheque signed by the Tehsildar.

4. In cases where funds are being supplied to the Tehsildar from the Public Works Department, or from the District Fund, for the construction of public works, or for other purposes, care should be taken to restrict the amount of the Letter of Credit issued, as much as possible to the sums probably required for disbursement during the currency of the Letter of Credit, in order that the unpaid portion of every Letter of Credit on the date it lapses may be reduced to the smallest possible amount.

(ii) Adjustment of cash orders, etc.

12.22 The adjustment of cash orders issued on sub-treasuries is watched by opening a personal ledger for each sub-treasury, vide Article 69 of Account Code, Volume II.- The same procedure applies mutatis mutandis to the adjustment of Tehsildari letters of credit.

Note.---See also Article 123(2) and note below Article 126 of Account Code, Volume II.

(iii) Adjustment of lapsed cash orders, etc.

The charges in respect of lapsed cash orders and letters of credit (vide Rule 2 below Subsidiary Treasury Rule 4.5) are adjusted by debiting personal ledger account of the sub-treasury and crediting to the head "unclassified items" in the receipt schedule of the department concerned with full particulars as to the number and date of original voucher, designation of drawing officer and nature of original charge. The debit will be supported by a simple receipt signed by the Treasury Officer showing the particulars of the lapsed cash or letter of credit. A note regarding lapse should invariably be made in the register concerned.

When it is necessary to redraw lapsed item in a letter of credit or lapsed cash order, this may be done on the usual bill or order forms according to the class of expenditure. For payment of such lapsed items the sanction of the Accountant-General will not be necessary. The Treasury Officer will sanction refunds in all such cases in his own authority. The original item of credit which appeared in the treasury cash account at the time of lapse should always be quoted in the bill with full particulars to facilitate reference.

V. -- DEPOSITS OF FEES

12.24 The fees received by Government servants for work done for private bodies are accounted for as below-

- i. In cases where a Government servant is permitted to retain the whole of a fee, he should collect it himself and the Government accounts will not be concerned with the transaction.
- ii. In case where the fees are divisible between the Government and the Government servant concerned:" '
 - a) If the amount of the fee and the distribution of shares between the Government and the Government servant are known beforehand; the share due to Government should be credited to the Revenue Head of Account of the Department to which the Government servant belongs and the rest should be collected by the Government servant himself. The Government Share should be paid into the treasury as far as possible, by the body or person paying fee.
 - b) If the amount of fee or the shares are known only approximately, all fees should, in the first instance, be credited by the body or person paying the fee to the head "Deposits of the fees received by Government servants for work done for private bodies" pending final settlement. When the share due to Government is known it should be credited to the Revenue Head of the Department to which the Government servant belongs and the rest should remain under the deposit head for disbursement to the Government servant in accordance with the procedure as laid down in Subsidiary Treasury Rule 4.137.

NOTE.—These rules are intended to be applied to cases in which the whole or a share of the fees as such is payable to the Government servant doing work for private bodies or persons. They are not applicable to cases, e.g.; fees levied for overtime work in departments where it is in existence. Where a Government servant undertakes the work as a part of his official duties although, in view of the extra work involved and in consideration of the fees realized, he is remunerated by a share out of these receipts. In such cases the fees realized are adjustable as departmental receipts and the disbursements to the Government servant as departmental expenditure under "Allowances, Honoraria, etc."

VI. -- DEPOSITS ON ACCOUNT OF POLICE FUNDS

- 12.25** These deposits consist of moneys for clothing and equipment funds. They are accounted for like. Personal Deposits.

Detailed rules relating to these deposits are given in the Police Rules, Volume I.

VII. -- DEPOSITS OF UNCLAIMED GENERAL PROVIDENT FUND

- 12.26** The sums remaining unclaimed for a period exceeding six months shall be transferred to deposits at the end of each year and thereafter dealt with according to the rules governing "Revenue Deposits". (Rule 13.34 of the Civil Service Rules-Volume II).

VIII. -- DEPOSITS AT SUB-TREASURIES

- 12.27** In respect of deposits made at sub-treasuries the procedure laid down in Article 75 to 77 of Account Code, Volume II, should be observed.

The District Treasury should distinguish deposits credited into the sub-treasuries and repayable there by making use of a letter of alphabet (to be assigned to each sub-treasury) in addition to the serial number of each entry.

12.28 Deposits credited at a District Treasury but paid at a sub-treasury on orders given by the District Treasury Officer will not be passed through the Sub-Treasury Deposit Register, but recorded as distinct items in the Day-Book and the Siaha.

CHAPTER XIII

LOCAL FUNDS

I. - EXPLANATION

13.1

a) The expression "Local Fund" denotes-

1. revenues administered by bodies which by law or rules having the force of law come under the control of Government, whether in regard to the proceedings generally, or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular posts, the enactment of leave, pension or similar rules; and
2. the revenues of any body which may be specially notified by the competent authority as such.

b) The following are the main classes of local funds:—

1. District Funds.
2. Municipal Funds.
3. Other Funds"
 - i. Town and Bazar Funds.
 - ii. Educational Funds.
 - iii. Public Works Funds.
 - iv. Other Miscellaneous Funds.

c) Unless the contrary appears from the context, the instructions in this chapter apply primarily to the treatment of the transactions of the several Funds by the Treasury, and not to the maintenance of accounts in their own offices.

II. -- CUSTODY OF FUNDS.

13.2 Unless permitted by the Competent Authority or by a Law, local funds should place their funds in a Government Treasury, National Bank of Pakistan, Post Offices and Commercial Banks approved by the Government in the manner as may be prescribed by the Government from time to time.

NOTE.---The orders regarding the custody and investment of Municipal Funds are contained in Sections 54 and 55 of the Punjab Municipal Act, 1911.

III. -- POWERS OF INCURRING AND SANCTIONING EXPENDITURE

13.3 The powers of the several authorities in the matter of incurring and sanctioning expenditure in respect of local funds administered by Government are regulated by the following principles:"

1. As regards funds constituted by statute, powers of incurring and sanctioning expenditure will be regulated solely by the provisions of the statute. If the statute is silent on this point, the Government as the final administrative authority, will have full powers of incurring and sanctioning expenditure and of delegating such powers.
2. As regards other funds the authority which constituted the fund will have full powers of incurring and sanctioning expenditure and of delegating such powers.

IV. -- MAINTENANCE OF ACCOUNTS AT TREASURIES

(a) Record of transactions

13.4 The transactions of all local funds, should be recorded in accordance with the provisions of Articles 73 and 74 of Account Code, Volume II.

The following instructions should also be observed by treasuries in keeping accounts of Local Funds :—

1. Details of transactions of Local Funds should not be included in the public accounts.
2. Where the treasury business is conducted by the Bank, the accounts of local funds are kept at the treasury, the Bank only receives and pays the amounts in accordance with Subsidiary Treasury Rules, 2.20, 2.21 and 4.156 and credits or debits them under their proper designation.
3. Receipts in respect of Municipal Funds should not be accepted at a treasury or sub-treasury other than that with which the running account is kept.

NOTE.---For accounts of municipalities with sub-treasuries see paragraphs 349 and 350 of the Sub-Treasury Manual.

4. The amount paid on account of local rate which is ordinarily tendered along with Land Revenue should be taken to the credit of the Zilla Council. With a view to providing the Zilla Council with suitable means of ascertaining the receipts on account of local rate, Treasury Officers should send daily to the Zilla Council office together with the chalans a memorandum showing the local rate credited in the Treasury accounts of the preceding day. Accordingly it is necessary that the Treasury should keep a separate record of local rate figures in a rough Dakhila Register, each sub-Treasury being required at the same time to enter local rate receipts separately in its daily Siaha.
5. If by mistake a sum of money is credited to a wrong Municipality or the amount of a cheque drawn by one Municipality is wrongly charged to the account of another Municipality, the necessary correction should be made by the treasury in the

Treasury account of Municipal transactions by a transfer debit and credit. The amount debited to a Municipality, in order to correct an amount wrongly credited to it, or the amount wrongly debited to a Municipality which is corrected by a credit entry, should be supported by a certificate of the Treasury Officer, stating fully the circumstances under which the amount has been debited in excess of the aggregate amount of the Cheques drawn by the Municipality, and this certificate should be sent to the Accountant-General as a voucher for the excess debit.

(b) Plus and Minus Memorandum

13.5 A plus and minus memorandum should be prepared and submitted to the Accountant-General as prescribed in Articles 110 and 111 of Account Code, Volume II.

NOTE.--A .detail of separate accounts showing the gross total receipts and the gross total disbursements of each Municipal Fund should be sent to the Accountant-General with the cash account and second list of payments. As this Detailed Statement is in the form of a plus and minus Memorandum, it is not necessary to show these receipts, payments and balances again in the separate plus and minus Memorandum.

(c) Verification of Balances

13.6 The balances at credit of each fund are verified at the end of the year by the Treasury Officer in communication with the Accountant-General on the one side, and the Government servant or committee administering the fund on the other. The balances on the Accountant-General's books is the balance acknowledged by the Government, and the Treasury Officer is required to follow it, and not the local accounts, as his standard.

(d) Pass Books

13.7 The provisions of Rules 12.19 and 12.20 relating to the maintenance of Pass Books for personal deposit accounts apply mutatis mutandis to the upkeep of Pass Books for local funds.

V. --ATTACHMENT ORDERS ISSUED BY CIVIL COURTS

13.8 Whenever an attachment order issued by a Civil Court against a local body is received for execution by the Treasury or Sub-Treasury Officer, the amount involved should forthwith be charged to the funds of that body and an intimation to that effect furnished to the local body concerned.

VI. -- ADJUSTMENT OF CONTRIBUTIONS PAYABLE TO OR BY LOCAL BODIES

13.9 All contributions (whether fixed or fluctuating) payable to or by such Local Bodies (Zilla Council, Municipalities, Notified Areas and Small Town Committees) as bank with Government Treasuries, are adjusted in the Account Office by book transfer credit or debit to the Local Bodies concerned.

As this arrangement applies only to those Bodies which bank with Government Treasuries, the system of Cash payment and Cash recovery should be followed in the case of those Local Bodies, which have been permitted to bank with private banks.

Intimation of the book adjustment when made in the Account Office is given to the Treasury Officers as well as to the Presidents of the Local Bodies concerned with a view to suitable amendment of the subsidiary registers and Plus and Minus Memoranda maintained in the Treasury and for making the necessary record in the Pass Books of the Local Bodies affected.

Whenever the balance of a Local Body is altered at the instance of the Accounts Office, necessary entries should be invariably made in the banking account in red ink so as to distinguish them from the entries relating to cash transactions and the Accounts Office letter intimating the adjustment should be quoted as authority in the banking account against the adjustment entries.

Unless otherwise specified in the conditions governing the grants, all fixed grants payable by Government shall be made to Local Bodies at the beginning of each financial year.

VII. -- MISCELLANEOUS

13.10 Unless any of the following arrangement has been authorised by the Government, a Local Fund is required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the funds:"

- a) Payments as made by Government, may be charged to the balance of the deposits of the Local Fund in Government books.
- b) Recovery from the Local Fund may be postponed till the time when Government has to make payment for the charges.
- c) Payments may be made as advances from Government funds in the first instance, pending recovery from the Local Fund.

13.11 Service stamps may not be used by a Local Fund servant or any Government servant acting in a capacity connected with a Local Fund, such as President or Secretary of a Local Fund Committee, but service labels may be used on the correspondence of a public servant acting as such, even though the correspondence may relate to the affairs of a Local Fund.

NOTE.---Telegraphic messages, the Charges for which are to be borne by Local Funds, should be classed as Private and not as State.

13.12 Pass Books will be supplied to local bodies free of cost from the nearest district treasury on indent. Cheque books will be obtained by the local bodies on payment from the Pakistan Security Printing Corporation Limited, Karachi.

CHAPTER XIV

SERVICES AND OTHER FUNDS

I.--GENERAL RULES

14.1 The subscriber to a Fund is himself responsible for seeing that proper deduction is made from his bills, though, for his convenience, it has been ruled (vide Subsidiary Treasury Rule 4.17) that the responsibility for making the necessary deductions regularly and correctly devolves upon the drawers of the bills. [See also Subsidiary Treasury Rules 2.18 and 2.19.]

14.2 The Subscriber if transferred to foreign service shall remain subject to rules of the funds in the same manner as if he were not transferred.

14.3 When a subscriber to any Fund whose subscriptions are realized by .deduction from bills is transferred to another district, the fact that he is subscribing to the Fund should be certified in his last-pay certificate by noting thereon the amount recoverable monthly and the number of his account or policy.

NOTE.---When a subscriber to the Postal Insurance and Life Annuity Fund is transferred to another audit circle, notice of transfer should be given to the Audit Officer concerned and to the Accountant-General Post, Telegraph and Telephones, through the Accountant-General.

14.4 When a subscriber to one of the Service or Provident Funds of Government is about to retire and under the rules of the Fund "the money lying at his credit becomes payable on retirement, he should place himself in communication with the Accounts Officers of the Fund, giving the date of his retirement and requesting that steps may be taken to close his account and pay him the amount due. The Accounts Officer being satisfied of the correctness of the date will ask the Treasury Officer who disburses the subscriber's pay to intimate to him the final payment of fund subscription, and when this has been done, will arrange for payment of the amount at credit of the Government servant.

14.5 A detailed list of the subscriptions realized in cash on behalf of each fund showing the date and amount of each receipt and the name Of the person on whose behalf it is paid in, will be submitted by the Treasury Officer with the cash account. This list will be a copy of a register maintained in the treasury.

NOTE.---An important difference with regard to interest is made between subscriptions paid by deduction from pay bills and subscriptions paid in cash, no interest being allowed for the month of payment on cash subscriptions received after the 4th of the month, whereas subscriptions deducted from a bill bear interest as though they had been received on the 1st of the month.

II. -- PROVIDENT FUNDS

14.6 The detailed rules relating to service and other funds are given in the rules of the Funds concerned.

(See General Provident Fund and Contributory Provident Fund Rules issued separately).

NOTE 1.---The following instructions should be carefully observed by all Heads of Offices with a view to ensuring the correct preparation of the General Provident Fund Schedules referred to in Subsidiary Treasury Rule 4.19:-

- a) A complete list of subscribers shall be maintained in each disbursing office in the form of the schedule.
- b) Each new subscriber shall be brought on this list and any subsequent changes resulting from his transfer or in the rate of subscription, etc., clearly indicated.
- c) Changes in the fixed monthly rates of subscription shall be permissible only from the first of July each year, i.e., with effect from the pay for June drawn in July.
- d) When a subscriber dies, quits the service or is transferred to another office full particular shall be duly recorded in the list.
- e) In the case of the transfer of a subscriber to another office the necessary note of transfer should be made in the list of both the offices.
- f) From this list the monthly schedule to be appended to the pay-bill shall be prepared and agreed with the recoveries made before the submission of the bill to the Treasury for payment.

NOTE 2.---Money due to Government by a deceased Government servant on account of an advance of pay cannot legally be deducted from any amount standing to the credit of such Government servant in a Provident Fund, unless so directed by the person to whom the latter amount is payable,[See also Rule 2.46.]

NOTE.--- [Deleted].

NOTE.--- [Deleted].

ANNEXURE

(See note 4 below rule 14.6)

[Deleted]

NOTE.—The rules in this chapter lay down the general principles to be observed by departmental officers in handling stores and in the maintenance of their accounts and other matters ancillary thereto. Detailed rules relating to the various departments which deal with large stores are contained in other publications, such as Public Works Department Code, Forest Department Code, Jail Manual, Financial Hand Book No. 3--(Departmental Financial Rules relating to Public Works and Forest Departments, etc.).

CHAPTER XV

STORIES

I. -- GENERAL RULES

(i) Introductory

15.1 The departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody and in good and efficient condition and for protecting them from deterioration. They should also take proper precautions to prevent loss of public stores by fire or other accidents. Any loss of or damage to Government stores should forthwith be reported by them to their immediate superiors.

(ii) Purchase and acquisition of stores

15.2

a) ¹The purchases of articles required for the public service whether of indigenous origin or otherwise shall be made by the Departments through their respective purchase agencies. The rules contained in the Purchase Manual issued by the Services, General Administration and Information Department shall be applicable.

b) Subject to the provisions of sub-rule (a) above and note 3 & 4 under rule 8.3, the officers of various categories mentioned in the First Schedule of Delegation of Powers under Financial Rules and Powers of Re-appropriation Rules, 1962 may make direct local purchase from within the country (not involving expenditure of foreign exchange) as authorised from time to time."

These powers would be available for:-

- i. an article of store; or
- ii. a class of similar articles as stores, at one time without splitting the indent during a period of one year unless the requisite stores and other controlled or covered by a Rate and Running Contract or are of such a special nature as cannot easily be procured or are exempted under special or general order of Government or by any other officer authorised on their behalf.
- iii. Purchase order should not be split up so and avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.
- d) Purchases should be made in the most economical manner; when stores are purchased from the open market the system of open competitive tender should as far as possible be adopted _ and the purchases should be made from the lowest tender unless there are any special reasons to the contrary which should be recorded in writing.

¹ Subs. Vide Notification No. FD/Accts(A&A) 11-2/74, dated 16th February, 1987.

e) The instructions regarding inviting tenders; clearance and forwarding of imported stores, submitting of necessary documents to the liaison officer at Karachi and recopying of the Imprest placed at his disposal, as contained in the said Purchase Manual, should be strictly adhered to.]

iii. Sale and disposal of stores and write off of losses of stores

15.3 A competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable or order the write off of losses of stores.

NOTE.---The sale-proceeds of unserviceable furniture in the official residences of the Governor should be credited to the Provincial Revenues and not to the grant for the maintenance and repairs of furniture in Government Houses.

(iv) Receipt of Stores

15.4

a) All materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

b) At the time of making payment it should be seen that the rates paid are not in excess of those entered in the contractor agreement made for the supply of stores and that suitable notes of payment are recorded against the indents and invoices concerned to prevent double payments.

(v) Issue of Stores

15.5 When materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in P.F.R. Form 26 has been made by a properly authorised person, examine it carefully with reference to any orders or rules for the issue of stores and sign it after making suitable alterations under his dated initials, in the description and quantity of materials, if he is unable to comply with the requisition in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply as actually made. The indent should be returned at once to the requisitioning Government servant for signature. When materials are issued, a written acknowledgment should be obtained from the person to whom they are ordered to be delivered or dispatched, or from his duly authorised agent.

(vi) Transfer of charge of stores.

15.6 Special attention should be paid by a Government servant in direct charge of stores to ensure that in case of transfer the stores in his charge are made over correctly to his successor and receipt taken from the

relieving-Government servant. This is necessary in order to fix responsibility for the loss of stores on the particular person. Accordingly when a Government servant in direct charge of stores makes over charge to another Government servant a joint transfer report accompanied by the relieving Government Servants receipt for the stores which have been in the custody of .the relieved Government servant should be submitted to the next higher authority. If the relieving Government servant fails to bring to notice within a reasonable period any deficiency or defect in stores taken over from his predecessor, he will be held responsible for the same both as to quantity and quality so far as he was in a position to ascertain it. .

Every Government servant is bound to take over charge of departmental stores which, from the death or departure of the person lately in charge or from any other cause, may be left at or near his station without adequate protection.

II. -- ACCOUNTS OF STORES

(i) Introductory

15.7 Heads of offices and others entrusted with the care of stores of any kind should maintain suitable accounts and inventories of the stores in their charge. For securing this object it is important that all quantities received in or issued from stores are entered in the stock accounts strictly in accordance with the rule and in the order of Recurrence on the dates the transactions take place, so that it should be possible at any time to check the actual balances with the book balances.

15.8 The exact forms in which the store accounts described above should be kept depend on the nature of the stores, the frequency of transactions and the special circumstances of each department. Thus 'the accounts to be kept for consumable stores like dietary stores in a hospital or jail, of which there are numerous and varied transactions, differ-very materially from those to be maintained of the articles of furniture in an office.

15.9 Separate stock accounts or inventories should be maintained of—

1. "Dead Stock" such as plants and machinery, furniture and fixtures; and
2. "Other Stores" which consist of consumable and perishable articles.
3. Stores, Equipment and material, etc., procured out of foreign loans/grants/credits. Besides the general principles of maintenance of Account, of Stores, etc., mentioned in rule 15.10 to 15.20 of these Rules, the instructions contained in Annexure 'C' to this Chapter shall be observed strictly.

(ii) Dead Stock

15.10 An inventory of the dead stock should be maintained in all Government offices. The instructions given below should be carefully observed in its maintenance:"

1. The inventory' should be priced whenever the items have to enter into the block account maintained for a Government commercial undertaking or the value of the

items is necessary in order to enable Government to calculate the charge to be levied upon private persons or bodies. As regards other items, a numerical inventory would suffice, except for articles costing above Rs. 25.00.

2. The inventory should ordinarily be maintained at the site of the dead stock. Whether it is desirable, in any particular case, to depart from this general principle, or to maintain additional consolidated inventories elsewhere, should be decided on the merits of each case.
3. The inventory should be checked by the head of the department once a year and a certificate of the result of check recorded.
4. Articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may represent the true account.

NOTE.---The furniture in the official residences of the Governor should be verified in accordance with the regulations given in Annexure A to this Chapter.

(iii) Other Stores

15.11 "Other Stores" will be governed by the following rules. It is not intended that these rules should replace the detailed stores accounting rules which exist at present in some of the more important departments, which have large stores transactions, e.g., the Public Works, etc., they are intended to be merely model rules to be applied, with or without modifications, as the circumstances require, at the discretion of the competent administrative authority, in any department, office or institution where no such rules exist at present, or where the existing rules are defective.

15.12 A reliable list, inventory or account of all stores in the custody of Government servants must be maintained, in a form prescribed by the head of the department, to enable a ready verification of stores and check of accounts at any time. Transactions must be recorded in it as they occur.

15.13 Priced lists, recording both quantities and values must be maintained in cases where the stores are intended to be converted into money, or where it is desired to distribute their cost over the works, items or objects on which they are actually used. In such cases, the expenditure on stores must be charged to a stores suspense head in the first instance.

15.14 Purely numerical inventories, recording quantities only, will suffice in cases where the stores are intended solely for the service of the department keeping them and it is not desired to distribute their cost. In such cases, the expenditure on stores must be charged off finally to the service head concerned.

NOTE.—In some cases, it may be found necessary to show prices against some articles say when for facility of identification or other reason, it is desirable to distinguish costly articles from cheap articles bearing the same general description otherwise. Such articles should

not be treated as priced articles if the requirements of this rule are otherwise satisfied.

15.15 The lists, inventories or accounts of stores will, in all cases, be subject to such internal check as may be prescribed by the head of the department, whether or not they are subject to any check by the Accountant-General.

15.16 A physical verification of all stores must be made at least once in every year under rules prescribed by the head of the department, and subject to the condition that the verification is not entrusted to a person-

- i. who is the custodian, the ledger-keeper or the accountant of the stores to be verified, or who is a nominee of, or is employed under the custodian, the ledger-keeper or the accountant; or
- ii. who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

The verification must never be left to low-paid subordinates, and, in the case of large and important stores, it should be, as far as possible, entrusted to a responsible Government servant who is independent of the superior Executive Officer Incharge of the stores.

A certificate of verification of stores with its results should be recorded whenever such a verification is carried out.

15.17 In making a physical verification, the following instructions must invariably be observed;—

- a) verification must always be made in the presence of the Government Servant responsible for the custody of the stores or of a responsible person deputed by him;
- b) all discrepancies noticed must be properly investigated and brought to account immediately, so that the stores account may represent the true state of the stores; and
- c) shortages and damages, as well as unserviceable stores must be reported immediately to the authority competent to write Off loss (vide rule 15.3).

15.18 Balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal (vide rule 15.3). The inspection must be made six monthly in the case of perishable stores, and once a year in the case of other stores, unless there be good reason to the contrary. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

15.19 Where a priced inventory is maintained, it is essential that the values recorded therein shall not be materially in excess of the

market value of the stores. The head of the department concerned must issue instructions to govern— -

- a) the fixation of prices with reasonable accuracy;
- b) the periodical review and revision of rates; and
- c) the agency to be employed in periodical revaluation.

NOTE.---The "market value" of an article, for this purpose, means the cost per unit at which the article, or an article of similar description, can be procured at a given time at the stores godown, from some suitable public market.

15.20

a) All profits or losses due to revaluation, stock-taking or other causes must be duly recorded and adjusted where necessary. Formal sanction of the competent authority (vide rule 15.3) must be obtained in respect of losses, even though no formal correction or adjustment of accounts is involved.

b) Losses due to depreciation must be analyzed and recorded under the following heads, according as they are due to-

1. normal fluctuation of market prices;
2. fair, wear and tear;
3. lack of foresight in regulating purchases; and
4. neglect after purchase.

c) Losses not due to depreciation should be grouped under the following heads:-

1. losses due to theft;
2. losses due to neglect on the part of Government servants;
3. losses due to natural causes; and
4. anticipated losses on account of surplussage of absolute stores or of purchases in excess of , requirements.

III. -- AUDIT OF ACCOUNTS OF STORES AND STOCK

15.21

Where the audit of stores and stock accounts of any department of Government is entrusted to the Auditor-General under the provisions of paragraph II (2)(b) of the Pakistan (Audit and Accounts) Order, 1973, it is conducted in accordance with the regulations given below. A list of accounts of stores and stocks the audit of which has been entrusted by the Punjab Government to the Auditor-General is given in Annexure 'B' to this Chapter.

Regulations for the conduct of audit of Stores and Stock Accounts.

1. The Audit of stores accounts kept in any office or department of Government shall be directed to ascertaining that the departmental regulations governing purchase, receipt and issue, custody, condemnation, sale and stock-taking of stores are well devised and properly carried into effect, and to bring to the notice of the Government, any important deficiencies in quantities of stores held, or any grave defects in the system of control.
2. As regards purchases of stores, audit will see that"
 - i. these are properly sanctioned, are made economically and in accordance with the rules or orders made by competent authority for purchase of stores required for the public service; in particular when stores are purchased from contractors the system of open competitive tender is adopted and the purchase is made from the lowest tenderer unless there are recorded reasons to the contrary;
 - ii. the rates paid agree with those shown in the contract or agreement made for the supply of the stores; and
 - iii. certificates of quality and quantity are furnished by the passing and receiving Government servants before payment is made except where the contrary is allowed by the rules regulating purchase of stores; and
 - iv. purchase orders have not been split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Audit may call attention to cases of uneconomical purchases of stores and to any losses, which may be clearly and definitely attributed to the defective or inferior nature, of stores which were accepted and certified to be satisfactory in quality.
3. Audit should ascertain that the accounts of receipts of stores whether purchased, or otherwise obtained, and of their issues and balances are correctly maintained. Where a scale has been prescribed by Government or other authority for issue of stores of any particular kind, it should be seen that the scale is not exceeded.
4. Stores, in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.
5. The accounting for and maintenance of unserviceable stores which cannot be utilized by the department in whose custody they are kept involve waste of labour and space. The retention of stores in excess of the probable requirements of the department in the near future may result in loss to Government through deterioration. Audit will, therefore, see that measures are taken to survey, segregate and consider the disposal of unserviceable, surplus and obsolete stores in accordance with the procedure prescribed by Government in this behalf.
6. It is an important function of Audit to ascertain that the articles are counted periodically and otherwise examined to verify the accuracy of the quantity balances in the books. Save as provided in paragraph 7, Audit shall not undertake the

physical verification of stores except when specially authorised to do so, but it has the right to investigate balances of stores, if any discrepancies in the stores accounts suggest that such action is necessary.

Audit has, however, to see that a certificate of verification of stores is recorded periodically by a responsible authority, that the system of verification adopted by the executive is adequate and proper, that discrepancies found on stock-taking are properly investigated and adjusted and that, wherever possible, the staff responsible for the verification is independent of the staff which is responsible for the physical custody of the stock or for keeping accounts of it. It should also be seen that wherever practicable, verifiers of stock work directly under the control of Government, and not under the heads of individual departments.

7. If during the course of audit, loss, fraud or misappropriation is suspected, Audit may carry out physical verification of stores and other assets jointly with the local officer-in-charge of the stores and other assets, and the result of such verification shall be brought to the notice of the Head of Department concerned immediately.
8. Where a priced account is maintained. Audit will see that"
 - i. the stores are priced with reasonable accuracy and the rates initially fixed are reviewed from time to time, are correlated with market rates and revised where necessary;
 - ii. the value accounts tally with the accounts of works and of departments connected with stores transactions, that the total of the valued account tallies with the outstanding amount in the general accounts and that the numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores; and
 - iii. Steps are taken for the adjustment of profits or losses due to revaluation, stock-taking, or other causes, and that these are not indicative of any serious disregard of rules.
9. The procedure for the conduct of audit of stores and stock accounts and the extent to which those accounts should be examined by audit will be such as may be agreed upon between the Government and the Accountant-General/Director Audit and Accounts (Works).
10. The procedure prescribed by the Auditor-General for raising and pursuance of audit objections in relation to expenditure shall apply mutatis mutandis in respect of audit objections on any accounts of stores and stock. Where necessary, separate rules of procedure shall be laid down by the Accountant-General/Director, Audit and Accounts (Works) with the concurrence of Government.

ANNEXURE A

[Referred to in note below rule 15.10]

The administration of the furniture grants of the official residences of the Governor, Punjab, including the up-keep of a stock list and the purchase, repair and maintenance of furniture shall be conducted by the Military Secretary who would furnish the Accountant-General, Punjab, with an annual certificate of verification in the form given below. During

the second and fourth year of the incumbency of the Governor and at least once in every three years the certificate of verification should be countersigned by an officer of the Public Works Department in token of his joint responsibility for the actual verification.

Form of Certificate of Verification

Certified that all furniture in Government House, Lahore, has been inspected and checked with stock lists maintained. I am satisfied (i) that all new supplies up-to-date have been correctly brought on the stock lists, (ii) that the stock lists are correct in all respects (iii) that the articles in stock agree with the stock lists, (iv) that the sale-proceeds have been properly accounted for and (v) that sanction of competent authority exists for writing off all articles struck off the stock lists.

ANNEXURE B

(Referred to in rule 15. 21)

Accounts of Stores and Stocks, the audit of which has been entrusted to the Auditor-General under paragraph II (2)(b) of the Pakistan (Audit and Accounts) Order, 1973.

(A) General

1. Accounts of opium at treasuries.
2. Accounts of stamps at treasuries.
3. Accounts of Stores, i.e., stock including manufactures and workshop accounts, tools and plant, materials-at-site and road metal in the Public Works Department.
4. Accounts of Government Farms, including Implement Depots-
 - i. Risalwala Farm No. 12, Faisalabad.
 - ii. Risalewala Farm No. 15, Faisalabad.
 - iii. Sugar Cane Botansit PAR-1, Faisalabad.
 - iv. Agronomist, Faisalabad.
 - v. Agriculture Chemist I & II, Faisalabad.
 - vi. Fodder Botanist, Faisalabad.
 - vii. Fruit Specialist, Faisalabad.
 - viii. Entomologist PAR-1, Faisalabad.
 - ix. Plant Physiologist, Faisalabad.
 - x. Vegetable Botanist, Faisalabad.
 - xi. Cereal Botanist, Faisalabad.

- xii.** Agronomist (Livestock) Management Specialist,
Faisalabad.
- xiii.** Seed Multiplication Farm, Faisalabad.
- xiv.** Plant Pathologist, Faisalabad.
- xv.** Oil Seed Botanist, Faisalabad.
- xvi.** Fruit Farm, Bahawalpur.
- xvii.** Vegetable Farm, Bahawalpur.
- xviii.** Agriculture Research Station (Economic Botanist),
Bahawalpur.
- xix.** Agriculture Research Station (Tobacco), Bahawalpur.
- xx.** Horticulture Section, Bahawalpur.
- xxi.** Agriculture Sub-section, Bahawalpur.
- xxii.** Agriculture Farm, Chak 108/P, Rahimyar Khan.
- xxiii.** Agriculture Farm, Chak 101/ Rahimyar Khan.
- xxiv.** Government Sugar Farm, Khanpur District, Rahimyar
Khan.
- xxv.** Cotton Botanist, Khanpur.
- xxvi.** Assistant Botanist Sugarcane, Khanpur.
- xxvii.** Cotton Botanist, Multan.
- xxviii.** Seed Farm, Vehari.
- xxix.** Seed Farm, Chak 81-82/10-R, Khanewal.
- xxx.** Seed Farm, Chak 86-87/10-R, Khanewal.
- xxxi.** Seed Farm Darkana, District Multan.
- xxxii.** Seed Farm Fazalpur, District Dera Ghazi Khan.
- xxxiii.** Seed Farm Layyah Mandi, District, Muzaffargarh.
- xxxiv.** Seed Farm Pattal Mandi, District Muzaffargarh.
- xxxv.** Seed Farm Ahsanpur.
- xxxvi.** Livestock Experiment Station Rakh Khaniwali, District
Muzaffargarh.
- xxxvii.** Agriculture Farm Jhang.

- xxxviii.** Kala Shah Kaku Rice Farm.
- xxxix.** Government Seed Farm Chilianwali, District, Gujrat.
- xl.** New Seed Farm, Sargodha.
- xli.** Seed Farm, Rakh Rapre, District Sargodha.
- xlii.** Seed Farm, Rakh Uttra, District Sargodha.
- xliii.** Seed Farm, Khushab, District Sargodha.
- xliv.** Seed Farm, Sultana Gardens, Jauharabad.
- xlv.** Seed Farm, Chak 13/DB, District Sargodha.
- xlvi.** Seed Farm, Chak 65/DB, District Sargodha.
- xlvii.** Seed Farm, Chak 25/MB, District Sargodha.
- xlviii.** Seed Farm, Kalurkot, District Mianwali.
- xlix.** Seed Farm, Piplan, District Mianwali.
- i.** Seed Farm, Chak 2, District Mianwali.
- ii.** Seed Farm, Chak I/ML, District Mianwali.
- iii.** Seed Farm, Chak 18/TDA, District Mianwali.
- liii.** Livestock Experiment Station, Qadirabad, District Sahiwal.
- liv.** Livestock Experiment Station, Bahadur Nagar.
- lv.** Seed Farm, Shergarh, District Sahiwal.
- lvi.** Government Agriculture Station, Sahiwal.
- lvii.** Seed Farm, Fatna (Muhammad Nagar), District Sahiwal.
- lviii.** Maize Botanist, Yusafwala.
- lix.** Seed Farm, Iqbal Nagar, Chak 86/0-R, District Sahiwal.
- lx.** Agriculuture Farm, Rawalpindi.
- lxi.** Horticulturist (Potato Seed), Rawalpindi.
- lxii.** District Agriculture Farm, Attock.

5. Accounts of receipts and stores of District and Central Jails including Jail Depots, Jail Factories and all Jail maintenance accounts of receipts and stores.

6. Receipt and stock accounts of workshops—

Agricultural College Workshop, Faisalabad.

7. Receipt and stock accounts of Bagh-e-Jinnah, Lahore.

8. Receipt and Stocks Accounts of Industrial and Commercial Institute:-

- i. Quinine Agency, Lahore.
- ii. Government Railway Technical School.
- iii. Government Dyeing School, Shahdara.
- iv. Government Demonstration Weaving Factory, Shahdara.
- v. Government Metal Working Institute, Sialkot.

9. Principal Hospitals including Mental Hospital :-

- i. The Albert Victor and Mayo Hospitals, Lahore.
- ii. The Mental Hospital, Lahore.
- iii. Lady Willingdon Hospital, Lahore.
- iv. Dental Hospital and College, Lahore.

(B) Special list of accounts of stores and stock or receipts. Accounts of receipts as well as of stores of :-

1. Pakistan Law Reports, Punjab.
2. Arts and Crafts Depots, Lahore.
3. Government Demonstration Weaving Factory, Shahdara.
4. Central Jail, Lahore.
5. Central Jail, Sahiwal.
6. Central Jail, Multan.
7. Borstal Institution and Jail, Bahawalpur/Lahore.
8. New Central Jail, Multan.
9. King Edward Medical College, Lahore.
10. Agriculture Engineering, Faisalabad.
11. Punjab Vaccine Institute, Lahore.
12. Government Press and Book Depot, Lahore.

13. Central Museum, Lahore.
14. Registrar of Firms, Lahore.
15. Registrar, Joint Stock Companies, Lahore.

ANNEXURE "C"

[Referred to in rule 15.9 (3)]

INSTRUCTIONS REGARDING THE MAINTENANCE OF ACCOUNTS OF STORES/EQUIPMENT AND MATERIAL, ETC., PROCURED OUT OF FOREIGN LOANS/CREDITS/GRANTS.

- i. The Project Authority/Agencies who place orders for the supply of equipment, machinery and commodities against any allocation from foreign loans/credits or grants should maintain shipment-wise details of the supplies received against each order placed for such supplies or other stock or stores registers, etc., on which supplies are taken. They shall be responsible for watching the receipt of supplies against each order/indent placed by them and verifying that the quality and quantity of supplies received are in accordance with the orders placed; Any shortages or damages which come to light shall be scrutinized to determine whether a claim in respect thereof can be lodged with the supplier, Shipping Company or the Insurance Company. Such claims should be promptly lodged with the party responsible for the loss and pursued vigorously till finally settled or recovery of the amount involved is made. If recovery from the party is not possible the loss should be got written off under orders of competent authority after proper investigation and fixation of responsibility for the loss.
- ii. The accounts of utilization of foreign aid, both grants and loans received shall be kept by the executing authorities in the form in this Annexure. The amount of each foreign loan/credit or each allocation made therefrom or grant from any country or Agency shall be maintained separately so that the value of imports made against each Project Implementation Order or allocation of foreign loan or credit or grant from any foreign country or Agency may be readily available.
- iii. The disbursements on account of "services", etc., shall be entered in column 13 of the form in this annexure as soon as this is known.
- iv. In column 17 reference to the entries made in Stores and Stock Registers on receipt of the material shall be given.
- v. The Major, Minor and detailed heads of account under which the Rupee Value of the supplies received against each foreign loan/credit or allocation therefrom or grant from any foreign sources is to be accounted for in Government Accounts shall be entered on the right hand top of the form in this annexure.
- vi. The entries in the accounts Shall be made promptly as and when the transaction originates and all documents connected with the imports and utilization of a foreign loan/credit/grant shall be kept in safe custody, until the accounts of such transactions are finally closed and locally audited.

- vii.** If the accounts of foreign aid already maintained do not indicate the information required in the form referred to in this annexure, the accounts shall be recasted with the help of Bills of Lading, Invoices and Purchase orders, etc.

P.L.O.C/PA NO.

Country /Agency Allocation

Name of Project Grant/Foreign Loan/credit NO.

Project No. Major, Minor and Detailed

Heads of Account.

ORDERS							PLACED
Sr. NO.	Month	No. & date of Order/ contract	No. & date of L.C established	Bank	Amount (foreign Currency)	Nature of material	Invoice No. & date
1	2	3	4	5	6	7	8

Note 1.--- The disbursement on account of "Services" should be entered in col. 16.

VALUE							RECEIVED	
B/L No. and Date	Name of vessel and date of arrival	Value of foreign currency	Freight/insurance in foreign currency	Other charges in foreign currency including services	Total in foreign currency	Equivalent amount in U.S. Dollars	Rupee equivalent	How accounted for
9	10	11	12	13	14	15	16	17

¹[ANNEXURE 'D']***[Referred to in Note 3 below rule 15.2(d)]***

While making local purchases, the following instructions should be observed in addition to those given in Chapter XV of these rules :-

a) Unless a rate or running contract exists for the supply of the articles, or unless the value of the order to be placed is small, or unless there are sufficient reasons, which should be recorded in writing, to indicate that it is not in the public interest to call for tenders (such reasons, to be confirmed by the next superior controlling authority within one week after the decision), purchases should be made by inviting tenders and tenders should be obtained by:

- i.** advertisement (open tender);
- ii.** direct invitation to a limited number of firms (limited tender); and
- iii.** invitation to one firm only (single tender or private purchase).

b) The open tender system, i.e., invitation to tender by public advertisement, should be followed in all cases where the expenditure exceeds the local purchase powers of a sanctioning authority.

c) Upto the local purchase powers of a sanctioning authority the limited tender system should be adopted subject to the following conditions :--

- i.** it does not involve foreign exchange;
- ii.** the indent is not split up; and
- iii.** at a time the prescribed limit of local purchase is not exceeded during one year.

d) The 'single tender' system may be adopted for small orders,, or when the articles required are of a proprietary character and competition is not considered necessary. A 'small order' shall mean an order the total value of which does not exceed Rs. ²[2500]. In all such cases, however, the purchasing office should consider whether it would not be feasible to enter into a rate or running contract for the articles in question or to avail of the running contract entered into by the Directorate of Industries & Mineral Development (Supply Wing)].

¹ Information in Col. 17 should indicate reference to the relevant account records such as stores and stock registers, etc.

² Words subs. For '250' vide Notification No. FD(FR)-II-2/89(P), dated 1st June, 1995.

CHAPTER XVI**WORKS****I. -- INTRODUCTORY****16.1**

a) The execution of works, other than those in the Forest Department and those in connection with the building under the administrative control of the civil departments using them, is mainly carried out by the Public Works Department, and is regulated by the rules in the Financial Handbook No. 3 (Departmental Financial Rules relating to Public Works and Forest Departments), Public Works Department Cede (Second Edition) and Accountant Code, Volume III.

NOTE.---The authorities competent to accord Administrative approval to works executed by the Public Works Department and to accord technical sanctions are given in Delegation of Powers under the Financial Rules and the Powers of Re-appropriations Rules, 1962.

b) A competent authority may, subject to such restrictions as it may think fit to impose, assign to the departmental officers concerned the execution of petty works in connection with the buildings under the Administrative Control of the Public Works Department.

c) The Forest Department executes its own work instead of entrusting them to the agency of the Public Works Department. Such works are provided for in the Forest Department budget and the detailed rules regarding the preparation of plans and estimates and the maintenance of accounts are contained in the Punjab Forest Manual, Volume II.

16.2 A constructional work, the estimated cost of which is to exceed Rs. 10,000.00, should not be entrusted for execution to outside firms or contractors by Departments other than the Public Works Department without previously consulting the Finance Department. Furthermore, when it is considered expedient for some special reasons, that such a work appertaining to a department other than the Public Works Department should be carried out by departmental agency, the Public Works Department should be given an opportunity of advising whether the proposed course is desirable or not.

It is also necessary that there should be some provision for the more careful scrutiny and examination of the contracts and agreements for works, the estimated cost of which exceeds Rs.10,000.00, and which are to be entrusted for execution to outside firms or contractors by Departments other than the Public Works Department before they are finally executed. Accordingly, all such contracts (and agreements to make contracts) should also be seen in the Finance Department. That Departments will see that legal and professional advice is taken.

1. This rule does not apply to works, the cost of which does not exceed Rs. 10,000.00 and which certain Heads of Departments have the power to execute themselves. In respect of such work the contracts and agreements need not be sent to the Finance Department.

II.-- WORKS EXECUTED BY CIVIL OFFICERS

(a) Classification

16.3 The following principles govern the incidence of expenditure on the execution by civil officers of works, petty construction and repairs. [See also Article 33 of Account Code, Volume I]:-

When the building is under the Administration control of the public works Department and no assignment to the Civil Department using it has been made.	The entire expenditure is debited to the grant of the public works Department under the major head concerned.
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When the building is under the Administration control of the public works Department and an assignment has been made to the Civil Department using it.	The expenditure is treated as "Works" expenditure of the Civil Department Concerned.
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When the building is under the Administration control of the Department using it.	The Expenditure is treated as "Work" expenditure of the civil department concerned
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(b) Procedure for the execution of works and the incurring of expenditure

16.4 Expenditure on Works falling under class I of Rule 16.3 is generally governed by the rules of the Public Works Department and the civil officers act merely/as agents of the Public Works Department.

16.5

a) In respect of works falling under class II of Rule 16.3 both the administration and execution devolve upon the officers of the civil department concerned and the forms and procedure relating to expenditure on such works are determined by the Director, Audit and Accounts (Works) generally on the principles underlying the Public Works system as prescribed in Account Code, Volume III, and Financial Handbook No. 3 (Departmental Financial Rules relating to the Public Works and Forest Departments) for similar transactions of the Public Works Department. [See Article 4 of Account Code, Volume III]. The guiding principles laid down by the Director, Audit and Accounts (Works) on this subject are given in Appendix 24.

1. The actual procedure followed by the various departments in respect of works assigned to them is given in the Department rules or orders of the Department concerned.

b) For every work a properly detailed estimate should be prepared and administrative approval and technical sanction of the competent authority obtained.

NOTE.---Administrative approval for petty works and repairs is not required except where it is specifically prescribed.

16.6 In the case of expenditure falling under class III of Rule 16.3 when the expenditure is Rs. 2,500.00 or less the general procedure to be followed and the forms to be used in connection therewith will be those that are adopted in the case of

contingent charges. As regards the works costing more than Rs. 2,500.00, the procedure relating to works expenditure in the Public Works Department is generally adopted by civil officers.

III. -- PUBLIC BUILDINGS AND LANDS

16.7

a) No building may be purchased or sold or dismantled except with the sanction of the competent authority.

Detailed rules regarding fixtures and furniture in public buildings, purchase and sale of Government buildings, hire of office accommodation, register of buildings and residences for Government servants, as given in the Public Works Department Code (Second Edition) and the Financial Handbook No. 3 (Departmental Financial Rules relating to the Public Works and Forest Departments) in respect of the buildings maintained by that Department, apply mutatis mutandis to the buildings maintained departmentally by other departments.

b) Any Government land or other immovable property can be sold or made over to a local authority for public, religious, educational or any other purpose only with the sanction of the competent authority.

Detailed rules for the sale and acquisition of land are given in the Public Works Department Code (Second Edition) and in Part I of Appendix 17 to this Handbook.

c) The transfer of lands between the Federal and Provincial Governments is regulated by Article 152 and 173 of the Constitution of Islamic Republic of Pakistan. These articles together with certain subsidiary instructions issued By the Federal Government are reproduced in Part II of Appendix 17.

d) When any land or building is transferred from one Department to another under the Punjab Government the transfer shall be free of charge. When land or building is transferred from or to a Commercial Department of the Punjab Government other than the Irrigation Department the following charges shall be made—

i. In the case of land-

a) no charge where the land is borne on the books at no value, and

b) book or market value whichever is less where land is valued on the books.

ii. In the case of buildings at book value.

When land or buildings are transferred to or from the Irrigation Branch of the Punjab Public Works Department from or to another Punjab Government Department, the full market value will be charged.

CHAPTER XVII

BUDGET

I.-- INTRODUCTORY

17.1 Detailed rules defining the responsibility and laying down the procedure for the preparation of budget estimates, prescribing the forms of the estimates and of grants, relating to power of re-appropriation, control over expenditure, and other budget matters generally appear in the Punjab Budget Manual.

II. -- APPROPRIATION OF FUNDS NECESSARY TO MAKE SANCTIONS TO EXPENDITURE EFFECTIVE

17.2. Sanction to the expenditure of money becomes operative only when funds have been appropriated to meet such expenditure, and does not become operative until they have been so appropriated.

There are, thus two elements necessary before public-money can be spent on any object or work :—

1. There must be an act of sanction of an authority competent to sanction.
2. There must be an act of appropriation of funds for the purpose by an authority competent to appropriate.

NOTE.—In the Public Works Departments in the case of charges against suspense accounts, any expenditure which is not expected to cause an excess over the net provision for the year, may be held to be covered thereby.

17.3. Sanction to recurring expenditure covering a specified period becomes operative when funds are appropriated to meet the expenditure of the first year, and remains in operation till the end of the specified period subject to appropriation in each year.

17.4. In dealing with recurring expenditure disbursing officers must not only take the precautions indicated in rules 17.2 and 17.6 to 17.11 below as regard its initiation, but also those indicated in rule 173 as regards its close. Sanction to recurring expenditure terminates "

a) with the expiry of its specified term whether continuously or in broken periods; disbursing and controlling officers are, therefore, responsible for maintaining a check register of recurring temporary sanctions showing when each expires;

b) when funds are no longer appropriated.

17.5. No orders involving additional expenditure in the ensuing financial year can be issued after 15th February, vide paragraph 1.14 of the Punjab Budget Manual (Fifth Edition).

17.6. It follows from the foregoing rules—

- a) that it is not sufficient merely to have sanction of competent authority to the expenditure; for example, the entertainment of a clerk may be sanctioned from the 1st July next, but he must not be entertained until the budget has been passed and the requisite funds , communicated;
- b) that it is not enough merely to have funds for a specific items of expenditure (such as the entertainment of a clerk passed in the budget). The expenditure must also be sanctioned by competent authority.

III. -- COMMUNICATION OF BUDGET ALLOTMENTS

- 17.7.** The act of appropriation of funds requires the communication of the budget allotment or supplementary allotments or re-appropriation in the manner laid down in the Punjab Budget Manual.

No appropriation is conveyed merely by the inclusion of an item of expenditure in the revised estimates.

IV. -- INDICATION OF SOURCE OF APPROPRIATION IN THE SANCTION TO EXPENDITURE

- 17.8.** Authorities who sanction expenditure after funds have been communicated should be careful to indicate the source of appropriation.
- 17.9.** Where it is desired to sanction expenditure before funds have been communicated (as may be necessary in order to avoid delay in starting work at the beginning of a new financial year or to prevent duplication of orders), the authority who does so should be careful to add the words "subject to funds being communicated in the budget of the year....."
- 17.10.** If a Government servant receives a sanction to expenditure which does not either indicate the source of appropriation or state that the sanction is subject to appropriation, it is his duty to refer the case back for orders.
- 17.11.** The expression "subject to budget provision" should be carefully avoided in conveying sanctions as it has an ambiguous sense. It is necessary to "provide" for expenditure in the budget, but to do so conveys no guarantee that it will be "provided" in the sense that it will be granted.

V. -- APPLICATION FOR SANCTION TO EXPENDITURE

- 17.12.** In all applications for sanction to expenditure it should be distinctly stated whether provision for the proposed charge has, or has not, been made in the budget estimates of the year, and, if it has not been made, whether the funds can be found by re-appropriation.

VI. -- INCURRING OF EXPENDITURE IN ANTICIPATION OF FUNDS.

- 17.13.** Strictly speaking, no expenditure should be incurred after the 1st July until the budget has been communicated. The only relaxations permitted are:-

- i. Bills for pay and other charges duly sanctioned for the month of June and previous months may be paid in anticipation of communication of the budget.
- ii. Similar expenditure may also be incurred in emergent cases during the months of July and August in anticipation of communication of the budget allotment, provided such expenditure does not exceed the average monthly expenditure of the previous year.

NOTE 1.—This relaxation should not be regarded as a relaxation of the rule contained in paragraph 10.6 of the Punjab Budget Manual (Fifth Edition) under which the Heads of Departments are required to carry out the distribution of the grant not later than the 1st August, in each year.

NOTE 2.—For rules regarding the incurring of expenditure in the Public Works and Forest Departments in anticipation of Funds see Financial Hand Book No. 3 (Departmental Financial Rules relating to Public Works and Forest Departments).

VII. -- EXPENDITURE NOT PROVIDED FOR.

- 17.14.** Expenditure for which no provision has been made in the budget estimate of the current year should rarely, if ever be incurred. If, on account of exceptional reasons, which is either not provided for in the budget " current year or is in excess of the budget incurred, and, if the authority incurring the a position to find funds by re-appropriation, made for the provision of funds as laid Punjab Budget Manual.

VIII. -- INCURRING OF EXPENDITURE IN EXCESS OF THE PROVISION IN THE ESTIMATE

- 17.15.** No Government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the heads concerned, and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

IX. -- INEVITABLE PAYMENTS AND GENERAL RULES FOR PAYMENTS AGAINST SANCTIONED GRANTS.

- 17.16.** An appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year. Any unspent balance lapses and is not available for utilization in the following year.

NOTE.---The financial year closes on the 30th June. After that date all cash and stock transactions are treated as pertaining to the following year, but bona fide transfer entries are permissible for some months.

- 17.17.** Notwithstanding the provisions of rule 17.2 to 17.6 and 17.13 to 17.15 the want of provision in the estimates does not operate to prevent payment of any sum really due by Government. It is no economy to postpone inevitable payment. It is very important to ascertain, provide for in the budget estimates, liquidate and record the payment of all actual obligations at the earliest possible date.

17.17. (A) Every Disbursing Officer shall maintain a register of liabilities in P.F.R. Form No. 27 in which he should enter all those items of expenditure for which:--

- i. Payment is to be made by or through another officer;
- ii. Budget allotment or sanction of a higher authority is to be obtained; or
- iii. Payment would be required partly or wholly during the next financial year or years.

17.18. Under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year [vide Rule 2.10 (b)(3)]. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means; but on no account may charges be actually incurred in one year and thrown on the grant of another year.

17.19. It is also not permissible to draw advances from the treasury [vide Rule 2.10 (b) (5)] to prevent the lapse of appropriations.

X. --PROVISION FOR EXPENDITURE IN RESPECT OF A WORK UNDERTAKEN BY ONE DEPARTMENT ON BEHALF OF ANOTHER

17.20. The department responsible for providing the funds should intimate to the department undertaking the work the sanctioned grant within which the expenditure is to be incurred, and the department incurring the expenditure should be made responsible for seeing not only that grant is not exceeded, but also that any anticipated savings therein are notified and surrendered in time. In cases where an excess is anticipated, the department incurring the expenditure should be held responsible for seeing that the grant for the work is appropriately increased by the employing department before the excess is actually incurred.

CHAPTER XVIII

POWERS OF SANCTION

I. -- POWERS OF VARIOUS AUTHORITIES IN THE MATTER OF FINANCIAL SANCTIONS

(i) Powers of Administrative Departments

- 18.1** The powers of administrative departments for according financial sanctions are regulated by the following provisions:-
- i. No Department shall, without previous consultation with the. Finance Department, authorize any orders (other than orders pursuant to any general delegations made by the Finance Department) which, either immediately or by their repercussions, will affect the finance of the Province or which, in particular, either-
 - a) relate to the number of gradings or cadres or the emoluments of posts or to any other conditions of service of posts which may have financial implications; or
 - b) involve any grant of land or assignment of revenue or concessions, grants, lease or license of mineral or forest rights or a right to water power or any easement or privilege in respect of such concessions; or
 - c) in any way involve any relinquishment of revenue.
 - ii. Except to the extent that power may have been delegated to Departments under Rules approved by the Finance Department, every order of an Administrative Department conveying a sanction to be enforced in audit should be communicated to the audit authorities by the Finance Department.

(ii) Powers of Subordinate Authorities

- 18.2** The extent to which powers to sanction expenditure have been delegated to the Administrative Departments, Heads of Departments and other subordinate authorities is given in "Delegation of Powers under Financial Rules and Powers of Re-appropriation Rules, 1962.
- 18.3** *[Deleted]*.

II. -- POWERS IN REGARD TO CERTAIN SPECIAL MATTERS

(i) Write off of Losses

18.4

- a) A competent authority may write off finally the irrecoverable value of stores or public money lost by fraud or negligence of individuals or other causes.
- b) All sanctions to write off of losses should be communicated to the Accountant-General/Director, Audit and Accounts (Works) for scrutiny and for bringing to notice any defects of the system which appear to require attention.

NOTE 1.---*Losses of money out of treasury balances should not be written off except with the specific sanction of the Finance Department.*

This applies also to losses of cash in transit.

NOTE 2.—*This rule applies also to losses of revenue and irrecoverable advances. [See Rule 10.10 and 10.27].*

NOTE 3.—*The expression "value of stores" used in this rule should be interpreted as meaning "book value" where priced accounts are maintained and "replacement value" in other cases.*

COMMENTS

Loss-Recovery of According to the case of Mrs. S.R. Malik v. Secretary to Government of Punjab Education Department, the charges in show-cause notice not relating to recovery of any alleged loss. Penalty of stoppage of increment and recovery of amount alleged as loss, in circumstances, held, not sustainable. Exact nature of alleged loss to assess personal responsibility of accused not having been conveyed, case, held, fit for condonation and writing off loss. **1982 P L C (CS) 175.**

(ii) Remission of Disallowances

18.5 A competent authority may waive the recovery of an amount disallowed in audit. On receipt of the order, for waiving the recovery the Accountant-General/Director, Audit and Accounts (Works) will withdraw the objection.

III. -- COMMUNICATION OF SANCTIONS

18.6

i. The Accountant-General/Director, Audit and Accounts (Works) is entitled to receive a copy of the orders sanctioning expenditure from the authority which is competent to accord that sanction. So every sanctioning authority is responsible to see that all sanctions and orders relating to receipts and expenditure, revision of scales, creation or abolition of appointments, etc., etc., against which audit is to be conducted by the Accountant-General/Director, Audit and Accounts (Works) are communicated to them in accordance with the following procedure :-

a) If the order is issued by the Administrative Departments, the Heads of the Departments and other subordinate authorities to whom the powers have been delegated under the "Delegation of Powers under Financial Rules and Powers of Re-appropriations Rules, 1962", by them.

b) In other cases, orders will be conveyed under the endorsement to Secretary to Government in the Finance Department to whom the Administrative Department will send a copy of the sanctioning orders for communication to the Accountant-General/Director, Audit and Accounts (Works).

NOTE.---*The term "Secretary" used in clause (b) above includes an "Additional Secretary", "Joint Secretary", "Deputy Secretary", and Section Officer.*

- ii. In cases referred to in clause (b) above, i.e., where the Administrative Department is not empowered to sanction the expenditure, if an order sanctioning the expenditure is sent to the Accountant-General/Director, Audit and Accounts (Works) direct by the Administrative Department and not through the Finance Department the Accountant-General/Director, Audit and Accounts (Works) will not refuse obedience but will report to the Finance Department that such an order has been issued and request that it may be communicated to him by the Finance Department in the ordinary course.

NOTE.---For communication of orders affecting the emolument, posting leave, etc., of Government Servants. [See Rule 5.11].

- 18.7 As audit of expenditure on works is conducted against technical sanctions, orders conveying such sanctions must be communicated to the Director, Audit and Accounts (Works) by the Branch of the Public Works Department concerned or, in case where execution of works has been assigned to any Department other than the Public Works Department, by the Department concerned, and should be conveyed independently of the communication of administrative approval. In order to facilitate audit scrutiny the authorities concerned should invariably quote the reference to administrative approval when they communicate technical sanction to the Director, Audit and Account (Works).

NOTE.---Technical sanction to a work shall be accepted in audit if it exceeds the amount of the administrative approval by a sum not exceeding 10 per cent.

- 18.8 All letters or memoranda conveying sanction to the grant of additions to pay, such as special pay and compensatory allowance, should contain a brief but clear summary of the reasons for the grant of the additions so as to enable the Accountant-General to see that it is correctly classified as special pay or compensatory allowance, as the case may be. In cases in which an official record in an open letter is considered undesirable the reasons for the grant of such additions to pay should be communicated confidentially to the Accountant-General. A similar procedure should also be followed in all other cases in which the rules require that reasons for the grant of special concessions or allowances should be recorded.
- 18.9 Sanctions accorded by Government to grants of land and alienations of land revenue other than those in which assignments of land revenue are treated as cash payments should be communicated to the Accountant-General a consolidated monthly return giving the details necessary for enabling him to audit the sanctions accorded.
- 18.10 In all letters conveying sanctions to new grants-in-aid, the sanctioning authorities should invariably quote the rule under which the sanction has been accorded. Where a sanctioning authority imposes any further restrictions or conditions in addition to those laid down in the rules such restrictions or conditions should also be clearly set forth in the letter.

IV. --SIGNING OF SANCTIONS

- 18.11** All letters or orders sanctioning expenditure, appointments, etc., must be signed by the sanctioning authority personally, or by an officer of his office authorised to sign for him.

NOTE.—In respect of sanctions accorded by the Government see also rule 18.6 (i) and the note below it.

V.-- DATE OF EFFECT OF SANCTIONS

- 18.12** Statutory Rules made by the Government of Pakistan have effect from the date in which they are passed and executive orders issued by the President take effect from the date of issue of the dispatch, letter or telegram in which the sanction is conveyed. A sanction of any other authority has effect from the date of the orders conveying the sanction. In all cases these rules are subject to any special provisions as to the date of effect in the rules, orders or sanctions themselves.

NOTE.---See also rules 17.7, 17.3,17.5 and 17.6. 18.13. Powers derived from a delegation cannot be exercised by the recipient of the delegated powers from a date earlier than the delegation.

VI. -- LAPSE OF SANCTIONS AND ADMINISTRATIVE APPROVAL

- 18.14** A sanction or an administrative approval for any fresh charge which has not been acted on for two years must be held to have lapsed, unless it is specially renewed with necessary provision in the budget estimate. [See also rule 17.4]. Thus if a scheme administratively approved in the year 1972-73 for inclusion in the Schedule of New Expenditure for the year 1973-74 is cut from the .Schedule by the Cabinet, it can be included in the Schedule of New Expenditure for the next year, viz., 1974-75 without fresh administrative approval. If, however, no funds are provided for the scheme even in the budget for the year 1974-75 the administrative approval originally conveyed will need renewal before the scheme can be included in the Schedule of New Expenditure for the year 1975-76.

NOTE.—This rule does not apply to a case where allowance sanctioned for a post or a class of Government servants has not been drawn by a particular incumbent of the post or a particular set of Government servants, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

18.15

- a)** The sanction to the incurring of expenditure (recurring or non-recurring) accorded within the Financial Year under the powers delegated by the Finance Department will lapse on 30th June. In the case of establishment charges when payments are made on monthly basis the sanction will expire on the last day of May of the financial year in question, unless sanction covers a broken period of the month of June, payment for which can under the rules be made in the month of June.

aa) [The Finance Department may in its discretion regulate any class of nature of a financial transaction, i.e. receipts or payments in such a manner so as to conform to certain deadlines within the financial year, regardless of the prescribed period of the financial year.]

b) When sanction to the incurring of recurring expenditure is accorded under the powers delegated by the Finance Department for a specified period within the financial year, and expires after the period specified, in any case before the close of the financial year or in the case of establishment charges paid on monthly basis, on the last day of May, unless the sanction covers a broken period of the month of June. In such cases renewals may be made without any restrictions.

c) The sanction to incurring of recurring expenditure accorded under the powers delegated by the Finance Department for a specified period not limited to the financial year, will not extend beyond the termination of the specified period.

d) In respect of all sanctions described in sub-clause (a), (b) and (c) it is the duty of audit to report to Finance Department renewals extending beyond the limits laid down.

18.16 A sanction accorded by the President in the absence of any indication to the contrary in the order itself, will lapse only if and when it is superseded by an order of later date.

CHAPTER XIX

Consent Order.....[Deleted].

CHAPTER XX

Delegation Orders.....[Deleted].

THE AUDITOR GENERAL'S (FUNCTIONS, POWERS AND TERMS AND CONDITIONS OF SERVICE) ORDINANCE, 2001

(ORDINANCE XXIII OF 2001)

An Ordinance to determine the terms and conditions of service, the terms of office and the powers and functions of the Auditor General of Pakistan.

F. No. 2 (1)/2001-Pub.Islamabad, the 17th May, 2001.---The following Ordinance made by the President is hereby published for general information: -

WHEREAS it is expedient to determine the terms and conditions of service, the term of office and the powers and functions of the Auditor General of Pakistan and for matters connected therewith or incidental thereto;

AND WHEREAS the National Assembly and the Senate stand suspended in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance: -

1) Short Title, Extent And Commencement:-

1. This Ordinance may be called the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001.
2. It extends to the whole of Pakistan.
3. It shall come into force on the first day of July, 2001.

2) Definitions: -

1. In this Ordinance, unless there is anything repugnant in the subject or context: -

a) "Accounts", in relation to commercial undertakings of a Government, includes trading, manufacturing and profit and loss accounts and balance sheets and other subsidiary accounts;

b) "Auditor General" means the Auditor General of Pakistan, appointed under Article 168 of the Constitution of the Islamic Republic of Pakistan;

c) "Controller General of Accounts" means the Controller General of Accounts, appointed under the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001.

- d) **“Regulations”** means regulations made under this Ordinance and
- e) **“Rules”** means rules made under this Ordinance.
- 3) **Salary, Pension etc.** The salary, pension and other terms and conditions of service of the Auditor General shall be as provided in the Schedule to this Ordinance.
- 4) **Term Of Office:** - The Auditor General shall, unless he sooner resigns or is removed from office in accordance with the Constitution, hold office for a fixed term of five years from the date on which he assumes such office or he attains the age of sixty five years whichever is earlier.
- Explanation:-** For the purpose of this section, the term of five years in respect in respect of the Auditor General holding office immediately before the commencement of this Ordinance shall be computed from the date on which he had assumed office.
- 5) **Resignation:** - The Auditor General may, at any time, by writing under his hand addressed to the President, resign his office.
- 6) **Leave:** -
1. The Auditor General may be granted leave on such terms and conditions as the President may, by order published in the official Gazette, prescribe.
 2. The Power to grant or refuse leave to the Auditor General, and revoke or curtail leave granted to him, shall vest in the President.
- 7) **Auditor General To Certify Accounts:** - The Auditor General shall, on the basis of such audit as he may consider appropriate and necessary, certify the accounts, compiled and prepared by Controller General of Accounts or any other person authorized in that behalf, for each financial year, showing under the respective heads the annual receipts and disbursements for the purpose of the Federation, of each Province and of each District, and shall submit the certified accounts with such notes, comments or recommendation as he may consider necessary to the President or the Governor of a Province or the designated District Authority, as the case may be.
- 8) **Provisions Relating To Audit:** -The Auditor General shall: -
- a) audit all expenditure from the Consolidated Fund of the Federation and of each Province and to ascertain whether the moneys shown in the accounts as having been disbursed were legally available for, and applicable to the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it;
 - b) audit all transactions of the Federation and of the Provinces relating to Public Accounts;
 - c) audit all trading, manufacturing, profit and loss accounts and balance sheets and other subsidiary accounts kept by Order of the President or of the Governor of a Province in any Federal or Provincial department; and

d) audit, subject to the provisions of this Ordinance, the accounts of any authority or body established by the Federation or a Province, and in each case to report on the expenditure, transactions or accounts so audited by him.

9) Audit Of Receipts And Expenditure Of Holders Of Authorities Substantially Financed By Loans And Grants: -

Where any body or authority is substantially financed by loans or grants from Consolidated Fund of Federal Government or of any Province or of any District, the Auditor General shall, subject to the provisions of any law for the time being in force applicable to the body or authority, as the case may be, audit the accounts of that body or authority.

Explanation: - Where the loans or grants to a body or authority from the Consolidated Fund of Federal Government or of any Province or of any District in a financial year is not less than five million rupees and the amount of such grant or loan is not less than fifty percent of the total expenditure of that body or authority, such body or authority shall be deemed, for the purposes of this section, to be substantially financed by such loans or grants, as the case may be.

10) Auditor General To Give Information And Undertake Studies, etc.

The Auditor General shall, in so far as the accounts enable him so to do, give to the Federal Government, the Provincial Government and the District Government as the case may be, such information and to undertake such studies and analysis as they may, from time to time, require.

11) Functions Of Auditor General In The Case Of Grants Or Loans Given To Other Authorities Or Bodies: -

1. Where any grant or loan is given for any specific purpose from the Consolidated Fund of Federal Government or of any Province or of any District to any authority or body, not being a foreign state or international organization, the Auditor General may scrutinize the accounts by which the sanctioning authority satisfies itself as to the fulfillment of the conditions subject to which such grants or loans were given and for this purpose have the right of access, after giving reasonable previous notice, to the books and accounts of that authority or body:

Provided that the President, the Governor of a Province or the authority of a District, as the case may be, is of the opinion that it is not necessary to do in the public interest.

2. While Exercising the powers conferred on him by sub – section (1), the Auditor General shall not have right of access to books and accounts of any authority or body if the law, by or under which such authority or body has been established, provides for the audit of the accounts of such authority or body by an agency other the Auditor General.

12) Audit Of Receipts Of Federation Or Of Provinces Or Of Districts: -

The Auditor General shall audit all receipts which are payable into the Consolidated Fund or Public Account of the Federal Government and of each Province and in the accounts of each District and to satisfy himself that all such receipts which are payable into the Consolidated Fund, Public Account or any District account have been properly and correctly deposited and rules and procedures relating to which receipts are being fully observed and the systems are in place to ensure proper assessment and collection of Government receipts.

13) Audit On Accounts Of Stores And Stock:-

The Auditor General shall have authority to audit and report on the accounts of stores and stock kept in any office or department of the Federation or of a Province or of a District.

14) Powers Of Auditor General In Connection With Audit Of Accounts: -

1. The Auditor General shall, in connection with the performance of his duties under this Ordinance, have authority.

a) to inspect any office of accounts, under the control of the Federation or of a Province or of a District, including treasuries and such offices responsible for the keeping of initial or subsidiary accounts:

b) to require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection; and

c) to enquire or make such observations as he may consider necessary, and to call for such information as he may require for the purpose of the audit.

2. The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

3. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, application to such person.

15) Audit Of Companies And Corporations Established In The Public Sector: -

1. The Auditor General shall perform functions and exercise powers in relation to the audit including supplementary audit of the accounts of the public sector companies in accordance with the provisions of the Companies Ordinance 1984 (XLVII of 1984).

2. The duties and powers of the Auditor General in relation to the audit of the accounts of corporations (not being companies) established by, or under law shall be performed and exercised by him in accordance with the provisions of the respective laws.

3. The Governor of a Province or the District authority may, where he is of opinion that it is necessary in the public interest so to do, request the Auditor General to audit the accounts of a corporation established under provincial law and where such request has been made, the Auditor General shall audit the accounts of such corporation and shall have, for the purpose of such audit, right of access to the books and accounts of such corporation.

16) Audit Of Accounts Of Certain Authorities Or Bodies: -

Save as otherwise provided in section 11 where the audit of the accounts of any body or authority has not been entrusted to the Auditor General by or under any law, he shall, if requested so to do by the President, or the Governor of a Province as the case may be, undertake the audit of the accounts of such body or authority and shall have for the purposes of such audit, right of access to the books and accounts of that body or authority.

17) Power To Dispense With Detailed Audit: -

The Auditor General may dispense with, when circumstances so warrant, any part of detailed audit of any accounts or of transactions and to apply such limited check in relation to such accounts or transactions as he may determine.

18) Delegation of power:-

Any power exercisable by the Auditor General under the provisions of this Ordinance, or any other law may be exercised by such officer of his department as may be authorized by him in this behalf by general or special order.

19) Budget Provisions:-

The Auditor General shall have the full powers to incur expenditures within the budgetary provisions.

20) Power To Amend The Schedule:-

The Federal Government may, by notification in the official Gazette, amend the Schedule so as to add any entry thereto or modify omit any entry therein.

21) Power To Make Rules:-

The President may, by notification in the official Gazette, make rules for carrying out the purpose of the Ordinance.

22) Power To Make Regulations:-

The Auditor General may, with the previous approval of the Federal Government, by notification in the official Gazette, make such regulations not inconsistent with the provisions of this Ordinance and the rules made thereunder, as he may consider necessary or expenditure for carrying out the purpose of this Ordinance.

23) Repeal:-

The Pakistan (Audit and Accounts) Order, 1973 (P.O. 21 of 1973), is hereby repealed.

THE SCHEDULE**[See Section 3]****PAY, ALLOWANCES AND PENSION**

The Auditor General shall be:

- a)** paid a salary which is twenty percent higher than the maximum salary payable to an officer in Basic Pay Scale 22;
- b)** entitled to all such benefits including entitlement pertaining to travel, as are admissible to a Minister of State; and
- c)** paid, for each completed year of service, a pension at the rate of twelve thousand rupees per annum;

Provided that a person entering into the office of Auditor General of Pakistan who was previously under Government service, shall stand retired from Government service and shall be entitled to pension earned during that service;

Provided further that no provision herein contained shall have effect so as to give a person who, immediately before the date of assuming office as the Auditor General, was in the service of Government less favourable terms in respect of any of the matters aforesaid than those to which he would be entitled as a member of the service to which he belonged;

Provided also that the Auditor General holding office immediately before the commencement of this Ordinance may opt for the provisions of the Pakistan (Audit and Accounts) Order 1973 (P.O. 21 of 1973) pertaining to pension leave, retirement from service, or entitlements if they are more favourable to him and the provisions of the said Order shall accordingly apply.

FOR REFERENCE

Chapters 1, 2, 3, 4, 5 & 6 of Account Code, Vol. I are given for ready Inference for the readers.

CHAPTER 1

FUNCTIONS OF THE AUDITOR-GENERAL IN RELATION TO ACCOUNTS

Auditor-General's powers under the Government of India Act, 1935, as adopted by the Pakistan (Provisional Constitution) Order, 1947 and the Auditor and Accounts Order

- 1) The Auditor-General of Pakistan derives ;his powers and duties in relation to the accounts of the Federal Government and of the provinces from Section 168 of the Government of India Act, 1935, as adapted by the Pakistan (Provisional Constitution) Order, 1947 and the Government of India (Audit and Accounts) Order, 1936. The relevant provisions of the Order defining the Auditor-General's powers and duties in relation to accounts are reproduced below:—

"11)

3. Subject to the provisions of this paragraph, the Auditor-General shall be responsible for the keeping of the accounts of the Federation and of each Province other than accounts of the Federation relating to defence or railways.

4. As respects Accounts of the Federation, the President, exercising his 'individual judgment, and as respects accounts of a Province, the Governor, exercising his individual judgment, may, after consultation with the Auditor-" General, make provisions by rules for relieving the Auditor-General from responsibility for the keeping of the accounts of any particular service or ; department.

5. The President exercising his individual judgment, may after consultation with the Auditor-General make provision by rules relieving the Auditor-General from responsibility for keeping accounts of any particular class or character.

6. The Auditor-General shall, from the accounts kept by him and by the other persons responsible for keeping public accounts, prepare in each year accounts (including, in the case of accounts kept by him, Appropriation Accounts) showing the annual receipts and disbursements for the purposes of the Federation and each Province distinguished under the respective heads thereof, and shall submit those accounts to the Federal Government, or as the case may be, to the Government of the Province on such date as he may, with the concurrence of the Government concerned,

7. Notwithstanding anything in this paragraph, the Auditor-General shall comply with any general or special orders of the President or, as the case may be, a Governor as to the head of account under which any specified transaction or transactions of any specified class is, or are, to be included.

In issuing any such order as aforesaid the President or Governor shall exercise his individual judgment after consulting the Auditor-General.

- 12) It shall be the duty of the Auditor-General to prepare annually, in such form as he with the concurrence of the Governor-General may determine, and to submit to the Governor-General a General Financial Statement incorporating a summary of the accounts of the Federation and of all the Provinces for the last preceding year and particulars of their balances and outstanding liabilities, and containing such other information as to their financial position as the President may direct to be included in the Statement.
- 13) *[Deleted]*.
- 14) *[Deleted]*.
- 15) It shall be the duty of the Auditor-General, so far as the accounts for the keeping of which he is responsible enable him do to so, to give to the Federal Government and to the Government of every Province such information as they may from time to time require, and such assistance in the preparation of their annual financial statements as they may reasonably ask for.
- 16) The Federation and every Province shall:--
 - i. *[Deleted]*.
 - ii. give to him such information as he may require for the preparation of any account or report which it is his duty to prepare.
- 17) The Auditor-General shall have authority to inspect any office of accounts in India which is under the control of the Federation or of a Province, including treasuries and such offices responsible for the keeping of initial or subsidiary accounts as submit accounts to him.
- 18) *[Deleted]*.
- 19) Anything which under this Order is directed to be done by the Auditor-General may be done by an officer of this department authorised by him, either generally or specially:
- 20) Provided that except during the absence of the Auditor-General on leave or otherwise, an officer shall not be authorised to submit on his behalf any report which the Auditor-General is required by the Act to submit to the Governor-General or the Governor of a Province".

Auditor-General's powers under the Initial and Subsidiary Accounts Rules

2) The Initial and Subsidiary Accounts Rules made by the President under subparagraph (3) of paragraph 11 of the Audit and Accounts Order (vide Appendix I) relieve the Auditor-General from the responsibility for keeping accounts of a specified class or character without derogating from his power to prescribe the form in which such accounts shall be rendered to him and in which the initial accounts from which the accounts so rendered are compiled or on which they are based shall be kept. The relevant provisions of these rules are reproduced below:--

3. The Auditor-General shall be relieved from the responsibility for keeping accounts of the under-mentioned class or character:-

- a)** Initial Accounts required to be kept in treasuries;
- b)** Initial and Subsidiary Accounts that may be required to be kept in any office or department of the Federation, or, as the case may be, of any Province;
- c)** accounts of stores and stock that may be required to be kept in any office or department of the Federation or of a Province by order of the President or of the Governor of the Province; and
- d)** Trading, Manufacturing and Profit and Loss Accounts and Balance Sheets and any other subsidiary accounts that may be required to be kept by order of the President or of the Governor of a Province in any department of the Federation or of the Province.

4. Nothing contained in Rule 3 shall be construed as derogating from the "authority of the Auditor-General :--

a) to require any treasury, office or department keeping initial or subsidiary accounts to render accounts of such transactions as are included in them to the audit and account offices under his control on such dates as he may determine; or

b) to prescribe the form in which such accounts shall be rendered and in which the initial Accounts, from which the accounts so rendered are compiled or on which they are based, shall be kept".

3) By virtue of the provisions of Section 168 of the Act, the Auditor-general is empowered, with the approval of the President to prescribe the form of initial accounts from which the accounts rendered to the Pakistan Audit Department [are compiled or on which those accounts are based. Any changes or modifications in the form of initial accounts would, under section 168 of the Apt, normally (require the approval of the President. In order to avoid the inconvenience of having to refer any and every modification in the form of initial accounts to the President (for approval, general provision has been made in rule 4(b) of the Initial and subsidiary Accounts Rules cited in the preceding Article, enabling the Audit General to prescribe the form of initial accounts. In practice, however, Auditory-General will exercise his power under the Initial and Subsidiary Account Rules only to make modifications or amendments in the form of initial account which follow directly

from the changes made in the form of the general account which are not inconsistent with the form of those accounts as, approved by President.

- 4) For the sake of practical convenience, the forms of accounts including appropriation accounts, relating to Defence, Railways and any other Department Service whose accounts are not kept by the Auditor-General under paragraph 11 of the Audit and Accounts Order may be determined by the department account authorities. The provisions of Section 168 of the Act and of paragraph 4(b) of Initial and Subsidiary Accounts Rules will be deemed to have been satisfied if forms so determined are not questioned by the Auditor-General-CM/n-Govern General.

Appropriation Accounts

- 5) The form of Appropriation Accounts which the Auditor-General required to prepare under paragraph 11(4) of the Auditor and Accounts Order not dealt within this Code. The instructions relating to the preparation & submission of such accounts by Accountants-General are included in the Au Manual issued by the authority of the Auditor-General. The object of the accounts is to relate expenditure brought into account during a financial year to several items specified in the schedules of authorised expenditure authentic under section 35 or Section 80 of the Act. As no special process of accounting involved in the preparation of Appropriation Accounts they should be regarded complementary to the accounts of annual receipts and disbursements referred to paragraph 11(4) of the Audit and Accounts Order.

NOTE.—[Deleted].

- 6) ***[Deleted].***

CHAPTER 2

GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS

Public Accounts of the Federal and Provincial Governments

- 7) The Federal Government and each Provincial Government ha separate Public Accounts of their own into which moneys received on account the revenues of the Federal Government or of the Province as defined in Section 136 of the Act are paid or credited and from which all disbursements of or behalf of the Federal Government or of the Province are met. The procedure to followed for the payment into, and the withdrawal, transfer or disbursement moneys from, the Public Account and for the custody of moneys standing in that account is regulated by the rules made by the President or the Governor of the Province under section 151 of the Act. These rules include provisions to secure that the moneys received on account of the revenues of the Federal Government or of fee Province shall, with such exceptions as may be specified in them, be paid into (be Public Account of the Federal Government or of the Province concerned.

NOTE.—[Deleted].

- 8) Save as may be specifically provided in any case, cash balances in the separate Public Accounts of the Federal Government and of each Province are either held in a Government treasury or kept with the Bank.

Account of the Federal and Provincial Governments with the Bank

- 9) The Federal Government and each of the Provincial Governments have made separate agreements with the State Bank of Pakistan by virtue of which the General banking business of these Governments (in which business is included the receipt, collection, payment and remittance of moneys on behalf of Government) is carried on and transacted by the Bank in accordance with and subject to the provisions of the agreement and of the State Bank of Pakistan Order, 1948 and in accordance with the subject to such orders as may from time to tune be given to the link by the Federal Government or the Provincial Government, as the case may Federal or Provincial Government business is transacted at any of the offices, Branches or agencies of the Bank for the time being in existence as may from time to time be so directed. The Federal Government, as a general rule, operates on every office and branch of the State Bank of Pakistan and on every branch of the penal Bank of India throughout Pakistan acting as the agent of the State Bank. The operations of each Province are confined to the offices and brandies of the two banks which have been designated as falling with in the area of that particular Province. The receipts and payment of moneys on behalf of a Province outside its jurisdiction are ordinarily arranged through the Accountant-General of the Province which the transactions take place.
- 10) Each office or branch of the State Bank keeps two separate accounts of b transactions undertaken by it on behalf of Government-one for the transactions of the Federal Government and the other for the transactions of the Provincial Government within whose area it is situated. All transactions which mot be debited

or credited directly to the account of the Federal Government with the Bank are taken to the account of the Government of the Province in which they occur so that this account will include as well the transactions relating to other provinces. Separate statements of transactions in their Federal and Provincial Government accounts together with all supporting vouchers, etc., are transmitted [each office and branch of the Bank daily to the Treasury Officer or to the Accountant-General, as the case may be. At the close of each month the balances of the two accounts are transferred to the Central Accounts Section of the State at Karachi.

NOTE.—[Deleted].

- 11) Each branch of the Imperial Bank of India transacting Govern business as agent of the State Bank classifies the daily receipts and disbursements on behalf of Government in two groups. Federal and Provincial, the latter embracing transactions not only on behalf of the Province in which Bank is situated but also on behalf of other provinces. Separate statements of transactions o Federal Government and of those taken against the provincial account forwarded by each branch daily with supporting vouchers to the Local Trez Officer or to die Accountant-General, as the case may be. The totals of transactions are also reported by the Bank at the close of each day to the Ce Accounts Section of the State Bank through the Central Accounts Office 01 Imperial Bank at Karachi.

NOTE.—[Deleted].

- 12) Complete accounts of the Federal Government and of each of the Provincial Governments with the Bank are maintained by the Central Accounts Section of the State Bank at Karachi which also acts as a General Clearing H for the adjustment of transactions between different Governments. All adjustments to be made between the account of the Federal Government and that of a Province or between the accounts of different provinces as well as all payments which Government has to make to another are advised by the Account Officers authorised in this behalf to the Central Accounts Section of the State Bank which will pass the necessary entries in the accounts of the Governments concerned maintained in the books of the Bank. Details of transfers effected in its books against the balance of the Provincial Government or of the Federal Government, as the case may be, on account of adjustments advised by different Account Officers are communicate the Central Accounts Section of the Bank to the Accountants-General concerned at the close of each day. At the close of the accounts of each month a statement of closing balance of each Government on the books of the Bank after taking into account all cash transactions in all the offices, branches and agencies of the Bank and the adjusting transactions in its own books is forwarded by the Central Accounts Section to the Accountant-General concerned.

Transactions of the Governments in Provincial Treasuries

- 13) Cash balances held in a Provincial treasury form part of the Public Account of the Province to which the treasury belongs. The Treasury Rules issued by each Governor under section 151 of the Act, however, provide that moneys may be received and payments may be made on behalf of the Federal Governments and other Provincial Governments by a Provincial treasury situated at a place where

the treasury business is not conducted by the Bank, such receipts and payments being taken in the first instance against the cash balance of the Province concerned, On receipt of intimation of such transactions through the monthly Treasury Account or otherwise the Accountant-General makes the requisite adjustments through the Federal Accounts Section of the State Bank against the balances of the Central Government or other Provincial Governments held by the Bank. Moneys paid or received in the office of the Accountant-General on behalf of another Province and book entries made in the office of the Accountant-General affecting the accounts of another Province or the Federal Government will likewise be adjusted by the Accountant-General through the Central Accounts Section of the State Bank against the balances of the Federal or Provincial Government, as the case may be. But see Article 16(2).

Provincial transactions in Central Treasuries

- 14) Cash balances held in the treasuries of the Federal Government including treasuries under the control of the Governor-General situated in Pakistan or in Centrally Administered areas form part of the Public Account of the Federal Government. Transactions on behalf of Provincial Governments arising in these treasuries are taken against Central balances in the first instance and are subsequently adjusted by the Accountant-General against the balances of the province concerned through the Central Accounts Section of the State Bank. General Outlines of the System of Accounts
- 15) The general outlines of the system of accounts of the Federal and Provincial Governments, briefly stated, are as follows:-
 - a) All receipts in Pakistan on behalf of the Federal and Provincial Governments are paid into a treasury or the Bank. Except as provided in clause (b) below, the initial accounts of such receipts are maintained at the treasury.
 - b) Receipts realised in the Railway, Defence, Posts and Telegraphs, public Works, Forest and any other departments which may be authorised in this behalf are paid into a treasury or the Bank in lump and are accounted for at the treasury merely as receipts on behalf of such departments. The detailed accounts of such receipts are kept by the departmental officers concerned.
 - c) Payments in Pakistan on behalf of the Federal and Provincial Governments are ordinarily made either at a treasury or the Bank; some departmental officers are, however, authorised to withdraw sums in lump from a treasury or the Bank for making payments. In the former case, the initial accounts of payments are kept at the treasury. In the latter case such accounts are maintained by the departmental officer concerned.

The accounts referred to in this clause do not relate to the account maintained by Government servants in respect of expenditure incurred from permanent advances.

- d) At the beginning of each month each Accountant-General receipt from the treasuries under his jurisdiction monthly accounts supported by

requisite schedules, vouchers, etc., in respect of the transactions which took place in the treasury during the previous month.

"All Provincial and those Central treasuries, which render accounts Provincial Accountants-General, submit a double set of accounts, one transaction of the Provincial Governments and the other for the transactions of Federal Government. Central treasuries, which render accounts to the Account General, Pakistan Revenues, furnish however, only a single account, in which transactions on behalf of Provincial Governments are accounted for under appropriate Remittance head pending adjustment against the balances of Province concerned.

e) Officers of the Civil Departments who pay their receipts into or withdraw moneys for, expenditure from, the Public Account in lump submit detailed accounts of their transactions to their respective Account Officers. Some Departmental Officers are required to render to the Account Officer compiled accounts with suitable abstracts of their transactions classified under prescribed heads of accounts.

f) From the accounts furnished by Treasuries and Civil Departmental Officers, Departmental Classified Abstracts are compiled by the Civil Account Officers showing the monthly receipts and payments pertaining to each Department for the whole account circle classified under the relevant major, minor and detailed heads. Separate Classified Abstracts are maintained for each Department, each group of small Departments or each major head or group of major heads of account not relating to any particular department or departments according to local convenience. The transactions adjustable against a department or against a major head not relating to any particular department which are intimated to the Account Officer by another Account Officer as well as all book adjustments against a departmental or other major head which are initiated in the Account Office itself are also incorporated in the relevant Departmental Classified Abstracts so that the latter may include monthly all transactions of whatever nature connected with receipts and payments pertaining to each department or major head of account. From these classified abstracts, separate Departmental Consolidated Abstract showing the progressive totals month by month under major, minor and detailed heads of revenue receipts and service payments are compiled. Separate Consolidated Abstracts are maintained for each Departmental or Major head of account or for a group of Departments or Major heads of account as may be found convenient.

The Departmental Classified Abstracts and the Departmental Consolidated Abstracts for the Central Departments are, compiled separately from those for Departments, of the Provincial Government.

g) The transactions relating to debt and Remittance heads appearing in the Treasury Cash Accounts and Lists of Payments, and in the Departmental and other Abstracts are collected for the whole circle of account under each head of account from month to month in a Detail Book. From the figures in the detail Book, the Consolidated Abstract of debt and Remittance transactions is prepared showing the progressive total smooth by month under each major head in the Debt and Remittance Section of the accounts as well as

under such minor and detailed heads as may be found necessary. Separate Detail Books and Consolidated Abstracts are compiled for Central and Provincial transactions.

h) The final stage of compilation is the preparation of the Abstract of f Major head totals showing the receipts and disbursements by major heads during and to end of the month from the Departmental Consolidated Abstracts and the Consolidated Abstracts of Debt and Remittance transactions. From these Consolidated Abstracts are also compiled the monthly and the annual accounts of the Federal and Provincial Governments.

The cash balance of each Government in the books of the Accountants-General at the close of the month will then be reconciled with the balances shown in the Cash Accounts rendered by Treasury Officers and with the statements of closing balances received from the Central Accounts Section of the State Bank.

i) Departmental Officers of the Posts and Telegraphs and Railway Departments submit accounts of their transactions to the respective Posts and Telegraphs and Railway Account Officers. The Posts and Telegraphs and Railway Account Officers render their monthly accounts to the Auditor-General, and the Financial Adviser, Communications respectively and these two officers consolidate die accounts of the entire transactions of these two departments. The accounts of fee Defence Services as a whole are compiled by the Military Accountant-General on the basis of particulars of receipts and disbursements furnished by the various Defence Account Officers.

j) A copy of the monthly accounts of each Provincial Government is submitted to it by the Accountant-General concerned. The Accountant-General, Pakistan Revenues, receives from each Civil Account Office an abstract of the account of the transactions of the Federal Government compiled by it for each month and these accounts together with the accounts for the month prepared in his office are consolidated into a single monthly account for submission to the Federal Government. The Auditor-General, and the Financial Adviser, Communications submit the consolidated monthly accounts of the Posts and Telegraphs and the Railway departments respectively to the Federal Government.

k) Each Civil Account Officer works out the progressive figures during the year of the Central and Provincial Accounts of his circle. On closing the' accounts for March (Final), the Central and Provincial accounts of each circle for transactions of the whole year are submitted by each Civil Account Officer to the Auditor-General.

l) The consolidated annual accounts of the Railways and Defence Services are submitted to the Auditor-General by the Financial Adviser, Communications .and the Military Accountant-General respectively.

Accounts between different Account Circles

1. Transactions in one account circle which are adjustable in the accounts of another circle are passed on month by month to the latter for adjustment through one or the other of the following accounts :--

i. Exchange Accounts.

ii. Settlement Accounts.

2. All transactions arising in the accounts of a defence or Postal and Telegraphs Account Officer which are adjustable in the books of a civil or a non-civil Account Officer (including a Railway Account Officer) are passed on through the Exchange Accounts, if any such transaction has to be adjusted against the balance of a Provincial Government, the money settlement in respect of it is effected by the Accountant-General of the Province to whom the transaction is passed. Civil Account Officers utilise the media of Exchange Accounts for passing on transactions of the Federal Government which are adjustable on the books of other Account Officers including Railway Account Officers. Book transactions arising in the Central Section of the accounts of a Civil Account Officer which are adjustable in the account of a Province kept by another Account Officer are also passed on through Exchange Accounts so that the latter Account Officer may adjust the transaction against the balance of the Province. The general procedure relating to Exchange Accounts is described in Chapters 7 and 10 of Volume IV of this Code.

3. ***[Deleted]***.

4. Transactions initially taken against the balance of a Province which are eventually adjustable against the balance of another Province are passed on to the Accountant-General of the latter Province through the Settlement Accounts and the money settlement between the two Provinces in respect of such transactions is effected by the Accountant-General of the former province through the Central Accounts Section of the State Bank. The procedure connected with the adjustment of transactions passed through the Settlement Accounts is described in Chapter 8 of Volume IV of this Code.

5. In respect of transactions originating in their accounts which are adjustable against the balances of a Provincial Government, the Accountant-General, Pakistan Revenues, and the Deputy Accountant-General, Industries Supplies and Food, effect the necessary money settlement through the Central Accounts Section of the State Bank, the transactions being passed by them through the head "Adjusting Account between Federal and Provincial Governments". Transactions pertaining to Provincial Governments are also settled direct with the Bank through the head "Adjusting Account between Federal and Provincial Governments". An account of the transactions passed through this head is furnished by these Account Officers to the Provincial Accountant-General or Comptroller concerned for final adjustment. This account falls under the category of Settlement Accounts mentioned in clause (4) above.

6. Transactions of the Federal and Provincial Governments in the United Kingdom except those representing genuine sterling assets and liabilities of the

Federal Government are passed on to Pakistan monthly through the Account Current between England and Pakistan for adjustment under appropriate heads of accounts in the books of the various Account Officers in Pakistan. The detailed procedure which is followed in Account Offices in regard to the adjustment of these transactions is described in Chapter 16 of volume IV of this Code.

7. The monthly Central and Provincial accounts of each account circle thus include not only the receipts and disbursements of the circle but also receipts and expenditure in the United Kingdom and all credits and debits passed on to it for adjustment by other account circles in Pakistan.

NOTE.—The term "Account Current" may be used in a general sense to include the different classes of accounts mentioned in this Article as well as the accounts with Foreign Governments and Pakistan States. An account Current purports to be an extract from the books of the officer who despatches it, and to show the amounts he had passed to debit or credit of the other party to the account, with any necessary explanations of the credits, and with documents supporting the debits.

Annual Finance Accounts of the Federal and Provincial Governments

17) The annual accounts of each Provincial Government and the Appropriation Accounts are submitted to the Governments of the respective provinces in pursuance of the provisions of paragraph 11(4) of the Audit and Accounts Order. These annual accounts, which are known as the Finance Accounts, are prepared by each Provincial Accountant-General, as soon March Final accounts are closed, in a form prescribed by the Auditor-General with the approval of the Governor-General, and submitted to the Auditor-General for approval and transmission to the Governor of the Province concerned—vide Chapter 21 of volume IV of this Code. The Finance Accounts of the Federal Government which are required to be submitted by the Auditor-General to the Federal Government under the provisions of the Audit and Accounts Order aforesaid are prepared by the Accountant-General, Pakistan Revenues.

The Appropriation Accounts of the Central Civil Departments and of the Posts and Telegraphs Department are prepared by the Accountant-General Pakistan Revenues, and the accountant-General, Posts and Telegraphs, respectively and submitted by the Auditor-General to the Governor-General. The Appropriation Accounts of Railways and of the Defence Services are prepared by the Accounting Authorities of those Departments under the direction of the Railways Division Financial Adviser (Communication) and the Financial Adviser, Military Finance, respectively.

Combined Finance and Revenue Accounts of the Federal and Provincial Governments in Pakistan

18) Besides the Annual Finance Accounts of the Federal Government, Auditor-General is also required to submit to the Governor-General annually under paragraph 12 of the Audit and Accounts Order a General Financial Statements incorporating a summary of the accounts of the Federal Government and of all the provinces for

the last preceding financial year in such form as he with concurrence of the Governor-General may determine. This General Financial Statement, which is called the Combined Finance and Revenue Accounts of Federal and Provincial Governments in Pakistan, presents the transactions of all the Governments side by side classified under the several major and minor heads of accounts classification, thus incidentally enabling a comparison to be made for statistical or other purposes of the receipts and expenditure of the several Governments pertaining to each branch of administration or to activities of a similar nature. [See also Chapter 21 of volume IV of this Code.]

Pro forma Accounts

- 19) The operations of some departments of Government sometimes including undertakings of a commercial or a quasi-commercial character, e.g., an industrial factory or a store. Even though these may be maintained almost entirely for the benefit of the department, it is still necessary, that the financial results of the undertaking should be expressed in the normal commercial form so that the cost of the service or undertaking may be accurately known. This implies the maintenance of suitable Capital, Manufacturing, Trading and Profit and Loss accounts and as the Government system of accounts, being on a purely cash basis, is unsuitable for such commercial accounts, these are usually kept on & pro forma basis outside the general accounts of Government. The actual transactions entering these pro forma accounts, except those adjusted on a liability basis, find a place primarily in the regular accounts and the commercial accounts are additional as well as separate. These pro forma accounts are maintained by the Departmental authorities themselves in such form as may be agreed upon between the Auditor-General and the Government concerned.

Certain pro forma accounts relating to Irrigation, Navigation, Embankment and Drainage projects and Government residential buildings are required to be prepared by Civil Account Offices. Pro forma accounts are also sometimes required to be prepared for transactions which do not relate to commercial or quasi-commercial undertakings of Government; e.g., transactions of the Famine Relief Fund. The form in which any pro forma accounts are prepared in Accounts Offices is determined by the Auditor-General in consultation with the Government concerned.

Journal and Ledger

- 20) The accounts of Government are based in the main on the single entry system and the double entry system is applied only in regard to the maintenance of a set of technical accounts called the Journal and Ledger. The main purpose of the Journal and Ledger is to bring out by a scientific method the balances of accounts in regard to which Government acts as a banker or remitter or borrower or lender. Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with the balances brought out in the double entry accounts. Provincial Accountants-General maintain separate Journals and Ledgers for transactions of the Federal Government and of the Provincial Government. The Auditor-General also maintains a Journal and Ledger for Central transactions which is posted from the final accounts of each year received from all Account Officers in Pakistan.

CHAPTER 4

DIRECTIONS REGULATING INTER-DEPARTMENTAL TRANSFERS

Introductory

55) The directions in this Chapter shall regulate the conditions under which a department of a Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government concerned.

NOTE.—[Deleted].

56) 56. In the case of transactions between two Governments, adjustment shall always be made if required by or under the provisions of the Act; and otherwise, in such manner and to such extent as may be mutually agreed upon by the Governments concerned.

57) [Deleted].

Adjustments with outside bodies

58) Payment shall be required in all cases where a department of a Government renders service or makes supplies to a non-Government body or institution or to a separate fund constituted as such inside or outside the Public Account, unless Government by general or special order gives directions to the contrary. Relief in respect of payment for services or supplies given to any body or fund, should ordinarily be given through a grant-in-aid rather than by remission of dues.

Inter-departmental adjustments

59) For purposes of inter-departmental payments, the departments of a Government shall be divided into Service Departments and Commercial departments according to the following principles:--

A. **Service Departments.**—These are constituted for the discharge of those functions which either (a) are inseparable from and form part of the idea of Government, or (b) are necessary to, and form part of, the general conduct of the business of Governments—Examples of the first class are:—

the departments of Administration of Justice, Jails and Convict Settlements, Police, Education, Medical Public Health, Forest, Defence.

Examples of the second class are:—

the departments of Survey, Government Printing, Stationery, Public Works (Building and Roads Branch), Supply and Development Department.

B. **Commercial Departments or Undertakings.**—These are maintained mainly for the purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform

functions which are not necessarily Governmental functions. They are required to work to a financial result determined through accounts maintained on commercial , principles.

NOTE.—Government has the powers in respect of these directions to decide whether a particular department or particular activities of a department shall be regarded as a Commercial department or undertaking. A list of departments and undertakings at present recognised by the Federal Government as commercial is given in the annexure to this chapter. Lists of commercial concerns of the Provincial Governments will be found in the Manuals, etc., of the Governments concerned.

- 60) Save as expressly provided in this Chapter, a Service Department shall not make charges against another department for services or supplies which fall within the class of duties for which the former department is constituted.

The following exceptions to the rule in this Article have been authorised:--

- a) The Forest Department may charge any other department for vegetable, animal or mineral products extracted from a forest area.
- b) Payment must ordinarily be made for convict labour as in the case of that supplied to the Public Works and other departments of Government but no charge shall be made for convict labour in the case of works undertaken by the Public Works Department which are treated as Jail Works.
- c) The cost of additional Police Guards supplied to Irrigation or other project while under construction, may be debited to the project concerned.
- 60) A commercial department or undertakings shall ordinarily charge and be charged for any supplies and services made or rendered to, or by, other departments of Government.

This Direction may be applied to particular units or particular activities of any department even though the department as a whole may not be a Commercial department. Such a unit or activity shall ordinary charge for its services or its supplies to, and may likewise be charged by, either the department of which it forms a part or any other department.

NOTE 1.—See as otherwise provided in this Chapter, service rendered by a Service Department falling under clause A(a) of Article 59 in the normal discharge of its functions shall not be regarded as service rendered for the purposes of this Article.

NOTE 2.—The supply of residential accommodation by one department to the employees of another shall not for the purposes of the Directions in this Chapter be held to constitute a service rendered. In all such cases, the rent charged for residential accommodation will be the rent recoverable under the rules for the time being in force from the persons actually using such accommodation.

- 62) Where one department makes payment or renders service as an agent of another department of the same Government the principal department may, subject to such monetary limit as may be fixed by Government in this behalf, be debited with the expenditure incurred on its behalf by the agent department.

NOTE 1.—The cost of land acquired by a Civil department on behalf of the Public Works Department is debitable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when land is taken up by two or more Service Departments conjointly, the cost is wholly debitable to the department for which the major portion of expenditure was incurred, unless there are special reasons to the contrary.

NOTE 2.—When a special officer is employed for the acquisition of land for any department, the expenditure on pay, allowances, etc., of the special officer and his establishment and any expenditure on contingencies is debitable to that department as part of the cost of land. When the land is taken up by a Civil Officer, not specially employed for the work, only special charges incurred in connection with the acquisition of the land on establishment, contingencies, etc., shall be borne by the department for which the land is acquired.

- 63) Without prejudice to the general principle contained in Article 60, the Defence Services, shall, in respect of inter-departmental transactions, charged and be charged for services rendered and supplies made to or by other departments, unless in particular cases or classes of cases, Government in consultation with the Auditor-General have decided that the inter-departmental adjustment would be unsuitable and undesirable.

NOTE 1.—The Defence Services shall not be required to pay rent for office accommodation supplied by the Public Works Department in central buildings in any station in Pakistan, nor shall rent be charged for buildings of the Defence Services in any station in Pakistan occupied by departments of the Federal Government other than those falling under clause B of Article 59.

NOTE 2.—The Defence Services also shall not be required to pay for the use of the Government Civil aerodromes and for other incidental services rendered by the Civil Aviation Department to Royal Pakistan Air Force planes, nor shall the Civil Aviation Department be charged, as a reciprocal arrangement, for the use of the aerodromes of the Royal Pakistan Air Force by the Civil Aircrafts.

- 64) A branch of a Service Department performing duties supplementary to the main function of the department and intended to render particular services on payment, may levy charges in respect of the work for; which it has been constituted.

Jail Manufacture, Survey Map-publishing, Printing (Publishing Department), Mint (Miscellaneous Services other than Coinage).

- 65) A branch of a department constituted for the subsidiary service of that department, but employed to render similar service to another department, may charge that other department, e.g. --

Workshops of a department, Mathematical Instrument Office, Dockyards

- 66) A regularly organised store branch of a department should ordinarily charge any other department for supplies made; but petty and casual supplies of stores may if the supplying department consents, be made without payment.
- 67) Notwithstanding anything contained in the Directions in this Chapter, a Government may, for special reasons which shall be recorded and communicated to the Accountant-General, permit inter-departmental adjustment in any case where such adjustment may be considered necessary in the interests of economy or of departmental control of expenditure.

General

- 68) Where under the Directions in this Chapter payment is required to be made by one department of a Government to another, such payment may, if the case so requires or if otherwise deemed necessary, include adequate charge for supervision or other indirect expenditure connected with the service or supply for which payment is made.
- 69) Payments of amounts due by one department of Government to another shall ordinarily be made by book transfer except when such transfers do not suit the methods of accounts or of business adopted by the receiving department.
- 70) *[Deleted]*.
- 71) Any question of doubt or dispute arising in connection with the interpretation of the Directions in this Chapter will be decided by the Auditor-General with the approval of the Governor-General.

ANNEXURE

List of departments and undertakings recognised by the Federal Government as Commercial (vide Note under Article 59).

(This list does not purport to be exhaustive and may be modified by Government where necessary in consultation with the Accountant-General).

1. Posts and Telegraphs.
2. Railways
3. Irrigation, Navigation, Embankment and Drainage Works for which capital and revenue accounts are kept.
4. The Radio Pakistan.

5. The Radio Publications
6. Pakistan Lighthouse Administration (Headquarters and Lighthouse District).
7. Salt Revenue Branch of the Department of Central Excise and Salt.

CHAPTER 5

DIRECTIONS REGULATING THE EXHIBITION OF RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS

Introductory

- 72) The Directions in this Chapter shall regulate the exhibition of recoveries of expenditure in Government accounts.

In these directions the term 'recovery' means repayment by another Government, department or an outside body or person of expenditure initially borne by a Government Department and recorded as such in its accounts.

Recoveries from private persons or bodies, Pakistan and Governments outside

Pakistan.

- 73) Recoveries from private persons or bodies (including local funds, Pakistan and Governments outside Pakistan) should, as a general rule, be treated as revenue and not as deduction from expenditure.

Exceptions

- i. When a Government undertakes a service merely as an agent of a private body, so that the entire cost of the service is recovered from the body, the net cost to government being *nil*, the recoveries may be taken in reduction of expenditure.
- ii. Recoveries of expenditure on works in progress and transactions in stock and other suspense accounts:-

The technical estimates take cognisance of all anticipated receipts from sale proceeds of materials, plant, etc., received from the old structure, while the receipts under "Stock and Suspense" are by their very nature inseparable from the expenditure recorded under the main head. The recoveries falling under these two categories should therefore be treated as reduction of gross expenditure.

Recoveries by one Government from another

- 74) As between two or more Governments the following directions shall regulate the classification of recoveries :-
- a) If the recoveries represent debits to another Government of expenditure which was so debitable from the moment it was sanctioned, they should not be treated as revenue of the Government effecting the recoveries but as deductions from expenditure.
 - b) In the case of joint establishment, where the expenditure is not shared by two or more governments ab initio but is incurred by one of the Governments and partially repaid by the others, the repayment, if made while the

accounts of the year are still open, 'should be treated as deduction from expenditure.

c) Recoveries of the classes falling under (a) and (b), if not effected within the accounts of the year in which the expenditure was incurred, should be treated as revenue.

Exception —In cases where the recovery is made on the basis of the calendar year instead of the financial year, the whole amount of the recovery may be treated as reduction of expenditure though a portion of it relates to expenditure incurred during the previous financial year.

d) Recoveries on account of commuted value of pensions effected from other Governments should be treated as deductions from, expenditure.

e) All other recoveries should be credited as revenue of the recovering Government, whenever they are received.

Recoveries by one department from another department of the same Government

75) As between different departments of the same Government, the recoveries should be treated as deduction from the gross expenditure, except such recoveries as are made by a Commercial Department, which should be treated as receipts of that department.

NOTE 1.—The term "recoveries by a Commercial Department" for the purpose of this Direction shall apply to recoveries in respect of services rendered to other departments in pursuance of the proper functions for which the department is constituted, that is to say, in the case of the Posts and Telegraphs Department, recoveries shall be treated as receipts only when they are made in respect of Postal, Telegraph or Telephone services rendered to the other departments. Where, however, a Commercial department acts as an agent of another department for the discharge of functions not germane to the essential purpose of the department, the recoveries shall be taken in reduction of expenditure.

NOTE 2.—Recoveries made from another department, if not effected within the accounts of the year in which the expenditure was incurred, should be treated as revenue and not as deduction from expenditure, unless the latter course is authorised by provision in the budget estimates.

Receipts and recoveries on Capital Account

76) Notwithstanding anything to the contrary that may be provided by or under the Directions in this Chapter, receipts and recoveries on Capital Account is so far as they represent recoveries of expenditure previously debited to a Capital major head shall be taken in reduction of expenditure under the major head concerned except where under the rules of .allocation applicable to a particular department, such receipts have to be taken to revenue.

Settlement of doubts or disputes

- 77) In case of doubt or dispute, the question whether any particular recovery is classifiable as revenue or as deduction from expenditure under the Directions in this Chapter will be decided by the Auditor-General, with the approval of the Governor-General.
- 78) ***[Deleted].***

CHAPTER 6

DIRECTIONS REGULATING THE EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS

Introductory

- 79) The Directions in this Chapter shall regulate the exhibition and adjustment of losses in Government Accounts.

Receipts

80)

1. If a claim be relinquished, the value of the claim shall not be recorded on the expenditure side as a specific loss.
2. If money due to Government has actually reached a Government servant and is then embezzled, stolen or lost, even though it may not have reached the treasury and thus have passed into the Public Account, it should be brought into the public account as a receipt and then shown on the expenditure side by record under a separate head as a loss.

NOTE 1.—The term "Government Servant" used in clause (2) of this Article includes persons who, though not technically borne on a regular Government establishment, are duly authorised to receive money on behalf of Government.

NOTE 2.—Where losses of public money are wholly or partially met by non-issue of pay or pension and the Account Department authorisedly applies the unissued amount to meet the public claim, the resultant balance of the claim alone should be treated as a loss the emoluments due being debited to the pertinent head of account as if they had been drawn and used by the Government servant concerned in paying the public claim.

Buildings, lands, stores and equipment

- 81) Losses or deficiencies need not be recorded under a separate head in the accounts, though they should be written off any value or commercial account that may be maintained. If any transactions under these categories are recorded under a Suspense head in the Government accounts, losses or deficiencies relating thereto must be written off the Suspense heads also.

Cash in hand, whether in treasuries or in departmental charge

- 82) All losses or deficiencies should be recorded under separate heads in the accounts.

NOTE 1.—The acceptance of counterfeit coins or notes shall be regarded as a loss of cash.

NOTE 2.—Any recovery made in the course of the year in which the losses are brought to account shall be shown by deduction from the head under which the loss is recorded. Any recovery made after the accounts of the year are closed shall be shown as an item of receipt.

Irregular or unusual payments

- 83) Irregular or unusual payments should be recorded in the accounts with general reference to the ordinary rules of classification according to the nature of the expenditure; for example, an overpayment of pay shall be debited to the head "Pay". Similarly, an excess payment for bricks manufactured shall be debited to the work for which the bricks are used. It is only when special heads exist in the accounts for recording such charges, as compensations for damages, irrecoverable temporary loans written off and the like, that unusual or extraordinary payments shall be separately recorded.

Inevitable losses

- 84) Where losses are an inevitable feature of the working of a particular department, the major head of account under which the expenditure of that department is recorded shall contain separate descriptive heads under which such losses may be recorded.

Exhibition of Losses in Appropriation Accounts

- 85) The rules relating to the exhibition of losses in the Appropriation Accounts are contained in the instructions issued by the Auditor-General for the preparation of those Accounts.

FOR REFERENCE

Chapters III and IV of Account Code, Vol. II are given for ready reference for the readers.

CHAPTER III

ACCOUNTS TO BE KEPT AT TREASURIES SECTION I

GENERAL DIRECTIONS

A. Introductory

- 27) The directions contained in this Chapter shall apply primarily to accounts kept at District treasuries. Except as specifically provided in this Code and subject to such modifications as may be authorised by the Accountant-General, they shall also apply to accounts kept at sub-treasuries.
- 28) *[Deleted]*.

B. Treasurer's Records I. Cash

- 29) Under the Treasury Rules of the Government concerned the Treasurer, where the cash business of the treasury is not conducted by the Bank will maintain a simple cash book (without subsidiary registers), in which each receipt and payment will be posted at the time and on the date on which they actually occur and in the order of occurrence. Payments made "by transfer" will not find a place in the cash book as no payment of cash takes place. Cheques received in payment of value of service stamps will, however, be entered on both sides of the cash book.

NOTE.—The directions in Chapter II of this Volume shall not apply to the Treasuries cash book.

- 30) When stamps, match excise banderols or opium are sold, the total sales will be entered into Treasurer's cash book before it is closed for the day, and a memorandum will be prepared and forwarded to the Accountant, so that necessary entry may be made in the account books.
- 31) Under the relevant rules or orders of the Government concerned Stock registers will be maintained for stamps, match excise banderols and opium in the custody of the Treasury Officer in such form as may be prescribed by competent authority after consultation with the Accountant-General.

C. Account Books I. Cash Book

- 32) A complete account of cash transactions and book transfers relating to the District Treasury including those of the sub-treasuries within its jurisdiction should be kept in Cash Book Form T.A. 1. This book should be maintained in two separate parts—one for receipts and the other for disbursements.

NOTE.—Separate sets of accounts should be kept in Provincial treasuries for transactions of the Federal Government (vide Article 6).

- 33) Every item received or paid as well as all adjustments by transfers should be entered in the cash book or in some register subsidiary to the cash book (vide Article 35) and numbered in a consecutive series for each register. The daily totals from any

subsidiary registers pass into the cash book (vide Article 70).

- 34) In non-bank treasuries cash receipts should be entered in the accounts as soon as the connected memorandum or challan is received from the Treasurer signed by him in token of his having received the money. Similarly as regards cash payments, the charge should be entered in the accounts as soon as the payment is authorised on a voucher or other document. In the case of bank treasuries, the receipts and payments should be entered in the accounts from the daily account rendered by the Bank (vide Article 42).

NOTE.—Adjustments by transfers should be recorded separately from cash transactions, the fact of adjustment by transfer being noted in each case. In the case of receipts remitted by postal money orders and adjusted by book transfer, entries in the subsidiary register concerned may be made daily in lump under each detailed head of account, provided that they are entered in sufficient detail in the departmental registers and that daily returns are submitted to the treasury by -the revenue authority concerned.

II. Subsidiary Registers

(a) General

- 35) Save where other forms of registers are prescribed in these directions for particular classes of transactions and subject to such modifications as may be authorised by the Accountant-General to meet local requirements, departmental receipts for which separate returns are submitted should be recorded in separate registers in Form T.A. 2. Departmental payments should likewise be recorded in separate registers in Form T.A. 3, according to the various classes of payments. For convenience of accounting, however, the initial record in respect of any particular class of receipts or payments may, in special cases, with the approval of the Accountant-General, be kept in the same form as that of the corresponding receipt or payment schedule rendered to the Accountant-General and in such cases the requisite number of carbon copies may be struck. Vide Article 98.

NOTE 1.—The words "separate registers" used in this Article do not necessarily imply a separate volume." If it is convenient to include several registers within the same volume, a set of continuous pages may be set aside for each.

NOTE 2.—When the receipts of a department (e.g., copying agency) are liable to frequent refund they may be entered in a special Register-Form T.A. 20 prescribed for Revenue Deposits (suitably modified in manuscript) so that refunds when made may conveniently be noted against the original credits.

NOTE 3.—A separate Register in Form T.A* 2 should be kept for the record of subscriptions realised in cash on behalf of each service and other Fund.

(b) Register of Adjustments between Federal and Provincial Governments

- 36) A check register in Form T.A. 4 should be maintained in Provincial treasuries for the record of all cash and transfer transactions which pass through the head "Adjusting Account between Federal and Provincial Governments" in the Central and Provincial Accounts. This register should be written up daily at the time of closing the cash books. Part I of the register should record in totals the cash receipts and disbursements relating to the Federal Government in a non-bank treasury and in non-bank sub-treasuries subordinate to it. Cash receipts and disbursements of the Federal Government in Provincial non-bank sub-treasuries subordinate to a bank treasury should be entered in totals in Part II. Part III of the register should be used in cases in which a Central non-bank treasury renders account to a Provincial District Treasury. Parts IV and V should be written up daily from the registers prescribed in Articles 39 and 46.
- 37) The entries made in this register should be compared daily with the amounts posted in the cash books under the prescribed minor heads subordinate to the head "Adjusting Account between Federal and Provincial Governments", care being taken to see that net debit or net credit brought to account under this major head in the provincial cash book agreed with the net result of opposite adjustments entered against the identical major head in the cash book for Central transactions. Monthly totals from this register should be carried into the abstracts accompanying the Cash Account- Vide Article 97.

(c) Register of Adjustments with other Provincial Governments—(Inter- Provincial Suspense Account).

- 38) The receipts and disbursements in a Provincial treasury on behalf of other Provincial Governments should be posted in separate registers in Forms T.A. 2 and T.A. 3. The same forms should be used in central treasuries for the record of transactions on behalf of Provincial Governments which are adjusted through the head "Adjusting Account between Federal and Provincial Governments".

(d) Register of Transactions with Railways.

38-A. [Deleted].

(e) Register of adjustments by Transfer

- 39) In Provincial treasuries, two Check Registers in Form T.A. 5, one for the Federal and the other for Provincial Government, should be kept for the record (receipts or payments adjustable wholly or partly by transfer debit or credit (see articles 25 and 26). The registers should be written up in accordance with the directions given on the form. In Central treasuries, only one such register need be kept.

NOTE.—The directions given on the form shall not apply to Central treasuries.

- 40) At the end of each day's entries, an abstract should be prepared and recorded showing the figures which should pass into the various Subsidiary Registers.

(f) Other Registers.

- 41) Special forms of registers are prescribed in Sections 2 to 5 for receipts and payments relating to certain departments which draw money by cheques and for deposits, bills and other specified classes of transactions.

III. Special Directions for Bank Treasures

(a) General.

- 42) Where the cash business of a Provincial treasury or sub-treasury is conducted by the Bank, the Bank renders two daily accounts of receipts and disbursements for Federal and Provincial Governments, the latter embracing transactions not only on behalf of the Province in which the Bank is situated but also on behalf of other provinces. Such accounts, however rendered in respect of Federal Treasures and sub-treasuries consist of a single account for the Central government, all transactions on behalf of any Provincial Government being taken by the Bank against the balance of the Federal Government.
- 43) The transactions reported by the Bank in the daily statement of receipts and payments should, after examination with the chalans and vouchers accompanying it, be posted into the cash book either direct or through some subsidiary register in the same way as transactions taking place in non-bank treasuries (vide Article 33).

NOTE 1.—The net amounts only of payments are entered in the statements of the Bank; for example, when a deduction is made from the amount of a bill on account of income-tax the daily statements of the Bank show only the net amount paid after deduction. In such cases the posting should be done with due regard to the directions contained in Articles 26 and 39.

NOTE 2.—When the cash book and the subsidiary registers are posted, the vouchers should be numbered and arranged according to the register in which they are entered.

(b) Register of State Bank Deposits

- 44) The net difference between the total receipts and the total payments as shown in the Bank's daily statement should be posted in subsidiary register called the Register of State Bank deposits (Form T.A. 6). In Provincial treasures this register should be kept in two volumes—one for the Federal Government and another for the Province. The figures posted in this register should be checked and agreed with the pass book forwarded by the Bank along with its daily account and also, in the case of Provincial Treasures, with the total as shown in the daily schedule rendered by the Bank to its Head Office, a copy of which is forwarded to the Treasury Officer.

(b) Register of Misclassifications by the Bank

- 45) Transactions that may be classified incorrectly in the daily account rendered by the Bank should be taken by the Treasury Officer to the correct heads of account and posted into the appropriate subsidiary registers but on no account should the figures under the head "State Bank Deposits" be rectified in the treasury accounts.

Any differences resulting from the rectification of Bank's misclassification of Central transactions as Provincial or vice versa, should be taken in the treasury accounts to the head "Adjusting Account between Federal and Provincial Governments-Misclassifications by the Bank' in the manner indicated below.

- 46) Provincial transactions erroneously entered in the Bank's daily statement of transactions of the Federal Government and vice versa, should be entered in a Register of Misclassifications by the Bank (Form T.A. 7). The form is divided into two parts, viz. (i) Central transactions included in the Provincial statement and (ii) Provincial transactions included in the central statement so that separate totals may be struck for each part. The total receipts posted into the first part should be taken in the cash book for Provincial receipts but in one lump sum under the head "Adjusting Account between Federal and Provincial Governments—Misclassifications by the Bank", In the cash book for Central receipts the misclassified items should be taken under correct heads of Central receipts, and there should also be a deduct entry under the head "Adjusting Account between Federal and Provincial Governments-Misclassifications by the Bank", corresponding to the total amount taken to the identical head in the cash book of Provincial receipts. In the same way, Central payments wrongly classified by the Bank as Provincial should be posted under appropriate and correct heads in the cash book of Central payments and set off by a deduct entry in lump under the head "Adjusting Account between Federal, and Provincial Governments", while the "Adjusting Account between Federal and Provincial Governments", while the total amount of such misclassified disbursements should be posted in lump in the cash book of Provincial payments under the head, -"Adjusting Account between Federal and Provincial Governments". Similar postings should be made of the items of the second category in the Central and Provincial cash books.

NOTE.—Any correction under the head "State Bank deposits" which will be necessary as a result of the adoption of the correct classification by the Treasury will be made by the Accountant-General through the Central Accounts Section of the State Bank.

IV. Incorporation of Sub-treasury Accounts

- 47) The transactions occurring at a sub-treasury should be reported to the District treasury in a daily sheet in Form T.A. 8 (supported by vouchers) showing receipts, disbursements and balance of the day. The receipts and disbursements should be posted from these sheets on the day of receipt into the accounts of the District treasury in the same way as if they had taken place at it.
- 48) The following items of receipts or payments in the daily sheets of sub-treasuries should be excluded from the accounts of the District treasury in which they will remain as part of the balance:~
- i. remittances of cash to and from a sub-treasury from and to another sub-treasury within the district or the District treasury;
 - ii. transfer of funds, through currency, to and from sub-treasuries against opposite payments at the District treasury or at another sub-treasury

subordinate to the same District treasury.

NOTE.—This direction shall not apply if the cash business of the remitting or receiving treasury or sub-treasury is conducted by the Bank-see Article 19.

- 49) The transactions of the Federal Government in a Provincial sub-treasury should be reported to the District treasury in separate daily sheets. The receipts and disbursements shown in such a daily sheet should be entered item by item in the cash book or appropriate subsidiary registers relating to Central transactions, such entries in the accounts kept in 'a non-bank treasury being set off by the closing adjustment made through the head "Adjusting Account between Federal and Provincial Governments-Central transactions in non-bank treasuries"-vide Article 51. In the accounts kept in a bank treasury, the totals of receipts and disbursements of the Federal Government appearing in the accounts of a non-bank sub-treasury of the Province should be taken into the cash book of Provincial receipts and disbursements under the head "Adjusting Account between Federal and Provincial Governments-Central transactions in non-bank sub-treasuries", while in the cash book for Central transactions, there should be deduct entries in lump under the same head, both on the receipt and disbursement sides, corresponding to the identical amounts entered in the Provincial cash book. This method of accounting should also be adopted mutatis mutandis in regard to transactions of a Provincial Government in a Central non-bank sub-treasury which renders accounts to a District treasury subordinate to that Government.

V. Daily Closing of Accounts

- 50) After the several subsidiary registers have been written up and completed in respect of cash and transfer items, the daily total of each register should be carried into the appropriate cash book. The cash book should then be totalled and to the gross totals of receipts and disbursements thus worked out the deductions and additions indicated at foot of the cash book (Form T.A. 1) should be applied so as to bring out the net totals of receipts and disbursements which should agree with the totals shown in the treasurer's cash book or in the daily account of the bank, as the case may be. Finally, a balance sheet should be drawn up in Form T.A. 9 and the account balance worked out therein reconciled, where necessary, with daily balance as per Treasurer's cash book.

NOTE.—The preparation of Accountant's Daily Balance Sheet in form T.A. 9 is not required in the case of a Treasury and sub-Treasuries subordinate to it when the cash business is conducted by the banks".

- 51) In Provincial non-bank treasuries, before final totals are struck in the cash book, the cash book relating to central transactions should first be totalled in pencil and from the gross totals of receipts and disbursements of the Federal Government necessary deductions should be made in respect of transfer adjustments as in column 5 of the Federal Check Register of Adjustments by Transfers (Form T.A. 5) so that the totals of receipts and disbursements in cash may be deduced. The total sums thus determined should be posted in the cash book of Provincial receipts and disbursements under the head "Adjusting Account between Federal and Provincial

Governments. Central transactions in non-bank treasuries", while in the cash book relating to Central transactions there should be deduct entries under the identical head, both on the receipt and disbursement sides, corresponding to the total amounts taken under that head in the Provincial cash book. At the same time the amount so adjusted should be posted in Part I of the Check Register of Adjustments between Federal and Provincial Governments (Form T.A. 4).

- 52) The cash book maintained for Federal transactions in a Provincial treasury should close invariably with a nil balance, the total receipts being always equal to the total payments after incorporation of the adjusting entries under the head "State Bank Deposits" and "Adjusting Account between Federal and Provincial Governments" as may be necessary.
- 53) The cash books should be finally closed and signed after such further check and methods of verification have been applied as may be 'prescribed in the treasury rules or by executive instructions of the Government concerned.
- 54) Any amount found surplus or deficit in treasury balances should be brought to account as such in the cash book on the receipt or payment side, as the case may be.

VI. Monthly Closing of Accounts

- 55) As it is absolutely necessary that the figures given in the different receipts, accounts and returns exchanged with other departments should agree exactly with those shown in the treasury accounts, the formal closing of the accounts of the several sub-treasuries for the month should be fixed for the latest date by which any risk of failure to receive that day's returns at the headquarter's treasury before the end of the month will be eliminated: any transactions of a later date should be included in the returns of the treasury for the next month. The headquarter's accounts for June must, However, be kept open until receipt of daily sheet of every sub-treasury for 30th June, in order that all receipts and payments taking place at sub-treasuries within the official year may, without exception, be brought into the accounts of the year. Every endeavour should be made to close the June accounts not later than the 5th of July. All correcting entries affecting inter-Governmental adjustments should be intimated to the Accountant-General so as to reach him by the 12th of July at the latest.
- 56) In addition to the daily closing, the month's totals of the subsidiary registers should be carried into the cash account in the case of receipts and into the lists of payments in the case of payments, (vide Article 96). The cash account should be closed with an abstract in the form indicated in Article 97. The account balance at the close of the month should be agreed with the actual cash balance in the treasury as reported in the Cash balance Report of the month.

SECTION 2

TRANSACTIONS OF DEPARTMENTS WHICH RENDER SEPARATE CASH ACCOUNTS

- 57) Save as provided in Articles 58 to 60 below or as may be specially authorised by

the Accountant-General in any particular case, moneys received from or on behalf of departmental officers who render separate cash accounts to the Audit or Account Office should be recorded at once in a register in Form T.A. 10. In the same way, funds, supplied to such departmental disbursing officers on cheques drawn against letters of credit or otherwise, should be entered in a register in Form T.A. 11.

- 58) Remittances by Forest Officers should be entered in a register in Form T.A. 12 which may also be used-for the purpose of consolidated receipt furnished to Forest Divisional Officers. Funds supplied to Forest Disbursing Officers by means of cheques or otherwise should be entered in Register of Forest Cheques Paid, Form T.A. 13,
- 59) The receipts and payments of the Defence Department should be entered in separate schedules (Forms T.A. 14 to T.A. 17).
- 60) All receipts and payments on account of the Post Office should be posted in Registers of Post Office Receipts and Payments (Forms T.A. 18 and T.A. 19). The transactions of each Head Post Office having a separate letter of credit at the treasury should be shown in a separate column subdivided for 'payments in cash' and 'by transfer'. Receipts and payments originating in the Civil Department should not be included under any Post Office but should be shown in a special column headed "Miscellaneous".
- 61) In all the cases covered by the directions in this Section, the Treasury Office should arrange to have a monthly settlement of account with the Departmental Officer concerned in accordance with such procedure as may be prescribed by Government.

SECTION 3.--ACCOUNTS OF DEPOSITS

A.--General

- 62) No item should be credited as a deposit save under formal order of competent authority. Furthermore, no 'sums should be credited in any deposit register which can be carried to any other head of account; for example, revenue paid to Government on account of a demand not yet due should at once be carried finally to the proper revenue head, and should not be placed in deposit.
- 63) The amount of a lapsed deposit refunded under the rules of Government should appear in the treasury accounts as a miscellaneous refund and not as a repayment of deposit.

B.—Revenue Deposits

- 64) Each item of deposit received should at once be entered in a register in Form TA 20 and numbered. There should be a separate series of numbers of each register, beginning a new each year. The Treasury Officer should check carefully the amount and particulars of each entry and then set his initials in the proper column against each. A daily total only should be carried from each register to the cash book.

- 65) Every, item should be recorded in the .name of the person from whom, not that of the Government official through whom, it is received; it should be passed through, the accounts even though repaid on the day of receipt, and be kept distinct, however small it be, finally disposed of, never being consolidated with others.
- 66) Each repayment of deposit should at once be recorded both in the Register of Repayments, Form TA 21, from which the daily total should pass into the cash book, and in that of Receipts, Form T.A. 20, in the latter the date and amount of the repayment also being noted.

NOTE.—When, in the case of a bank treasury, a deposit is repaid by an order on the Bank the entry in the Register of Receipts should be made when the order is issued and that in the Register of Repayments when the repayment is reported in the daily account of the Bank. If in any case repayment is not made on the date of the order on the Bank, the actual date of repayment should also be noted in the Register of Receipts just below the entry of the date of the order.

- 67) When a deposit is adjusted by transfer to some other head of account the head of account to which it is transferred, and the item in which it is included in the treasury account, should be noted both in the Register of Receipts, and in the Register of Repayments, and it should be credited separately in the cash book or the subsidiary register concerned. The voucher submitted with the list of repayment should state these facts the statements being attested by the signature of the Treasury Officer.
- 68) Receipts and payments on Personal deposit accounts should be recorded in personal ledgers in Form T.A. 22, which should be bound up into a volume. Every personal account should have its own ledger page in which the receipts should be entered in regular order without being numbered and the disbursements (made not from any particular item, but from the aggregate balance in hand) noted as they are made without any further remark.
- 69) 69. An account of cash orders issued on sub-treasuries should be maintained, like that of Personal Deposits, through a personal ledger for each sub-treasury in Form T.A. 23. When paid at the sub-treasury, the amount of the cash order should be entered in the sub-treasury cash book and daily sheet as a miscellaneous payment but in the District treasury it should be posted in the personal ledger account as a repayment's deposit.
- 70) The daily totals of receipts and payments should be carried from the personal ledgers (Forms T.A. 22 and T.A. 23) into the Register of Personal Deposits (Form T.A. 24), from which again the aggregate daily total only should be carried to the cash book.

D.--Civil and Criminal Court Deposits

- 71) There are two methods in which the accounts of civil and criminal Court deposits may be kept:—
1. When each deposit is separately paid into and drawn from the treasury upon

documents passed by competent authority and setting forth the particulars necessary for the entries in the deposit registers, the accounts of civil and Criminal Court Deposits should be kept in the manner prescribed in Articles 64 to 67 for revenue deposits, although the sets of registers and returns should all be separate from those of the revenue deposits proper.

2. In cases where the Civil Courts and Magistrates merely bank with the treasury, remitting without detail their gross deposit receipts for credit in a personal ledger, and making repayments by cheques on the treasury, the accounts at the treasury should be kept in the forms prescribed in Articles 68 and 70 for personal deposits, but quite separate from those of personal deposits proper; and the deposits should be designated as Civil Court or Criminal Court Deposits.

Whenever the latter system is permitted the detailed record of deposit transactions should be kept by the Court concerned in the form prescribed in Articles 64 to 66 for treasury officer's accounts of Revenue Deposits with such adaptations and modifications as may be authorised by the competent judicial authority after consultation with the Accountant-General.

- 72) In provinces where all branches of the civil administration, revenue, criminal and civil, are under the same officer, the system may be adopted of including all deposits of the district in one register as revenue deposits or the treasury officer may receive and keep the accounts of all such deposits in exactly the same way as revenue deposits but in separate registers and returns under the designation of "Civil Courts and Magistrates' Deposits."
- 73) The transactions of all local funds, including municipal and cantonment funds, should be recorded in the forms used for personal deposits (Form T.A. 22 and T.A. 24), but should be kept quite distinct, and should pass into the treasury accounts as deposits of Local Funds and not as personal deposits.
- 74) The transactions of each fund should be entered in a separate column in the register (Form T.A.24) which should provide a separate column for every such fund in the district. Unless the funds are very few in number, there should be registers and totals for municipal and cantonment funds separate from those of other funds.

F.--Deposits at Sub-Treasuries

- 75) Deposits made at a sub-treasury should be brought, item by item, through the daily sheet upon the district registers and must be numbered in the general series. It may, however, be sufficient to enter in the district registers merely the daily total of transactions relating to personal deposits such as, Wards, Estates, Dispensaries, Municipalities, etc., which take place at sub-treasuries, unless the Accountant-General for special reasons instructs otherwise in any case.
- 76) When the Officer-in-Charge of a sub-treasury has occasion to place in deposit items which, according to rule, should be so dealt with, and which he is also empowered to repay on his own authority without formal authority from the District treasury, a register of such deposits should be kept at the sub-treasury in addition to that at the District treasury.

- 77) In regard to repayment the sub-treasury account in which the credit originally appeared should be indicated clearly so that it may be easy to trace the item and to charge off payment correctly in the district account.

SECTION 4.--ACCOUNTS OF STATE BANK OF PAKISTAN REMITTANCES

A.—Issue of Telegraphic Transfers and Drafts

- 78) Particulars of all Telegraphic Transfers and Drafts drawn by treasuries on other treasuries and on offices and agencies of the Bank should be recorded in a Register, Register of State Bank of Pakistan Remittances drawn,-in form T.A. 25, in which each drawing should be entered in a consecutive series in the order of issue. This register which will be separated for each financial year, should be page-numbered and the pages should be ruled and the lines, numbered in the column headed "No. of Item."
- 79) The Treasury Officer, should sent and advice of State Bank of Pakistan Remittances drawn by him during the day to the treasury or bank drawn upon in the form prescribed by the State Bank (Advices of remittances sold) on the very day on which the telegraphic transfer or draft is drawn. Detailed instructions in this behalf will be found in the Treasury Rules of Government.
- 80) Telegraphic Transfers and Drafts drawn each day, as recorded in the Register of Drawings (Form T.A. 25), should be listed .in a Schedule in the form prescribed by the Bank. The Schedule inter alia contains separate columns for "Amount" and "Exchange". The totals of the columns "Amount" and "Exchange" should be agreed with the total receipts for the day booked under head "State Bank of Pakistan Remittances" in the Cash Book. This provides an independent check of the totals in the Register of State Bank of Pakistan Remittances Drawn, which are taken direct to the Cash Book. The total in the column "Amount" in the Schedule should also be agreed with the total drawings- as entered in the several advices for the day. The Schedule accompanied by the applications for the remittances should then be despatched the same day to the Accountant-General.

B.--Encashment of Telegraphic Transfer and Drafts

- 81) As each Telegraphic Transfer or Draft is encashed the date of payment should be noted in "the column provided for the purpose in the relevant advice, the entry being initialled by the Treasury Officer.
- 82) A record of Telegraphic Transfers and Drafts encashed should be maintained in a Register. Register of State Bank of Pakistan Remittances encashed. In Form T.A. 26, in which the Telegraphic Transfers and Drafts should be entered as they are paid, the daith totals being carried .into the cash Book. At the close of the day all encashments made during the day. As recorded in the Register, should be listed in a Schedule in the form prescribed by the State Bank and the Schedule should be forwarded to the Accountant-General the same day-after the total in it is agreed with the total payments for the day under the head "State Bank of Pakistan Remittances" in the Cash Book. The receipted drafts including payee's receipts in the case of telegraphic transfers, should accompany the Schedule as voucher.

C.--Drawings and encashments at Sub-Treasuries

- 83) Where State Bank of Pakistan Remittances are drawn by or encashed at sub-treasuries, the sub-treasuries will maintain Registers of drawings and encashments and submit daily Schedules of drawings and encashments direct to the Accountant-General in the same way as District treasuries, but the total drawings and encashments for the day should be intimated by the sub-treasury officer (without details) to the District treasury in the usual way. In the Cash Book of the District treasury the total daily receipts and payments at each sub-treasury will be exhibited under a separate sub-head. "State Bank of Pakistan Remittances--sub-treasury". Such receipts and payments should not, however, be incorporated in the corresponding Registers of the District treasury. Sub-treasury schedules for all the days of the month up to and including the date of closing of the sub-treasury accounts for the month should be prominently marked as relating to the accounts for that month, the schedules for subsequent days of the month being marked as pertaining to the accounts for the month following.

D.—Drafts, etc., cancelled

- 84) When a State Bank of Pakistan Remittance is cancelled, the fact of cancellation should be noted in the Register of State Bank of Pakistan Remittances Drawn against the relevant entry and intimation sent to the treasury or bank drawn upon, by which the fact should be noted conspicuously on the advice originally received. The amount when refunded by the drawing treasury should be entered in the Register of State Bank of Pakistan Remittances encashed and it must appear in the Register even though issue and cancellation take place on the same day. The amount of the cancelled draft should simultaneously be entered in the proper columns of the schedule of drafts encashed for the day in which cancellation takes place, suitable remarks being made in the schedule indicating that the payment is on account of cancellation of a draft already drawn by the treasury. The cancelled draft should accompany the schedule of encashments.

E.--Drafts, etc., exchanged

- 85) When a draft is exchanged for another the original should be treated; and entered" as a draft presented for payment and the amount again credited as received for the issue of a new draft.

SECTION 4-A.--ACCOUNTS OF MILITARY TREASURY REMITTANCES

- 86) A record of Military Treasury Remittances drawn on Military Treasure; Chests should be kept in a Register in Form T.A. 27 in which each drawing should be entered in the order of issue. The Register should be page-numbered and a sufficient number of pages should be set apart for each Military Treasurer Chest on which drawings are usually made. The pages should be ruled and the lines numbered in the column headed "Serial". The serial numbers will thus be separate for each Military Treasury Chest and should commence a new title each financial year.
- 87) Military Treasure Remittances drawn for the day as recorded in the Register

should simultaneously be entered in a list in Form T.A. 28. The daily ' total of the is (worked out in pencil) will be entered without details in the Schedules of Defence Department Receipts (Form T.A. 14) of the Account Circle concerned, in the column "Military Treasure Remittances Drawn". After the drawings for all the days of the month have been entered in the first five columns of the list, the list should be submitted to the Accountant-General along with the Monthly Cash Account.

- 88) An advice of Military Treasure Remittances drawn should be sent to the Officer-in-Charge of the Military Treasure Chest concerned on the very day on which the Remittance is drawn in such form and according to such procedure as may be laid down in the Treasury Rules of the Federal Government.
- 89) *[Deleted]*.

SECTION 5.--MISCELLANEOUS ACCOUNTS

- 90) In every treasury from which revenue advances are made one or more plus and minus memoranda (Form T.A. 46) should be kept, in which the advance should be debited and all recoveries credited. One of these plus and minus memoranda should be the ordinary account of revenue advances; and other special accounts may be opened from time to time for any special officers authorised to make such advances, who may, under the orders of revenue authorities keep and submit accounts separate from the accounts of the district officer. Unless the Government requires otherwise, the treasury shall keep no detailed accounts of these advances.

NOTE.---An advance held, to be irrecoverable by the Revenue authorities should be written off the treasury plus and minus memorandum under the authority of the Accountant-General any subsequent recoveries should not affect the treasury plus and minus memorandum but should be taken direct to revenue.

- 91) In addition to the registers prescribed in the foregoing Articles the following subsidiary registers should be kept for the record of transactions specified against each. Separate registers should be kept, where necessary, in Provincial treasuries for transactions relating to the Federal Government.
- i. Register in Form T.A. 31 for the record of advances (other than those mentioned in Article 90) made/recovered under the heads "Loans and Advances" and "Advances Repayable."
 - ii. Register in Form T.A. 32 for payments relating to personal claims of Gazetted Officers.
 - iii. Register in Form T.A. 33 for payments of Pensions. Separate registers should be kept for different classes of pensions such as pensions chargeable to

"55.-- Superannuation Allowances, etc." Assignments and Compensations and Political and other pensions, etc.

- iv. Register in Form T. A. 34 for payment of coupons on Bearer Bonds.
- v. Register in Form T. A. 35 for payment of interest on Promissory Notes Stock; Certificates.

CHAPTER IV.--ACCOUNTS RETURNS TO BE RENDERED BY TREASURIES

A.--General

- 92) Except as specified otherwise the directions in this Chapter shall apply to all bank and non-bank treasuries at the headquarters of the district.
- 93) The returns prescribed in this Chapter should be prepared from the accountant's cash book and the registers subsidiary thereto and despatched to the Accountant-General punctually on the prescribed date. The returns due for despatch on a holiday may be sent one day (but not more than one day) late.
- 94) Separate returns should be rendered by Provincial treasuries in respect of transactions of the Federal Government and in respect of those taken against the province.

B.--Compilation of Monthly Accounts

I.—Cash Account and List of Payments

- 95) The Cash Account and List of Payments should be prepared in Forms T.A. 36 and T.A. 37, respectively, in which heads of receipts and payments should be printed in the order prescribed by the Accountant-General. The Cash Account should show the total receipts collected, and the List of Payments the total payments made during the month (vide Article 56).
- 96) The entries from the cash book and registers subsidiary thereto into the Cash Account, List of Payments and schedules pertaining to these documents (vide Articles 96 to 109) should be made in accordance with the following directions :--
 - i. Those transactions which, under the instructions of the Accountant-General, have to be recorded in full in any one of these documents should be entered therein on the date on which they appear in the cash book, or, on the following day, provided that the transmission of the accounts and returns on the due dates (vide Articles 119 to 120) is not thereby retarded.
 - ii. The lump entries appearing in the Cash Account, List of Payments and schedules pertaining to these documents should be made therein in time to permit of the completion of those returns and their submission to the Accountant-General on the due dates.
 - iii. The difference between the monthly totals of receipt and payment columns of the subsidiary register of State Bank Deposits (vide Article 44) should be carried into the appropriate Cash Account or the List of Payments according as the difference represents net drawings from, or net payments into, the Bank during the month.

iv. In Provincial treasuries, the difference between the monthly totals of receipt and payment columns, of Part VII of the Check Register of Adjustments between Federal and Provincial Governments, Form T.A. 4 (vide Article 36), should be carried into the Cash Account or the List of Payments, as the case may be, under the head "Adjusting Account between Federal and Provincial Governments", care being taken to see that the net payments brought to account under this head in the Provincial Account are entered under the identical head as net receipts in the account of the Federal Government and vice versa.

97)

1. The cash accounts (Central and Provincial) rendered by Provincial treasuries should be supported by a closing abstract in Form T.A. 38. The difference between the monthly totals of the Receipts and Payments columns of the different part of the Check Register of Adjustments between Federal and Provincial Governments (Form T.A. 4) should be carried into this abstract under the appropriate minor, heads subordinate to the head "Adjusting Account between Federal and Provincial Governments" (vide Articles 36 to 37), the entries in the abstract of Provincial Cash Account being reconciled with the adjusting entries in the abstract of Central Cash Account.
2. The cash accounts compiled by other treasuries should be supported by a closing abstract in the following form:-

Form of Closing abstract of the Cash Account

	Rs. Paise
Opening balance
Cash receipts
	Total Receipts

Schedules

Payments, 1st to 10th as per-	Rs. Paise
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List

Payments, 11th to 31st.

Total Payments

Closing balance as per Cash Balance Report

Total

II.--Supporting Schedules

(a) General

98) Save as provided in Articles 100 to 109 below and subject to the observance of the following general principles, the form and number of the schedules may be determined by the Accountant-General according to the local convenience:

i. There should be separate schedules of the receipts and expenditure for each department and for each major head of account not relating to any particular department. All revenue receipts and service payments should appear in one or other of these schedules. Receipts on account of departments for which descriptive major heads are not opened on the receipt side should be included in the schedule for the major head "XLVI-Miscellaneous."

NOTE 1.---In the case of small departments or of 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 for the purpose of this rule as relating to a single department.

NOTE 2.—Where a separate schedule has been prescribed by the Accountant-General, it should be prepared invariably, even if there be no transactions in the treasury accounts under the head concerned during the period in respect of which the schedule is prepared. In such cases the schedule should show the transactions as 'nil'.

ii. Miscellaneous items of receipts and recoveries of service payments should be shown with full particulars in the receipt schedules of the department by, or at the instance of which the money is presented at the treasury.

iii. Advances of pay, travelling allowances, etc., to Government servants and recoveries of such advances should be included in the schedule of the department to which the Government servants concerned belong.

iv. Payments relating to personal claims of Gazetted Officers should be shown in a separate column of the schedule of payments of the department concerned or in a separate schedule (Form T.A. 32) altogether, the total of which should be brought forward as a single item in the relevant schedule of payments. In the former case schedules containing such payments should be prepared in duplicate.

v. The vouchers for refunds of revenue should be entered in a separate subsidiary schedule for each department, and the total of this schedule should be entered as a distinct item in the relevant schedule of payments. As an alternative to this procedure, refunds of revenue may be shown in a separate column in the payment schedule of the department or major head concerned.

vi. Each schedule of payments should be prepared in two parts, the first part relating to the payments made from the 1st to the 10th of the month and the second part to those made during the rest of the month. The total of the first schedule of payments should be brought below, and added to the total of the second schedule of payments, so that the grand total in the latter may agree with the entry in the List of Payments.

NOTE. ---The general directions contained in this Article shall apply to treasuries rendering accounts to the Accountant-General, Pakistan Revenues, subject to such modifications as may be authorised by him.

- 99) The vouchers pertaining to each schedule should be numbered consecutively in a monthly series as they are entered therein, and attached to it arranged in their numerical order.

(b) Schedule of Income-tax Receipts

- 100) Apart from the schedules of income-tax receipts, if any required by the Income-tax Officer concerned, two separate schedules of receipts should be prepared in respect of income-tax deductions from bills for salaries and pensions-(a) one for the tax collected on salaries and pensions wholly debitable to the Federal Government- (b) another for income-tax deducted from salaries and pensions i debitable to other Governments. If Income-tax is recovered at a higher rate from any Federal Government servant or p [pensioner on account of additional income from properties situated in a Province, the entire amount of the tax realised should nevertheless, be taken to the schedule relating to deductions from Central emoluments. Similarly, the income-tax deducted from a pension which is debatable partly to the Federal Government and partly to the Provincial Government, should be taken to the schedule relating to deductions from Central emoluments. Any refund allowed in such a case during the course of the year should also be taken to that schedule.

(c) Schedules for Railways and Departmental Disbursing Officers

- 101) Save as provided in Articles 102 to 104 below, the schedules of receipts and expenditure for Railways and for those Departments which render separate cash accounts to Audit and Accounts offices (vide Article 57) should be prepared in the same forms and with the same details as have been prescribed in Chapter III for the Registers of Receipts and Payments of those Railways and Departments concerned.
- 102) A simple schedule of Forest Remittances showing separately the cash received into the treasury from each Forest Division and acknowledged in the consolidated Treasury Receipt (Article 58) should be prepared in Form T.A. 39.
- 103) Schedules of Receipts of the Posts and Telegraphs Department should be prepared separated for Postal and Telegraph Sections in Forms T.A. 40 and T.A. 41 respectively.

- 104) For Public Works Department, the Telegraph Branch of the Posts and Telegraphs Department and the Salt Revenue Branch of the Department of Central Excises and Salt, a separate schedule of cheques paid/payments made on account of each department should be prepared in Form T.A. 42 and attached to the List of Payments.

This direction should apply also to the following departments whose: operations extend over several provinces and whose accounts are collected under; the charge of a single Account Officer: -

- i. Survey of Pakistan.
- ii. Meteorology.
- iii. Archaeology.
- iv. Geological Survey.
- v. Intelligence Bureau, Government of Pakistan.
- vi. Mines'.
- vii. Department of Supply and Development.

(d) Schedules of Deposit Transactions

- 105) An "Extract Register of Revenue Deposit received" should be written up daily in Form T.A. 43 from the Register of Receipts, Form T.A. 20. It is of importance that each deposit should be confined exactly to its own cage, as the Accountant-General has to detail "repayments against it.
- 106) In some cases where many deposits are received for very short periods, permission may be given by the Accountant-General to detail in the returns only the items not repaid in the month of receipt; but the permission should not be extended without clear proof of its necessity. When such permission is given, the returns cannot be written up till after the close of the month and there will be breaks in the series of numbers representing the deposits received during the month, which have been wholly repaid before its close. In these cases "Deposits received and repaid during the month" should be entered in lump sums at foot of each extract register, both of receipt and repayment (vide Articles 105 and 107) in order that extracts might agree with the accounts.
- 107) As "Extract Register of repayment of Revenue Deposits" Form T.A. 44 should also be written up daily in respect of transactions for the entire month. Although no extract register accompanies the first schedule of payments entry should be made in it of the total payment on each head, made during the first ten days of the month the entry should be of the total Payments made from the 11th to 31st.
- 108) As "Extract Register of Receipts and Payments of Personal deposits" Form T.A. 45, should be written up from the Register of personal Deposits (Form T.A.22). The returns should show only the monthly totals of receipts and repayments on

each personal ledger; the totals of the two columns. "Receipts of the month" and "Payments of the month"; alone will be traceable in the Cash Account and the List of Payments. The monthly totals brought out on the return should be the same as those brought out by submission of the daily total columns of Form T.A. 24.

(e) Schedule of Seamen's Money Orders

- 109) At the end of each month the Treasury Officer should prepare a consolidated schedule giving particulars of the Seamen's money orders issued during the month and forward it to the Accountant-General with the monthly cash account. The schedule should be prepared in the form appended to the instructions to Shipping Masters in Pakistan issued by the Board of Trade.

III.--Plus and Minus Memoranda

(a) General

- 110) Plus and minus memoranda should be prepared in Form T.A. 46 for the transactions on account of each class deposits (including cash orders) of each Local Fund of each kind of stamps (general, adhesive, bill, Court-fee), of match excise banderols and of excise opium. The deductions from balance should tally with the corresponding entries of receipts in the accounts (except as regards stamps referred to in Articles 112 to 114 and stamps sent to other treasuries or sub-depots), and the closing balances should be certified as agreeing with the stock registers and accounts maintained in the treasury. Memoranda may also be required of the outstanding balances of any class of advances which the District or other revenue officer has authority to make (vide Articles 90 and 91)].

NOTE 1.—The plus and minus memoranda should be prepared in such separate parts as may be determined by the Accountant-General. Those relating to particular departments may be furnished wherever this is possible, on the reverse of the receipts schedules concerned.

NOTE 2.—No difference should ever exist between the closing balance of one month and the opening balance of the next: any addition to or deductions from the balance should be made by a special entry to be explained by a foot-note.

(b) Deposits.

- 111) Each head of deposit and cash Local Fund should be detailed separately in the appropriate memorandum. The balance in the plus and minus memorandum of deposit transactions for the month of July should be reduced by the amount reported for lapse under Article 127, so that it may agree with the aggregate of repayable deposit balances upon the deposit register.

NOTE. ---In the case of local funds which have a provincial balance, the balance column should not be filled up.

(c) Stamps

- 112) When under proper sanction, permanent advances of postage stamps are made to Head of Departmental Telegraph Offices without payment their value should not be credited in the treasury account but deducted in the plus and minus memorandum of postage stamps, the deduction being supported by the receipt granted by the Head of the Departmental Telegraph Office and the sanction of the competent authority.
- 113) When on the eve of holidays (when treasuries are closed for more than one day) temporary advances of postage stamps are made to Heads of Local Departmental Telegraph Offices without payment on the requisition of the Post Master General (Telegraph Traffic Branch) the value of those stamps should be deducted in the plus and minus memorandum, the requisition of the Post Master General being attached to the receipt given by the competent Telegraph Authority in support of the reduction appearing in the plus and minus memorandum.

These temporary advances should be adjusted immediately on the reopening of the treasury by the return of the unused stamps and the money value of those sold and care should be taken that on delay occurs in effecting the adjustment. The cash received should be credited in the cash book as proceeds of postage stamps sold in the usual course, with a corresponding entry in the plus and minus memorandum. In the latter in a separate entry, the full amount of stamps advanced should be shown as returned.

NOTE.—If the stamps are issued and returned in the same month, neither the deduction on issue nor the addition on return should be shown in the plus and minus memorandum.

- 114) The value of damaged and obsolete stamps should be deducted from the plus and minus memorandum, after they have been destroyed or otherwise disposed of in accordance with the prescribed rules.

IV.--Statement of Lapsed Sub-treasury Cash Order

- 115) A statement of Cash Orders which are held as lapsed under the rules of Government should be prepared monthly specifying (i) in the case of cash orders issued for service payments, the number and date of the vouchers in which the charges were drawn originally and the name of the officer by whom they were drawn, and (ii) in the case of cash orders issued on behalf of a wards estate or a Municipality the number and date of the cheques.
- 116) The total amount of cash orders including in the monthly statement should be deducted from the closing balance in the plus and minus memorandum (Article 110) and a note should be made at the same time against the items concerned in the Ledger (Form T.A.23), they have been reported to the Accountant-General for adjustment as lapsed.

C.--Submission to Accountant-General

- 117) On the 8th, 16th, 24th, and the last day of the each month (or the previous open day if any of these days is a holiday) or at such other convenient intervals as may be settled between the Accountant-General and the Government of the Province. Provincial non-bank treasuries should forward to the Accountant-General a statement in Form T.A. 47 showing Central Transactions. No voucher should accompany these statements.
- 118) Statements in the same form should be submitted to the Accountant-General by treasury weekly or after such periodical intervals as may be settled between the Accountant-General and the Government in respect of Central transaction occurring in Provincial non-bank sub-treasuries subordinate to a Provincial bank treasury.
- 119) The first schedules of payments [vide Article 98 (vi) with connected vouchers and a Memorandum in Form T.A.48 should be sent to the Accountant-General on the 10th and in the case of bank treasuries on the 11th of the month and the Cash Account and the List of Payments (vide Article 95) with supporting schedules and the connected vouchers together with the Memorandum in Form T.A.48 should be despatched to him on the first day of the following month.
- 120) The following and such other schedules as the Accountant-General may require (vide Article 98) shall accompany the accounts mentioned above:

(a) With the Cash Accounts	
1. Schedule of Forest Remittances	Form T. A. 39 (vide Article 102).
2. <i>[Deleted]</i> .	
3. Extract from the Register of Public Works Department Receipts.	
4. Schedule of Defence Services Remittances and Military Treasure Remittances drawn on Military Treasure Chests.	In the same Form as the Register (vide Article 101).
5. Schedule of Miscellaneous Defence Services Receipts.	
6. Schedule of Revenue received on account of the Salt Revenue Branch of the Department of Central Excise and Salt.	
7. Schedule of Postal Remittances	Form T.A. 40 (vide Article 103). Form T.A. 41 (vide Article 103).
8. Schedule of Telegraph Remittances	

9. Detailed List of subscription realised in cash on behalf of each Fund.	In the same form as the Register (vide Article 35, Note 3).
10. Extract Register of Revenue Deposits.	Form T.A. 43. (vide Article 105).
11. Schedules of receipts in respect of Income-tax deductions from bills, salaries and pensions.	Vide Article 100.
12. List of Military Treasure Remittances drawn on Military Treasury Chests.	Form T.A. 28.
(b) With the List/Schedule of Payments	
1. Schedule of Forest Cheques paid	
2. Schedule Services Cheques of Defence	
3. Schedule of Miscellaneous payments on account of Defence services.	In the same term as the Register (vide Article 101).
4. Schedule of payments on account of Postal Department.	
5. Schedule of payments on account of Public Works Department.	
6. <i>[Deleted].</i>	
7. Schedule of payments on account of Telegraph Branch of the Posts and Telegraphs Department,	
8. Schedule of payments on account of Salt Revenue Branch of the Department of Central Excise and Salt.	Form T.A. 42 (vide Article 104),
9. Schedule of payments on account of certain Central Departments (Article 104).	
10. Extract Register of Repayment of Revenue Deposits	Form T.A. 44 (vide Article 107).
11. Schedule of payments of pensions	Form T.A. 33 (vide Article 91 (vi)].
(c) Other Returns (to be submitted monthly)	
1. Extract Register of Receipts and Payments of Personal Deposits (supported by the original paid cheques).	Form T.A. 45 (vide Article 108).

2. Schedule of Seamen's money - orders	Vide Article 109.
3. Plus and Minus Memoranda	Form T.A. 46 (vide Article 110).
4. Statement of Lapsed Cash Orders	vide Article 115.

121) The Cash Account should be signed and certified by the Collector or if he is absent on tour or otherwise unable to sign the accounts on the first of the month by such other officer to whom the duty may be entrusted under rules made by Government. If the account is not signed by the Collector, the reason should invariably be stated.

122)

1. The Cash Account should be supported by a certificate that the cash balance shown in the account has been verified according to prescribed rules and agrees with the balance reported in the Cash Balance Report of the treasury for the last day of the month.
2. Where the cash business of the district treasury or any of its sub-treasuries is conducted by the Bank, a certificate to the following effect should be given on the Cash Account :--

"Certified that the net amount credited/ debited under the head

"State Bank Deposits Central/Provincial agrees with the net receipts and disbursements shown in the daily statements of Central/Provincial receipts and disbursements received from the Bank during the month, the totals of which were checked and agreed with the totals shown in the copy received in this treasury, of the daily schedule rendered by the Bank to its Head Office.

123)

1. The plus and minus memoranda in respect of stamps and opium transactions should be accompanied by a certificate of actual count or weight of stock in the treasury and the sub-treasuries subordinate to it. The certificate should be given in such form and at such intervals as may be prescribed by Government in consultation with the Accountant-General.
2. A certificate should also be recorded monthly on the plus and minus memorandum for cash orders (Article 110) or Form T.A. 45 to the effect that the balance of cash orders on sub-treasuries shown in Form T.A. 45 corresponds with the totals of the outstandings as shown in detail in Form T.A. 23.

124) At the end of every quarter a certificate should be furnished with the Extract Register of Receipts of Deposits (Form T.A. 43) by the Collector or by a gazetted officer of the district staff (not being the Treasury Officer) selected by the Collector for the purpose, that he has examined the register personally, and that the entries are made with the utmost care and regularity.

NOTE. ---This examination is not intended to be mechanical, and to secure only that all necessary entries are made and initialled without fail at the time of the transaction, but also that no moneys are necessarily in deposit, or allowed to remain there without good cause.

- 125) In July each year, the Treasury Officer, should examine the Registers of Receipts of Deposits (Form T.A. 20) of the second preceding year and transfer to a Clearance Register in Form T.A. 43 with suitable change in the headings, all the outstanding balances which are not reported for lapse under the rules of Government (vide Article 127). To this Clearance Register should also be transferred any items in the last preceding Clearance Register but one that are for special reasons not allowed to lapse to Government. It should then be submitted to the Accountant-General in order that repayments during the next two years may be recorded in it in the columns provided for the purpose.

NOTE.—It is not intended that the Clearance Registers should be used in district treasuries; the repayment of items entered in the Clearance Registers, should continue to be recorded therein the original Receipt Registers, vide Article 66.

- 126) For other classes of deposits which are accounted for as personal deposits as certificate from the administrator of every personal ledger account to the effect that the balance claimed by him is of a named amount, and detailing 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 should be sent with the Clearance Register.

NOTE.—In respect of sub-treasury personal ledger accounts, the Treasury Officer should certify annually that the credit balance of each sub-treasury personal account agrees with the sum of cash orders ascertained to be outstanding.

- 127) Immediately after 30th June each year, a list of deposits or balances of that year which lapse under the rules of Government, should also be submitted the Accountant-General in Form T.A.49. The list should be signed by the Collector.

For this purpose, the registers of deposit should be taken up early in June and an extract made on ruled paper of those of each class which will in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the Collector, and any item which in his opinion should not be so dealt with should be struck out and at the same time (if it be an item lapsing from age) entered on the first page of the Clearance-Registers (vide Article 125) for that class, full detail of the reasons why it is repaid in the course of the month, it should be struck out of his list at the same time as the payment is entered in registers of receipt and repayment. On 30th June each of these lists should be checked again with the registers of receipts, in which the items pertaining to the list should be marked off as having lapsed and been credited to Government on 30th June.

NOTE. ---In preparing the lapsed statement the items should be entered in chronological orders and separate totals should be given for deposits relating to different years.

FOR REFERENCE

Chapter VI of Account Code, Vol. III is given for ready reference for the readers.

CHAPTER VI.--ACCOUNTS TO BE KEPT IN FOREST OFFICES

A.--Cash Book

1.—General

- 256) Every officer who is authorised to receive or disburse Government money should keep an account in Cash Book, Form F.A. I in which he should enter not only all money transactions as they occur but also book transfers permissible under Article 260.
- 257) Only transactions connected with the public service and no other should be shown in the Cash Book. Sufficient details should be given in the column "Particulars" to admit of the main points of each transaction being ascertained readily without reference to the detailed vouchers. All items of revenue must be detailed fully; the forest from which the revenue is received, the person who pays it, and the articles and quantities removed should be stated in that column whenever the information is available. The classification of receipts and charges should be given in the column "Head of Service" in accordance with the prescribed accounts classification (see Chapter V).
- 258) When a cheque is drawn in favour of self or order to replenish the cash chest the amount of it should be entered at once as a receipt. This entry must not be delayed until the money has been received after the cheque has been cashed at the treasury.
- 259) A cheque drawn in order to be paid away should be entered simultaneously on both sides of the Cash Book, once as a receipt of money from the treasury and again as a payment to the payee concerned, the number and distinguishing letter of the cheque being specified in both the entries.
- 260) Similarly, all book transfers, i.e., transactions in which no actual payment or receipt of cash is involved, should be entered simultaneously on both sides of the Cash Book, the credit or debit to "Book Transfers" appearing on one side and an equivalent debit to an expenditure head or credit to a revenue head, on the other.
- 261) Pay and allowances of Forest Officers and their establishments which are paid by cheques or out of cash obtained from the treasury should be entered in the Cash Book under the head "establishment" without further details, the entries being supported by bills as vouchers.

II.--Cancelled, Lost or Lapsed Cheques

- 262) If a cheque which has been drawn and entered in the Cash Book has to be cancelled subsequently, the amount of it should be accounted for on the creditor side as a "cancelled cheque", the cancelled cheque being treated as a voucher, Simultaneously, an entry should be made on the debtor side, as indicated below:-
- a) **If the cancelled cheque is replaced immediately by a fresh cheque. —** The fresh cheque should be shown as a "Form Remittance", the number and date

of the cheque in lieu of which it is drawn being quoted in the entry.

b) **If the cancelled cheque is not replaced immediately.** ---The expenditure in payment of which it was drawn should be written-back by making an entry of the cancelled cheque on the debtor side as for a cash recovery of a service payment (Article 253).

263) A lost cheque should be treated in all respects like a cancelled cheque (Article 262), the treasury certificate of non-payment being regarded as a voucher in support of the entry of cancellation on the creditor side of the Cash Book.

264) A lapsed or time-expired cheque, if renewed, should be treated as a cancelled cheque and the fresh cheque issued in its place entered in the Cash Book in the manner indicated in clause (a) of Article 262.

III.—Closing and Balancing.

265) The Cash Book should be closed and balanced monthly. The account balance at the close of the month should be checked with the actual cash balance on hand verified by actual count. If any excess or deficiency is found, it should be entered at once as such in the Cash Book on the debtor or creditor side, as the case may be.

266) Divisional Officers and others who render accounts to the Accountant-General (Chapter VII) should close their books on the last working day of each month, but subordinate offices should do so on the 27th or such earlier date as may be necessary in order to ensure that their accounts reach the officers in whose accounts they are to be included, by the last day of the month. >For the month of June, the Divisional Officer should keep open his own accounts until the receipt of such accounts of the subordinate officers as will be closed on the 30th of the month.

B.--Register of Cheques Drawn

267) A monthly register of cheques drawn on all treasuries with which the drawing officer is placed in account should be kept in Form F.A. 2.

C.—Works Accounts

I.--Muster Rolls

268) For work executed by labourers, whether paid by the day or otherwise, a Muster Roll should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

II.—Measurement Books.

269) For work done otherwise than on a lump sum contract, and for supplies made by a contractor, a Measurement Book should be kept in such form and in accordance with such methods as may be prescribed by Government after consultation with the Accountant-General.

III.—Register of Works.

- 270) A detailed record of the expenditure relating to each sanctioned work should be kept in a register in Form F.A. 3.

D.—Stores Accounts

- 271) An account of stores such as building materials, small stores, house , fittings, etc., which may be held livestock for general purposes, as distinct from materials purchased for specific works, should be kept in such form as the Government may determine in consultation with the Accountant-General.

E.--Contractor's and Disbursers' Ledgers

- 272) A ledger should be maintained by the Divisional Officer in Form F.A. 4 for all accounts with disbursers and contractors. On the debtor side should be entered all payments made to them and on the creditor side the amounts of all bills passed to their credit and all sums repaid by them* in cash.
- 273) Only one account should be opened with each disburser, but in the case of contractors a separate account should be kept with each person in respect of each work.
- 274) Each item entered in the cash. Book under "Forest Advances" or "Works Advances" should be posted at once in the ledger, and when any work is accepted as having been done by a contractor, or any account supported by the necessary vouchers is accepted from a disburser, the amount covered by work done or expenditure incurred, should be set off against the amount due from the contractor or disburser, as shown in his account in the ledger. The ledger account should thus be a running account with each contractor and ledger account should thus be a running account with each contractor, and disburser from which the amount due by him or from him can always be ascertained easily.
- 275) The account with each contractor and disburser should be balanced on the last day of each month in which any transaction takes place.
- 276) The pages in the ledger should be numbered consecutively, and there should be an index to the accounts it contains. Each new account opened should be assigned a number which will be appropriate to that particular account until it is closed finally. The numbers should be given to the accounts in the ledger in consecutive order as they are opened and should run in a consecutive sequence until a new ledger column is opened.

F.--Closing of the Accounts of the Year

- 277) The financial year terminates on 30th June and actual transactions taking place after that date should on no account be treated as pertaining to that year. In order, however, that as many of the un-adjusted outstanding of the years as possible should be cleared, and that errors in accounts coming to notice after the 30th June should be certified, if possible, within the accounts of the year, the

account books prescribed above should be kept open, after the closing of the accounts for June, for the inclusion of transfer entries relating to rectification of errors and for settlement of outstandings. These accounts should be closed on the 20th of August or on such date as may be prescribed by the Accountant-General. (See Article 294).

G.—Correction of Errors

- 278)** If an item in the Forest accounts which properly belongs to one head is classified wrongly under another head, the error should be corrected in the following manner:
- a) If the error is discovered before the close of the month's accounts, the necessary correction should be made in the original entries before the accounts are closed. The mistake should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials.
 - b) If the error is discovered after the close of the month's accounts, but before the accounts for June supplementary are closed, the correction should take the form of a fresh entry in the current Cash Book. (Article 277).

NOTE 1. ---Errors affecting only revenue or expenditure (service) heads, where the amount involved does not exceed Rs. 10, need no formal correction.

NOTE 2.—If the error affects one or more heads on each side of the Cash Book, the correcting entry should be made on both sides in the manner indicated in Article 260 but if it affects only receipt or expenditure heads on one side of the Cash Book, the entry should be made on the one side affected, the amount (plus or minus) pertaining to each head being specified in the column headed "Particulars" and the column "Receipts" or "Disbursements", as the case may be, being left blank. At the same time, a suitable remark should be made in red ink against the original incorrect entries in all accounts, the reference to the correcting entry being quoted.

NOTE 3.—No correcting entry should be made unless supported by the orders of the Divisional Forest Officer obtained on a Transfer entry Memorandum in the Form below:-

Particulars of the original transaction with reasons for the proposed adjustment	Debits		Credits		
	Head of Account	Amount	Head of Account	Amount	
		Rs. Ps.		Rs.	Ps.

Divisional Forest Officer

c) If the error is discovered after the accounts for June supplementary have been closed and despatched to the Accountant-General (Article 294), it should be reported by letter to the Accountant-General who will deal with it in accordance with the rules in Volume IV and advise to the Forest Officer the corrections (if any) which he should make in his accounts.

d) In all cases in which a formal correction is not permissible, a suitable note (in red ink) should be made in all the accounts concerned.

H.--SUBSIDIARY ACCOUNTS OF COMMERCIAL UNDERTAKINGS

- 279)** If the activities of any individual Forest Unit or of any self-contained exploitation scheme like a Saw-mill or a forest Railway, are such as to require the maintenance of subsidiary accounts on a Commercial basis, the "form of accounts to be kept may be settled by Government after consultation with the Accountant-General.

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This index has been compiled solely for the purposes of assisting references. No expression used in it should be considered in any way as interpreting the rules.

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