

GOVERNMENT OF PUNJAB

DEPARTMENT OF RURAL DEVELOPMENT AND PANCHAYATS

NOTIFICATION

The 20th December, 2013 .

No.G.S.R.3/P.A.9/1994/S.227/2014.-With reference to the Government of Punjab, Department of Rural Development and Panchayats, Notification No.G.S.R.67/P.A.9/1994/S.227/2012, dated the 12th December, 2012, and in exercise of the powers conferred by section 227 of the Punjab Panchayati Raj Act, 1994 (Punjab Act 9 of 1994), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules, namely:-

RULES

1. Short title and commencement.-(1) These rules may be called the Punjab Panchayat Samitis and Zila Parishads Finance, Budget and Accounts Rules, 2014.

(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.

CHAPTER -I

2. Definitions.- In these rules, unless the context otherwise requires,-

- (a) "Act" means the Punjab Panchayati Raj Act 1994;
- (b) "Accountant General" means the Accountant General, Punjab;
- (c) "ACPF" means Assistant Controller Panchayati Raj, Finance;
- (d) "Appropriation" means the assignment to meet specified expenditure of funds at the disposal of the assigning authority;
- (e) "Audit Authority" means Auditor or Audit Agency as may be determined and assigned the work of audit by the Government;
- (f) "Book transfer" denotes the process where by financial transactions which do not involve the giving or receiving of cash or of stock materials, are brought to account. Such transactions usually represent liability 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;
- (g) "Cash" includes legal tender coin, currency, and Bank Notes, cheques payable on demand, Reserve Bank Government drafts, demand drafts

and also revenue stamps, but does not include Government securities, deposit receipts of banks, debentures and bonds accepted as security deposit;

- (h) "CPF" means Controller Panchayati Raj, Finance;
- (i) "Chartered Accountant" means Chartered Accountant within the meaning of clause (b) of sub section (1) of section 2 of the Chartered Accountants Act, 1949;
- (j) "Competent authority" means the Panchayat Samiti or Zila Parishad, as the case may be, and the Government or such other authorities to whom powers in this behalf, shall be delegated by the Government. A list of authorities to exercise the powers of a competent authority in relation to various rules, shall be notified from time to time by the Government;
- (k) "Contract" means any kind of undertaking, written or verbal, express or implied, by a person, not being a public 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 work or the supply of materials;
- (l) "Drawing and Disbursing Officer" means the Executive Officer for the Panchayat Samiti and the Chief Executive Officer for the Zila Parishad or any other officer who may be empowered to draw and disburse money from the Fund of the Panchayat Samiti or Zila Parishad;
- (m) "Divisional Inspection Committee" means a Committee Constituted under rule 120 of these rules.
- (n) "Examiner" means the Examiner, Local Fund Accounts Punjab;
- (o) "Form" means a form appended to these rules;
- (p) "Fund" means the Panchayat Samiti Fund or Zila Parishad Fund, as the case may be;
- (q) "Government" means the State Government in the Department of Rural Development and Panchayats;
- (r) 'Head of the Office' means the Executive Officer in case of Panchayat Samiti and Chief Executive Officer in case of Zila Parishad;
- (s) Head of Department or Head of Panchayati Raj Institution means elected body of Panchayat Samiti or Zila Parishad or a person appointed under the Act to administer the affairs of a Panchayat Samiti or Zila Parishad, as the case may be;

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- (t) 'meeting' means a meeting of the concerned Panchayat Samiti or Zila Parishad, as the case may be, or of their standing committees;
- (u) "Non-recurring expenditure" means expenditure sanctioned as a lump sum charge whether the money be paid as a lump sum or by installments;
- (v) "Re-appropriation" means the transfer of Fund from one unit of appropriation to another such unit;
- (w) "Recurring expenditure" means all expenditure which is not non-recurring;
- (x) "section" means section of the Act;
- (y) "technical sanction" means the sanction of the competent authority to a properly detailed estimate of the cost of a work of construction or repair of any other scheme;
- (z) "Treasury" includes Sub-Treasury also;
- (za) "Bank" means a Public Sector Bank;
- (zb) "Treasury Officer" means the officer incharge of a Treasury or Sub-Treasury;
- (zc) "Vehicle" shall include bicycle, tricycle, auto-motor car and every wheeled conveyance which is used or capable of being used on a public street; and
- (zd) "Year" means the financial year beginning on the 1st of April and ending on the 31st of March following.

3. Extension of time when the office is closed.- Wherever in these rules, any act or proceeding is directed or allowed to be done or taken on a certain day, then, if the office is closed on that day, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day on which the office is open. Section 227 (zd)

4. Unauthorized forms not to be used.- No form other than those prescribed in these rules, shall be used by the Panchayat Samiti or Zila Parishad: Sections 143 and 193

Provided that Central Government or State Government may prescribe forms for execution of any scheme or otherwise.

CHAPTER -2*The Budget*

5. Appropriation.- An appropriation is intended to cover all the charges including the liabilities of the past year to be paid during a financial year or to be adjusted in the accounts of that year. It is operative until the close of that Sections 142, 143 and 193

year. Any unspent balance shall not be available for utilization after the close of the year.

Sections 142 and
143

6. Form of budget.- The budget estimates of the Panchayat Samiti shall be drawn up by the Executive Officer and that of the Zila Parishad by the Chief Executive Officer in Form FBA-1, as amended from time to time. All the receipts and expenditure shall be classified under the main Heads of Accounts as shown therein. Heads of Accounts not provided for but considered absolutely necessary in classifying the various items under Receipts and Expenditure can be opened with the prior concurrence of the Director.

Sections 142 and
143

7. Budget of Panchayat Samiti.- The Executive Officer shall prepare the budget of the Panchayat Samiti. While framing the budget under section 142, he shall keep in view the following principles:-

(a) the estimates of the receipt shall be as accurate and realistic as possible and shall show the amounts which are expected to be received by the Panchayat Samiti from the Government by way of grants-in-aid for Rural development programmes, schemes or projects under the Act and liabilities or schemes transferred by other departments of the State Government, including the cost of permanent Government employees encadred under the Panchayat Samiti. This shall also include the amount expected to be realized by the Panchayat Samiti from local rates, taxes, fees or other sources. The arrears if any, standing over from past years for collection, shall only be included in the estimates to the extent these are expected to be actually realized. The peoples' contribution (in cash only), if expected to be received by the Panchayat Samiti for the execution of the Rural Development Schemes, etc or other department's schemes or its own schemes, should also be taken in to account and provided for under proper Head of Account. The expected amounts of grants-in aid for Rural Development Programme etc and schemes of other Government departments shall however, be intimated to the Panchayat Samiti by the Government.

(b) the amounts of loan, if any, expected to be received from the Government and the recovery of loan already advanced by the Panchayat Samiti and interest thereon which is expected to be actually realized during the year shall also be provided for in the budget estimates.

(c) in the case of fluctuating revenue or receipts, the actuals of the past three years and the revised estimates of the current year ordinarily afford the best guide in framing the estimates. Any general tendency either to stability,

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or increase or decrease which might also have influenced the figures of the past years and the new sums of revenue of which no account has been taken in the previous year, should also be kept in view for arriving at an accurate estimate of the Receipt. No income from any tax shall be shown on the Receipt side unless the imposition of tax is actually approved by the competent authority.

(d) provision for anticipated refunds should also be made in the estimates under head "Deduct-Refund" by means of a deduct entry from the total estimated Receipts.

(e) for the estimates of expenditure of the next year, the current year's estimates should not be accepted as the only basis. The need for every item should be scrutinized zealously before it is included in the estimates and only so much amount is provided for as is expected to be actually spent during the year.

(f) the Panchayat Samiti should provide the entire amount of grants-in-aid expected to be received by it from the Government for the execution of various schemes as their main item of expenditure.

(g) all other items of expenditure which the Panchayat Samiti has to incur out of its own resources under each or various heads of accounts should also be estimated and provided for under proper heads of accounts on the expenditure side.

(h) adequate provisions should also be made for the due discharge of all liabilities to be liquidated in financial year particularly in respect of the following items :-

- (i) repayment of loans and interest thereon due to Government;
- (ii) the supplies and services including the pay and allowances of its staff and its members;
- (iii) amounts due to Government consequential to the provincialisation of schools and dispensaries;
- (iv) audit fee payable to the audit authority ;
- (v) contribution payable to Government on account of the cost of Panchayati Raj Public Works Circle;
- (vi) contribution payable towards Contributory Provident Fund of the employees;
- (vii) pension and leave salary Contributions of the permanent Government employees, who have opted for pension after their encadrement under the Panchayat Samiti.

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(viii) pension and leave salary contribution of Government employees, who are on deputation in accordance with the terms and conditions of deputation; and

(ix) contribution towards the District Panchayat Bhawan, Panchayat Samiti Rest House or State Vikas Bhawan or Guest House;

(i) adequate provision must be made for the maintenance of minimum cash balance at the end of the year amounting to ten percent of the income of the Panchayat Samiti for the previous financial year in terms of section 141 of the Act.

(j) while framing estimates for new expenditure, attention should be paid to the necessity of raising new resources to meet the additional demand and the proposals for the necessary measures viz, fresh taxation, increase in existing level of taxation, economic, etc., should be simultaneously drawn up and considered. Along with the budget, complete accounts of the receipts and expenditure for the financial year preceding the one during which the estimates are framed should also be furnished by the Panchayat Samiti. Any variation in the figures of the previous year and the ensuing year should also be explained.

(k) budget estimates should also be supported with a statement showing the pay (including the increments) of staff on time scale of pay. The details of contingent and other charges shall be shown in a separate statement.

(l) while framing an estimate for sanctioned establishment, whether permanent or temporary, the following procedure should be adopted:-

(i) the sanctioned strength (including the rate and scale of pay) shall be shown together with the total cost thereof, provision being made where pay is progressive or on a time- scale for all increments which shall be due during the currency of the budget year. Necessary provision should also be made for the payment of arrears of pay, if any, which can be foreseen and are likely to be paid during the currency of the budget year:

(ii) from the total of items mentioned in sub-clause (i), a deduction should then be made for probable savings;

(iii) the estimates for fluctuating items of expenditure such as "Allowances Honoraria " should be based on the current year's allotment viewed in the light of the average of the past three years actual's, allowances being made for any causes likely to modify that figure.

8. Approval of Budget of Panchayat Samiti.- Budget estimates so prepared shall be laid by the Executive Officer before the Standing Committee for Finance, Audit and Planning for its close scrutiny or any modification as it may consider fit, where after the Standing Committee for Finance, Audit and Planning shall submit the budget in Form FBA-I to the Panchayat Samiti in its meeting to be held on or before the twelfth February each year for consideration and taking action under section 142. The budget shall be placed before the Zila Parishad for its approval. Section 142

9. Supplies of copies of sanctioned Budget of Panchayat Samiti.- As soon as the budget estimates of the Panchayat Samiti are sanctioned, copies thereof shall be supplied within a week to : Section 142

(i) the Government ;and

(ii) the Zila Parishad.

10. Budget of Zila Parishad.- (1) The provisions of rules 5 to 8 shall apply mutatis mutandis to the preparation of the budget of the Zila Parishad in so far as these may be applicable to it. Section 193

(2) Every Zila Parishad shall have the power to include any other item of expenditure in budget estimates in addition to the items enumerated in rule 7.

11. Approval of budget estimates of Zila Parishad.- Every year on 5th February or before that date, the Chief Executive Officer of the Zila Parishad shall frame the budget and place it before the Standing Committee for Finance, Audit and Planning for approval and further submission to the Zila Parishad for approval , where after, it shall be sent to the Government, as soon as it is passed by the Zila Parishad, so that it can be scrutinized with a view not to approving, but to pointing out any misuse or abuse of funds placed at the disposal of the Zila Parishad. Section 193

12. Supplies of copies of sanctioned budget of Zila Parishad.- As soon as the budget estimates of the Zila Parishad are approved, copies thereof shall be supplied to the Government with in a period of one week. Section 193

13. Re-appropriation.- The amount provided under any head in the approved budget of the Panchayat Samiti or the Zila Parishad may be transferred or re-appropriated to any other head with the prior approval of the Chairperson of the Zila Parishad: Sections 142 and 193

Provided that,-

- a) no re-appropriation is made from one section of account to an other;
- b) due provision is ensured under each head for schemes, institutions, services or liabilities, which is obligatory for the Panchayat Samiti or the Zila Parishad to execute, maintain or pay for in accordance with the Act, rules made thereunder or the conditions of any grant made by the State Government ; and
- c) funds shall not be diverted from any scheme specially indicated by the State Government in this behalf, nor shall the pattern of such schemes be altered without the prior approval of the Government.

Sections 142 and
193

14. Revised or supplementary budget.- If in the course of the year, the Panchayat Samiti or Zila Parishad has reason to believe that budget under any head is likely to exceed and excess amount cannot be met by re-appropriation, supplementary or revised budget may be prepared and got sanctioned in the same manner in which the original budget was passed, but care should be taken to revise the budget not before the lapse of six months. Such revision shall, as far as possible, be restricted to once a year.

Sections 142 and
193

15. Time schedule of budget.- Subject to such general or specific instructions, as may be issued by the Government from time to time in this behalf, the following shall be the due dates for the submission of the budget of the Panchayat Samiti and the Zila Parishad:-

(a) The Panchayat Samiti or the Zila Parishad shall prepare and send to the Government by the 15th July each year, the Schedule of New Expenditure pertaining to establishment charges (including contingency) in respect of all Government employees since encadred under the Panchayat Samiti or the Zila Parishad, as the case may be.

(b) The dates for submission and approval of the budget of the Panchayat Samitis and the Zila Parishads shall be as follows:-

Last date of the submission/return of the budget	BY	To
1	2	3
(i) Budget of Panchayat Samiti—By 5th February	Executive Officer Panchayat Samiti	Standing Committee for Finance, Audit and Planning
By 16th February	Standing Committee for Finance, Audit and Planning	Panchayat Samiti

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By 15th February	Panchayat Samiti	Zila Parishad
By 15th March, after final approval	Zila Parishad	Panchayat Samiti
(ii) Budget of the Zila Parishad by 5th February	Chief Executive Officer the Zila Parishad	Standing Committee for Finance, Audit and Planning
16th February	Standing Committee for Finance, Audit and Planning	Zila Parishad
By 15th March	Zila Parishad	Government

Notes:-

1) In case the Zila Parishad has any recommendation to make with respect to the budget of the Panchayat Samiti, it shall return the budget to the Panchayat Samiti within a period of fifteen days of the receipt. In case the Panchayat Samiti does not accept the recommendations of the Zila Parishad, it shall take action under clause (b) of sub-section (4) of section 142 and return the budget to the Zila Parishad within a period of one week of its receipt.

2) The department concerned of the State Government shall prepare district wise statement of funds to be placed at the disposal of the Zila Parishad and the Panchayat Samiti and shall pass on the same to the Government by the 15th November, each year.

3) The Government shall communicate to each Zila Parishad not later than the end of November, each year the allocation of:-

- (a) funds for schemes entrusted to the Zila Parishad ;and
- (b) funds for schemes entrusted to the Panchayat Samitis.

4) The Zila Parishad shall meet immediately and decide Block wise allocation of funds as mentioned in item (b) of Note 3 and convey its recommendations to the Government by the end of December, at the latest, each year.

5) Keeping in view the recommendations of the Zila Parishad, the Government shall, not later than the end of January each year, communicate to each Panchayat Samiti the allocation of funds to it for the schemes to be executed by it during the next financial year.

6) On receipt of the intimation of the allocation of funds, the Panchayat Samiti shall prepare its budget and submit it to the Zila Parishad by the 15th of February each year, for approval.

CHAPTER-3

STRUCTURE OF ACCOUNTS

Sections 143 and
193

16. The manner in which accounts are to be kept,- (1) Figures in the accounts shall be in English characters and, in the case of receipts given for money, in State language also, and all accounts and registers in the case of Panchayat Samiti or Zila Parishad so far as possible be kept in English or Punjabi, as may be decided by the Director.

(2) Books of accounts, forms and registers shall be substantially bound and paged before being brought into use.

Sections 143 and
193

17. New Accounting system.- The Panchayat Samitis and Zila Parishads shall maintain its accounts in accordance with the accounting system prescribed by the Government of India, Ministry of Panchayati Raj along with amendments in formats or otherwise, in view of the requirements of the State Government or Central Government or otherwise:

Provided that till the new system of accounts is completely introduced or till such period as may be determined by the Director Rural Development and Panchayats, the Panchayat Samitis and the Zila Parishads shall continue to maintain the existing system.

Sections 143 and
193

18. Responsibility for maintenance of accounts.- (1) It shall be the responsibility of the Executive Officer or the Chief Executive Officer to see that all persons who receive or pay money on behalf of the Panchayat Samiti or the Zila Parishad, as the case may be, maintain and render proper accounts thereof in such manner that information in regard to all receipts and expenditure could be deducted therefrom as required by the Government from time to time. All accounts shall be kept so clean, the detail so fully recorded and the initial record of payments made so clear, explicit and self-contained, as may produce a convincing and satisfactory evidence of the facts in a court of law.

(2) The Executive Officer or the Chief Executive Officer shall render to the Panchayat Samiti or Zila Parishad, as the case may be, and the Government accurately and promptly such accounts and returns exhibiting the position of those transactions, as may be required of him from time to time.

(3) All funds received and spent on behalf of the Panchayat Samiti or the Zila Parishad shall be credited into and withdrawn from the Panchayat Samiti fund or the Zila Parishad fund, as the case may be.

(4) No eraser shall be made in any account book, register, form, voucher

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and if any correction has to be made, it shall be made neatly in red ink, by crossing a horizontal line over the incorrect entry and attested by the Drawing and Disbursing Officer or the Officer Incharge of the Institution concerned.

19. Accounts Ledger.- The amounts credited into and withdrawn from the Panchayat Samiti or the Zila Parishad fund, shall be properly accounted for in the relevant registers prescribed under these rules.

Sections 143 and
193

20. Cash Book.- (1) All money received or spent by or on behalf of the Panchayat Samiti or the Zila Parishad shall without any reservation be brought to account in the cash book to be maintained in Form FBA-2 and attested by the Executive Officer or the Chief Executive Officer, as the case may be. Sufficient details should be given in the column 'Particulars' to admit the main points of each transaction being readily ascertained without reference to the detailed voucher or challan. No amount received, shall directly be used for payment rather should be deposited in the bank by taking into accounts in the cash book.

Sections 143 and
193

(2) At the close of the day while signing the Cash Book, the Executive Officer or the Chief Executive Officer, as the case may be, should see that the receipts collected during the day are credited into the Treasury or bank on the same day or on morning of the following working day with a Challan in Form FBA-3 or Bank voucher. When the money is paid into the treasury, the Executive Officer or the Chief Executive Officer making such payment shall compare the Treasury Officer's receipt on the Challan or Bank receipt with the entry made in the Cash Book before attesting it.

(3) The amount remitted into the Treasury or the bank in cash should be entered on the payment side of the Cash book in the 'Cash' column and on the receipt side in the 'Treasury' column.

(4) When money is received into the fund by Book Transfer credit, its receipt shall be entered in the Cash Book by indicating 'By transfer credit' in particular columns and showing the amount under 'Treasury' column of the Cash Book. All the dues of the Panchayat Samiti or the Zila Parishad tendered by third party shall be dealt with similarly into the Treasury or bank direct.

(5) When a cheque is drawn by the Executive Officer or the Chief Executive Officer in favour of 'Self' in order to replenish the Cash Chest or for payment to third party direct, its amount should, at once, be entered as receipt or payment, as the case may be, irrespective of the date of its encashment.

(6) The Cash Book shall on each day be closed, balanced, checked and

signed by the Executive Officer or the Chief Executive Officer, as the case may be, in token of check.

(7) (a) If the cheque is cancelled before the cash transaction of the day in which it was issued, have been totaled the entry in the Cash Book shall be struck out in red ink under initials of the Executive Officer or the Chief Executive Officer, as the case may be, with a note that the cheque has been cancelled;

(b) .If, however, the Cash Book has been totaled and the correction is required to be made at any time with in the same financial year in which the cheque was issued, it should be posted on the payment side of the Cash Book in the 'Treasury' column as a minus entry under the Head of expenditure to which it was originally charged; and

(c) If the correction is required to be made in the year subsequent to that in which the cheque was issued , the amount of the cancelled cheque should be credited in the Cash Book in the 'Treasury column' as 'Refund of the Expenditure of previous year'.

(8) At the end of the each month, the Executive Officer or the Chief Executive Officer, as the case may be, shall,-

(a) verify the cash balance in the chest with the cash balance in 'Cash' column on receipt side of the Cash Book and give a certificate as under:-

" Certified that cash balance in the chest has been checked and was found to be rupees-----which is tallied with the balance shown in the cash column of the cash book";

(b) also compare every item of the receipt and expenditure as shown in the treasury pass book with the relevant entries of the corresponding month in the cash book.

The difference, if there be any, shall be explained and accounted for in a footnote in the Cash Book in the manner indicated below:-

Balance as per 'Treasury column of the Cash Book rupees. -----

(i) Add amount of cheques (detailed below) issued but not cashed rupees.

(1)

(2)

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(ii) minus amount of cheques (detailed below) given to Treasury or Bank for collection , credit of which is still awaited=rupees. _____

Balance as per Pass Book =rupees. _____

Note1:

A surprise check shall also be made by the Executive Officer or the Chief Executive Officer, as the case may be, once or twice a month in order to ensure that cash in hand tallies with the Cash Book. As and when a check is made, a certificate of count shall be recorded in the cash book.

Note 2:

If on comparison of the Cash Book with the Treasury or Bank Pass Book, any cheque appears to be unduly long outstanding, enquires shall be made regarding it and if it cannot be traced, it shall be stopped by order of the Drawing and Disbursing Officer.

(9) Subject to the Instructions issued by the Government from time to time, reconciliation of Cash book of the Panchayat Samiti or Zila Parishad, as the case may be, shall be reconciled with the Bank by 15th day of every month. Copy of the reconciliation statement accompanied with the cash balance certificate duly authenticated by the bank authorities, shall be submitted to the Zila Parishad in case of Panchayat Samiti and to the Director in case of Zila Parishad, as the case may be.

21. Register of temporary advances.- (1) whenever any advance is required to be given to any official of the Panchayat Samiti or the Zila Parishad for carrying out the purposes of the Panchayat Samiti or Zila Parishad, as the case may be, a record of such advances shall be kept in the register of temporary advances in Form FBA-4. Sections 143 and 193

(2) Temporary advances shall be got adjusted within a maximum period of three months, failing which it shall amount to temporary embezzlement and un-utilised cash balance shall be refunded back along with 18% interest.

(3) The Panchayat Samiti or the Zila Parishad, as the case may be, may sanction a permanent advance up to a maximum limit of rupees ten thousand to any of its outlaying institutions. The advance should be intended to provide on the responsibility of the incharge of the Institution for emergent petty expenses. The holder of a permanent advance shall be responsible for the safe custody of the money placed in his hands and must at all times be ready to account for the total amount of the money so advanced, in vouchers or in

cash or in both. The account of such an advance shall be kept in Form FBA-5 by the Panchayat Samiti or the Zila Parishad, as the case may be, and in Form FBA -5A by the holder of the imprest. An acknowledgement in the following form should be furnished by the holder of an imprest on 1st April each year to the Executive Officer or the Chief Executive Officer, as the case may be:-

I, hereby acknowledge that the amount of rupees, -----
----- sanctioned as imprest is held by me in tact. The details of the same as it stood on 31st March-----are as below:--

(i) Cash----- rupees -----

(ii) Paid vouchers----- rupees -----

Signature-----

Designation-----

Provided that the Panchayat Samiti or the Zila Parishad, as the case may be, may in special circumstances to be recorded in writing, sanction such permanent advance not exceeding twenty five thousand rupees.

22. General Ledger.- (1) The General Ledger shall be in Form FBA-6. It shall consist of the following parts:-

- (a) the accounts of Rural Development Schemes;
- (b) the accounts of the Panchayat Samiti or Zila Parishad, as the case may be, out of its own resources;
- (c) the accounts of centrally sponsored schemes;
- (d) loan and advances;
- (e) deposit work; and
- (f) other departments schemes etc.:

Provided that heads of General ledger may be increased, decreased, replaced or amended in accordance with the requirement of the Central or State Government from time to time.

(2) As soon as an amount is received and accounted for in the cash book, an entry to this effect shall also be made in the relevant abstract in the General Ledger. All payments immediately after they are made and entered in the Cash Book should be entered in the abstract and also under the particular scheme in this register. At the close of the month, the last balances standing in each abstract should be written on a separate sheet and totaled up and the

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figures thus arrived at tallied with the closing balance of the Cash Book.

(3) For the purpose of classifying the income and expenditure, a classified abstract shall be maintained in Form FBA -7 in two volumes or parts. One for income and the other for expenditure. A separate folio shall be opened for each Head of Account, under which income or expenditure has been budgeted for, and the items appertaining to these Heads shall be taken from General Ledger as they occur and entered in the appropriate columns of the abstract. At the end of the each month, the monthly and progressive totals shall be entered under each Head of the abstract.

23. Adjustment of advances, overpayments or refunds of over charges.-When it is necessary to adjust the recovery of a portion of an advance payment which has been unused or of an overpayment or there fund of money wrongly paid or any transaction of such description, the receipt or payment of the amount involved shall be entered in the Cash Book in red ink, the Head of Account to be entered in column 6 or column 13, as the case may be, being the original Head of Account of expenditure or income, as the case may be, preceded by the word "Deduct" and when the amount is carried to the classified abstract, it shall be entered in red ink under the appropriate Head of Account in column 2 on the income or expenditure side, as the case may be, and deducted from the daily total. Sections 143 and 193

24. Correction of misclassified items.- When it is necessary to correct any misclassification of any item of receipt or expenditure, no entry shall be made in the Cash Book, but the necessary 'deduct' and 'add' entries shall be made in red ink under the relevant Head of Account in the classified abstract, a note being made there against giving the date of the original debit or credit entry in the Cash Book, and the Head of Account to or from which the item has been transferred and the number and pages of the file on which the order sanctioning the correction has been recorded. Sections 143 and 193

25. Monthly Account.-(1) At the end of each month, a monthly account in Form FBA-8, shall be drawn up by the Panchayat Samiti and forwarded to the Zila Parishad, with a copy to Director by the 20th of the following month. The Zila Parishad shall consolidate the monthly account of all the Panchayat Samitis in the district according to their stages (i.e., putting Pre-Extension Samitis first to be followed by stage I, II and III) and forward it by 30th of the following month to the Director with its observation in regard to the slow or rapid pace of expenditure in the various Panchayat Samitis within its jurisdiction. Sections 143 and 193

(2) The Zila Parishad shall also prepare its own monthly account in Form FBA-8, and forward it to the Government by the 20th of the following month.

26. Half yearly review.- The Zila Parishad shall conduct the half yearly review of income and expenditure of all the Panchayat Samitis within its jurisdiction in respect of the functions entrusted to them and shall send a copy of its review along with the copy of the consolidated statement of figures of income and expenditure of all the Panchayat Samitis in its jurisdiction showing the income realized and expenditure incurred during this period, progressive expenditure to the end of previous period and the expenditure incurred to the end of the half yearly period under review for the consideration of the Government.

27. Annual account of Panchayat Samiti - (1) At the end of each year the Panchayat Samitis shall prepare its annual account in Form FBA-9 showing its income and expenditure under each of the budget heads and send it to the Zila Parishad by the following 15th May for transmission to the Government with its observations, if any.

(2) An advance copy of the annual account shall also be supplied by the Panchayat Samiti to the Government.

(3) The annual account of the Panchayat Samiti shall be supported by the following statements:--

(a) Statement showing the receipt and disbursement of loan in Form FBA- 10;

(b) statement showing the loan received from the Government and amount of installments that fell due for repayment to the Government, amounts actually repaid, the balance still due from Panchayat Samiti and reasons there for in Form FBA -11;

(c) a list of works in Form FBA -12 showing the works required to be undertaken during the year, actually undertaken, funds involved and the amount actually spent there against and reasons for not having executed the entire works.

(d) a Statement in Form FBA -13 indicating the assets and liabilities of the Panchayat Samiti.

(e) a statement in Form FBA- 14 showing the reasons for saving under each Head of Account wherein the Panchayat Samiti received the Grants-in aid from the Government for the execution of various schemes

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transferred to it under section 120. The Executive Officer shall also record a certificate of utilization clearly stating that:--

- (i) the grant in full or in part has been utilized on the object for which it was granted,
- (ii) the accounts there for have properly been maintained; and
- (iii) the vouchers are under his custody and if not, arrangements could be made to produce as and when required for audit by the audit authority or authorities of the Zila Parishad or Officers of the Government.

28. Annual Account of Zila Parishad.—The Zila Parishad shall prepare its annual account in the manner as laid down in rule 27 so far as it is applicable to Zila Parishad and send it to the Government by the following 15th May. Section 193

CHAPTER 4

FUND, ITS APPLICATION AND INVESTMENT

29. Custody of Fund.—(1) The Panchayat Samiti Fund and the Zila Parishad Fund kept under section 138 and section 188 of the Act, shall be of the nature of a Local Fund Deposit Account under the head "Deposits and Advances—Part II—Deposits not bearing interest—(c) Other Deposit Accounts—Deposit of Local Fund Other Funds—Other Miscellaneous Allowances Funds—Funds (i) Panchayat Samiti (ii) Zila Parishad". Sections 138, 139 and 188

(2) The Panchayat Samiti Fund and the Zila Parishad Fund shall be kept in a Single Bank Account unless provided otherwise under any law or contract or orders of Government or in Treasury as a purely banking account, money being paid into and drawn out of it without specification of the nature of the Receipt or Expenditure. Withdrawal may be made by means of cheques signed by the Executive Officer or the Chief Executive Officer, as the case may be, only when it is required for immediate disbursement on an item of expenditure of the Panchayat Samiti or the Zila Parishad, as the case may be:

Provided that all the payments shall be made through RTGS in routine except in those cases where payment through RTGS is not practically possible for reasons to be recorded in writing. In such cases, the payments shall only be made through crossed or account payee cheques or drafts.

30. Pass Book.—(1) The Bank Officer or the Treasury Office, shall issue a Pass Book in which all the sums paid into or drawn by means of cheques from the Bank or Treasury on behalf of the Panchayat Samiti or the Zila Sections 143 and 193

Parishad shall be entered.

(2) Entries in the Pass Book shall be made only by the Bank or Treasury Establishment.

(3) The Pass Book shall remain in the personal custody of the Executive Officer or Chief Executive Officer, as the case may be, or any authorized official, who shall be responsible to see that the Pass Book is sent to the bank or Treasury Office at least once a month for completion.

(4) The Bank or Treasury Office 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 tallies with Treasury account. The Pass Book shall then be signed and returned to the Executive Officer or the Chief Executive officer, as the case may be, by the Bank authority or Treasury Office. The former shall be responsible to reconcile the balance as shown in the Pass Book and that shown in the Treasury column of his Cash Book.

Sections 143 and
193

31. Payment of money into Treasury.— (1) Handling of cash should, as far as possible, be avoided and in case of receipt of sum in excess of rupees fifty thousand, the Panchayat Samiti or the Zila Parishad, as the case may be, may direct the persons from whom sums are due, to pay the money direct to the credit of the Fund in the Bank or Treasury concerned, subject to instructions as laid down in these rules.

(2) All moneys received at the office of the Panchayat Samiti or the Zila Parishad, as the case may be, be remitted into the Bank or the Treasury to the credit of their respective Funds promptly through voucher as prescribed by the Bank or Treasury Challan in Form FBA- 3, duly signed by the Executive Officer or the Chief Executive Officer, as the case may be, as the accumulation of cash in the Panchayat Samiti or Zila Parishad chest beyond the prescribed limit is prohibited. An entry of such remittance shall also be made in the Cash Book under his initial. The Bank or Treasury Office shall retain one part of the Voucher or Challan and shall return the other to the person making payment. A part of the Voucher or Challan received back duly receipted by the Bank or the Treasury Office, shall be filed by the Executive Officer or the Chief Executive Officer, as the case may be, as a Voucher in support of the remittance.

(3) The amount recovered on account of local rate is credited in to the Panchayat Samiti or the Zila Parishad Fund, as the case may be, by the revenue

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authorities. At the close of the month, the Tehsildar concerned shall prepare a statement in Form FBA- 15 from the revenue register showing the collections of local rate during the month and supply a copy of the same to the respective Panchayat Samiti or the Zila Parishad with a view to reconcile the credits with the daily memorandum received from the Treasury Office.

32. Receipt of money by direct payment into Bank.- (1) When money is to be paid direct into the bank, the person making the payment shall be provided a voucher with counterfoil duly filled. After making the payment, deposit statement showing the purpose of payment along with counterfoil duly receipted by the Bank shall be deposited in the office of Panchayat Samiti or the Zila Parishad, as the case may be. When money is to be paid direct into the Treasury for credit to the Fund, concerned person making the payment shall be provided with a Challan in Form FBA- 3 of which one shall be retained by the Treasury Office, the second shall be handed over as a receipt to the person making the payment, the Challan shall show full particulars of payment, the name of the person through whom money is being paid, and on whose behalf the same has been tendered, and all other particulars necessary for proper accounting and classification of the credit. No remittance Challan shall, however, be accepted by the Treasury Office without seeing demand notice issued by the Panchayat Samiti or the Zila Parishad or unless the Challan is actually signed by the Executive Officer or Chief Executive Officer, as the case may be. Sections 143 and 193

(2) Whenever any sum is required to be credited into the sub-treasury, the Challan in Form FBA-3 shall be prepared, of which one folio shall be retained by the Sub-Treasury Office, the second part shall be handed over as receipt to the person making the payment.

33. Receipt of money by book transfer.- (1) Grants-in-aid required to be paid by various departments of the Government on account of the execution of various schemes or otherwise, shall be paid into the Fund by the Treasury Officer concerned by transfer credit per contra debit to the Major Head concerned in accordance with the accounting procedure and the entry of the amounts so credited into Fund shall appear in the Pass Book on the basis of which the necessary entry shall be made on the receipt side of the Cash Book. Sections 143 and 193

(2) When payment is received by means of a banking instrument i.e. cheque, pay order and demand draft etc. drawn on the Treasury, the instrument shall be endorsed by the Executive Officer of the Panchayat Samiti or the Chief

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Executive Officer Zila Parishad, as the case may be, in whose favour it is drawn with the words "Received payment by transfer credit" to the Panchayat Samiti or Zila Parishad, as the case may be.

Sections 143 and
193

34. Drawing of money from fund.- (1) All petty payments up to rupees ten thousand shall be made in cash out of imprest only.

(2) Whenever money up to rupees ten thousand is required to replenish the cash chest, it shall be drawn by the drawing and disbursing officer from the account of the Fund by means of a cheque in favour of 'Self' subject to the extent specified in in sub-rule (3) of rule 37. Reference to cheque number and date shall be quoted on the voucher so as to avoid double entry.

Sections 143 and
193

35. Cheques.- 1) The cheque books shall be supplied by the Bank or Treasury Office with whom the Fund has been lodged.

(2) The Bank or Treasury Office shall supply the cheque books only on receipt of requisition.

(3) The drawing officer shall maintain a cheque book register in Form FBA-16

(4) Each cheque book must be kept under lock and key in the personal custody of the Drawing and Disbursing Officer, who when relieved shall take a receipt of the exact number of cheques made over to the relieving officer and shall send a specimen of the signature of the relieving officer together with a certificate in following form to the Bank or Treasury Office:-

To

I have this day..... made over charge of the office of the Panchayat Samiti/ the Zila Parishad_____ to Shri_____ whose signatures are given below:-

Relieving Officer

Relieved Officer.

(5) No cheque shall ordinarily be signed unless required for immediate delivery to the person to whom money is to be paid. Every cheque shall be drawn in favour of the person to whom the money is actually to be paid and self cheques should not be drawn except for replenishment of cash chest of Panchayat Samiti or Zila Parishad, as the case may be.

(6) If a cheque is expired owing to its not being presented at the Bank or the Treasury for payment within the specified period, it may be received back by the drawer, who should cancel it and issue a new cheque. The fact of the new cheque having been issued should be entered on the date of issue in red ink in

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the Cash Book but not in the column for payment, a note being made at the same time against the original entry in the Cash Book.

(7) When it is necessary to cancel the cheque, the cancellation must be recorded in the Cash Book. If the cheque is in the possession of the Drawing and Disbursing Officer, it should be enfaced or stamped 'cancelled' and destroyed only after the accounts for the month in which it was drawn, have been audited. Otherwise the Drawing and Disbursing Officer should promptly address the Bank or Treasury Office to stop its payment. The cancellation order should also be recorded on the payment orders on the original voucher.

36. Lost cheque.- If the issued cheque is lost and cannot be presented for payment, after ascertaining that it has not been encashed, an intimation shall at once be sent to the Bank or Treasury Office that the original Cheque No. _____ dated _____ be considered as cancelled and be not encashed, if presented. A duplicate cheque shall then be issued. A note shall also be made in red ink in the General Cash Book against the item concerned giving the number and date of the duplicate cheque issued. Sections 143 and 193

37. Departmental Cash Chest.- (1) All cash in the Departmental Cash Chest of the Panchayat Samiti or the Zila Parishad shall be kept in the strong iron Chest under double lock system. All the keys of the same lock shall not be kept in one person's custody. The key of one lock shall be kept apart from the keys of other lock and that too, in different person's custody. The Chest shall never be opened unless both the custodians of the keys are present. Sections 143 and 193

(2) Key of one of the locks shall be kept by the Executive Officer or the Chief Executive Officer, as the case may be, and of the other by the Cashier.

(3) The Panchayat Samiti or the Zila Parishad, as the case may be, may allow the accumulation of cash in the departmental Cash Chest up to a maximum limit of rupees ten thousand at any time. But this limit shall, however, be subject to increase or decrease with the prior approval of the Government in accordance with the circumstances prevailing in various Panchayat Samitis or Zila Parishads.

(4) The Panchayat Samiti or the Zila Parishad shall not be permitted to retain any additional money by way of permanent advance.

(5) The Chest Book Register shall be maintained in Form FBA-16A.

38. Fetching of cash. - Employment of Group 'D' employees and contractual employees to fetch or carry money should generally be discouraged. The money should be obtained and remitted into the Bank or Treasury only through Sections 143 and 193

an employee of some lengthy service, proved trustworthiness and who has offered sufficient security.

Sections 143 and
193

39. Distinction of work of cash and account- The work of cash and account shall be kept distinct from each other and shall be transacted by the officer who will be termed Cashier and Senior Assistant (Accountant) respectively. If there be no separate Cashier, the duties of receipt and custody of cash shall be performed by such official as the Executive Officer or the Chief Executive Officer, as the case may be, may direct in this behalf. Such an official shall be required to furnish adequate and valid security commensurate with the amount of the cash likely to be kept in his or her sole custody.

Sections 143 and
193

40. Application of Samiti Fund.- (1) The Panchayat Samiti Fund shall be applicable to the matters enumerated in section 140 and the following incidental matters there to—

- (a) the provision and maintenance of a Panchayat Samiti Office including other offices and record room(s) and the cost of appurtenances and fittings and insurance and taxes, in respect of such offices;
- (b) salaries, allowances etc. of the employees of a Panchayat Samiti, the allowances to be paid to its members, liveries, contribution to the pension and provident fund, gratuities, pensions, if provided under the rules and cost of propulsion and of maintenance of the vehicle belonging to the Panchayat Samiti and all expenditure incidental thereto;
- (c) stationery and printing charges for all offices under its control;
- (d) law charges;
- (e) election expenses, if any, to be recouped later on from the concerned quarter.
- (f) the provision and maintenance of dispensaries, hospitals and other institutions under its control;
- (g) advertisement charges;
- (h) investments;
- (i) proportionate cost of Panchayati Raj Public works Circle;
- (j) audit fee;
- (k) disbursement and repayment of loan, if any.
- (l) any other office expenses;
- (m) re-imbursement of medical bills of employees and their dependents as per rules.

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(2) The Panchayat Samiti Fund, with the sanction of the Zila Parishad, may be applied for—

(a) contributing to the Fund of the Zila Parishad for Joint project or programme, to the Divisional Deputy Director and District Development and Panchayat Officer for official vehicle and to any Gram Panchayat having no income within its jurisdiction;

(b) contributing towards the expenses of any public exhibition in the area under its jurisdiction;

(c) contributing to any charitable fund or to the funds of any institution for the relief of poor or the treatment of diseased or infirm persons or the investigation of the causes of disease out side or within the area subject to the jurisdiction of the Panchayat Samiti.

(d) incurring any other extraordinary charges for purposes like natural calamities; and

(e) contributing for becoming a member of any body or society outside its jurisdiction.

(3) The payment of any sum out of the Panchayat Samiti Fund may be authorised by the Executive Officer in the absence of budget provision in the case of—

(a) repayment of money belonging to contractor or other person held in deposit, and of money collected or credited into the Fund by mistake;

(b) any sum which the Panchayat Samiti is liable to pay by way of compensation or expenses under any law;

(c) sums payable under the decree or order of a Civil Court passed against the Panchayat Samiti or under a compromise of any suit or legal proceeding or claim;

(d) salaries and allowance of the employees of a Panchayat Samiti, contributions to the pension and Provident fund, gratuities, liveries and pensions, if permitted under the rules; and

(e) electricity, water or telephone charges:

Provided that the Executive Officer shall forthwith communicate the circumstances to the Panchayat Samiti, which shall take such action as it may, in the circumstances, deem necessary or expedient to cover any expenditure not covered by a budget allotment.

41. Application of Zila Parishad Fund- (1) The Zila Parishad Fund shall Section 193

also be applicable to the matters enumerated in section 180 and the following incidental matter there to, namely:-

- (a) development of cottage, village and small-scale industries and the like;
- (b) maintenance and administration of endowments and trusts in its charge;
- (c) securing the execution of Plan, Projects, Schemes or other works common to two or more Panchayat Samitis, if the same is entrusted to it;
- (d) performance of functions in relation to any development programme as the Government may, by notification, confer or entrust to it;
- (e) maintenance of service in the district—whether undertaken by local authorities or Government;
- (f) maintenance of roads of the defunct District Board, apportioned and allocated to a Zila Parishad and other roads under its charge;
- (g) Payment of expenses in respect of such portion of the cost of the Panchayati Raj Public Works Circle, as may be held equitable debit able to a Zila Parishad in return for the services rendered to it by the Panchayati Raj Public Works Circle;
- (h) Payment of expenses in respect of such portion of the cost of Departments for Education, Public Health, Agricultural, Public Works and any other Department as may be held by the Government to be equitably debit able to a Zila Parishad in return of the services rendered to it by these Departments;
- (i) the provision and maintenance of a Zila Parishad office including other offices and record rooms, and the cost of appurtenance, fittings, insurance and taxes in respect of such offices;
- (j) salaries and allowance of the servants of a Zila Parishad, the allowances to be paid to its members, liveries, contributions to the pension and Provident fund, gratuities and pensions if permitted under the rules, the cost of maintenance of the vehicles of the Zila Parishad and all expenditure incidental thereto;
- (k) stationery, printing and advertising expense including the cost of reporting the proceeding at the meeting of the Zila Parishad;
- (l) law charges;
- (m) audit fees;
- (n) the provision and maintenance of institutions, if any, under its control;
- (o) the preparation and maintenance of record of rights in immovable property;

(p) the acquisition of land for all or any of the purposes of the Act; and
 (q) expenses declared to be fit charge by the State Government in the interest of Public or Panchayat(s).

(r) any other expenditure for carrying out the purpose of the Act in view of sub-section 3 of section-188 of the said Act;

(2) The Zila Parishad Fund may be applied for strengthening the Funds of any Panchayat Samiti or any Gram Panchayat within its jurisdiction and may, with sanction of the Government, be applied for--

(a) contribution towards the expenses of any public exhibition in the local area under its control;

(b) contribution to any Charitable Fund or to the Fund of any institutions of the diseased or infirm persons or the investigation of the causes of diseases within or outside its jurisdiction; and

(c) incurring any other extraordinary charges.

(3) The payment of any sum out of the Zila Parishad Fund may be made or authorized by the Chief Executive Officer in the absence of budget provision in the case of --

(a) any refund required to be made under the Act or any law;

(b) repayments of money belonging to contractors or other persons held in deposit, and of the money collected or credited to the Zila Parishad Fund by mistake;

(c) sums payable under the decree or order of Civil Court passed against the Zila Parishad or under a compromise of any suit or legal proceedings or claim;

(d) any sums which a Zila Parishad is liable to pay by way of compensation or expenses under any law;

(e) salaries and allowance of the servants of a Zila Parishad, contributions to the pension and Provident fund, gratuities, liveries and pensions, if permitted under the rules; and

(f) electricity, water or telephone charges:

Provided that the Chief Executive Officer shall forthwith communicate the circumstances to the Zila Parishad under advice to the Government to take steps to cover the expenditure not covered by the allotment.

42. Surplus fund with Panchayat Samitis.—The actual cash balance in the Section 141

Section 141 Panchayat Samiti Fund excluding investments, the unspent balances of loans and grants of all kinds (except the unspent balances of adhoc grants), the amount of the minimum balance required to be maintained in the Fund under the Act and the amount of any other commitment, decree or compensation, the payments of which are required to be made immediately, shall be considered as the surplus amount available in the Fund.

Section 139

43. Investment of Surplus Fund by Panchayat Samiti.- The Panchayat Samiti may make any investment in the shape of fixed deposit in public sector banks from its surplus Funds or Funds for deferred projects keeping in view its requirement.

Section 139

44. Register of investments.- Details with regard to all investments made by the Panchayat Samiti shall be entered, from time to time, in a Register of investments to be maintained in Form FBA—17, in which every entry made shall be initialed by the Executive Officer of the Panchayat Samiti.

Section 188(4)

45. Investment of Zila Parishad Fund.- The Zila Parishad may make any investment in the shape of fixed deposit in public sector banks from its surplus Funds or Funds for deferred projects keeping in view its requirement, record of which shall be maintained in Form FBA-17.

CHAPTER 5

RECEIPT AND EXPENDITURE

Section 193

46. Assessment and collection of revenue.- It is primary responsibility of the Executive Officer or the Chief Executive officer to see that all revenue or other debts due to the Panchayat Samiti or the Zila Parishad, as the case may be, which have to be brought to account are correctly, promptly and regularly assessed, realised and credited to the account of the Fund of the Panchayat Samiti and the Zila Parishad. He should accordingly arrange to obtain from his subordinates or from all the sources, where revenue arises, monthly accounts and turns claiming credit for so much as has been paid into the bank or the Treasury or otherwise accounted for and cause them to be noted in the Demand, Collection and Balance Register in Form FBA-18

Section 193

47. Checks to leakage of revenue.- 1) It is also the duty of the Executive Officer or the Chief Executive Officer to see that the revenue collected is correctly and promptly brought to account and there is no leakage. The Executive Officer or the Chief Executive Officer should see that all adequate measures are taken and may achieve this end, arrange to have test inspections of the accounts of the receipts carried out.

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(2) No amount due to the Panchayat Samiti or the Zila Parishad shall be left outstanding without sufficient reasons and where such dues appear to be irrecoverable, the order of the competent authority for their adjustment, remission, reduction of demand or write off must be sought without any avoidable delay.

48. Credit to follow actual realization.- No sum may be credited as revenue, unless it has actually been realized. The credit must follow and not precede the actual realization. Sections 143 and 193

49. Refunds of revenue.- The refund of money collected or credited into the Fund by mistake shall be made only on the demand of the person entitled to receive the money after producing proper authority and on no account shall be drawn on the receipt of the Executive Officer or the Chief Executive Officer and kept in the departmental Chest. Sections 143 and 193

(2) Before admitting any demand for refund of such money, the original credit in the Cash Book must be traced or receipt duly linked and an entry should distinctly be made in these documents of the sum ordered to be refunded so as to guard against double or erroneous entertainment of a second claim. When tax or fee is to be refunded a cross reference against the concerned entry shall also be given in the Demand and Collection Register.

50. Receipt of money at the office of the Panchayat Samiti or the Zila Parishad.- When money is paid into the office of the Panchayat Samiti or the Zila Parishad, it shall be accepted by the Executive Officer or the Chief Executive Officer, or any other person authorized by the Executive Officer or the Chief Executive Officer, as the case may be, in this behalf, to receive the dues of the Panchayat Samiti or the Zila Parishad. Sections 143 and 193

51. Receipt Book for cash/ Bank instrument.- (1) A cash receipt in duplicate, shall be made out by carbon process, with an indelible pencil in Form FBA-19. The original shall be given to the person paying the money and copy of the same retained in the office as office copy. The Executive Officer or the Chief Executive Officer shall, however, satisfy himself that the amount so received has been properly entered in the cash book. The receipt shall be signed by the person authorized to do so by the Executive Officer or the Chief Executive Officer, as the case may be. The leaves of the receipt books should be printed with the name of the concerned Panchayat Samiti or the Zila Parishad, as the case may be. Sections 143 and 193

(2) The cheques and the demand draft or other instrument may, however,

be acknowledged in a separate Bank instrument receipt book in form FBA - 19 A and receipt of the amount shall be treated valid only when the amount is credited in the account of the Panchayat Samiti or the Zila Parishad. If the payment is received by a cheque drawn on the Treasury or Bank, it shall be endorsed by the Officer of the Panchayat Samiti or the Zila Parishad in whose favour it is drawn, with the words 'Received payment by transfer credit to the Panchayat Samiti fund or the Zila Parishad fund' before it is sent to the Bank or the Treasury.

Sections 143 and
193

52. Custody and stock of Receipt Books.- The Blank Receipt Books shall be kept under lock and key under the personal custody of the Executive Officer or the Chief Executive Officer, as the case may be. The number of forms of the receipt book shall be counted and the result of the count indicated on the Receipt Book under the signature of the Executive Officer or the Chief Executive Officer, as the case may be, before it is brought to use.

The account of the receipt and issue of the Receipt Books, shall be maintained separately in the Stock Register in Form FBA- 20 for cash and FBA-20A for Cheques/Drafts etc purposes. The used up receipt books shall be returned and their return shall be watched in the Stock Register meant for the issue of Receipt Books.

Sections 143 and
193

53. Register of Cheques and drafts.- If the payment is received by a cheque or demand draft or any other instrument, the Executive Officer or the Chief Executive Officer shall cause an entry of the cheque or demand draft to be made in the Register of Cheques and Drafts to be maintained in Form FBA-21 for the purpose.

Sections 143 and
193

54. Payment.- (1) The Drawing and Disbursing Officer, while incurring or authorizing expenditure out of the Fund shall observe the cannons of financial propriety which are given below:-

(i) Every officer incurring or authorizing expenditure on behalf of the Panchayat Samiti or the Zila Parishad should be guided by cannons of financial propriety. He is responsible for enforcing financial order of strict economy at every step.

(ii) Every officer is expected to exercise the same vigilance in respect of the expenditure incurred out of the Fund as a person of ordinary prudence would exercise in respect of expenditure of his own money.

(iii) The expenditure should not prima facie be more than the occasion demands.

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(iv) No authority should exercise its power of sanctioning expenditure to pass an order which shall be directly or indirectly to its own advantage.

(v) Money out of the Fund should not be utilized for the benefit of a particular person or section of the community unless,—

- (a) the amount of expenditure involved is insignificant, or
- (b) a claim for the amount could be enforced in a Court of law, or
- (c) the expenditure is in pursuance of a recognized policy or custom.

(vi) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients. Money indisputably payable should not, as far as possible, be left unpaid.

(2) All the payments shall be made through RTGS in routine except in those cases where payment through RTGS is not practically possible for the reasons to be recorded in writing.

55. Liability not to be incurred without budget provision.— No expenditure from the Fund shall be incurred, save as may otherwise be provided in these rules, unless,—

Sections 143 and 193

- (i) the necessary budget provision to cover the charges exists; and
- (ii) there exists a special or general sanction of the competent authority for the same.

Note:—Mere existence of budget provision shall not constitute an authority in itself to incur the expenditure.

56. Control over expenditure.— (1) Care shall be taken not only to see that the total expenditure is kept within the limits of authorized appropriation but also that the Funds allotted are spent in the interest and service of Panchayat Samiti or the Zila Parishad, as the case may be, and upon the objects for which provision has been made in its budget. In order to exercise proper control over expenditure, the Executive Officer or the Chief Executive Officer, as the case may be, shall keep himself closely acquainted with the progress of expenditure, commitments made, and liability incurred but not paid.

Sections 143 and 193

(2) It is not sufficient that the accounts of Drawing and Disbursing Officer should be correct to his own satisfaction. He has to satisfy not only himself but also the audit, that a claim which has been accepted is valid, that a voucher is a complete proof of payment which it supports and that the account is

correct in all respect and could safely be produced as satisfactory and convincing evidence of facts, if required, in a Court of law.

Sections 143 and
193

57. Voucher- Every payment, including repayment of money previously lodged with the Fund for whatever purpose, must be supported by a voucher setting forth full and clear particulars and proper classification in the accounts. All claims for payment, as far as possible, be presented on prescribed form of the bill and where the claimant fails to do so, a separate bill in a proper form shall be prepared by the Officer of the Panchayat Samiti or the Zila Parishad, as the case may be, incurring the expenditure and the claimant's bill shall be attached to it as sub-voucher.

Sections 143 and
193

58. Presentation of claims.—All claims for payment shall be presented at the office of Panchayat Samiti or the Zila Parishad, as the case may be, where these shall first be entered in the Bill Register to be maintained in Form FBA -22 then checked and examined in regard to their admissibility with reference to the sanction, agreements, arithmetical accuracy etc. and passed for payment.

Sections 143 and
193

59. Pay order—(1) No payment shall be made for any voucher either in cash or by means of cheque etc. unless it bears a pay order signed or initialled and dated in ink by the Executive Officer or the Chief Executive Officer, as the case may be, specifying the amount payable both in the words and figures.

(2) If the payment is required to be made in cash from departmental Chest, the payment order shall be recorded as under:—

"Pay by cash out of chest

Rs.....(Rupees.....only.)"

and for payments by means of cheque, the pay order shall run as under:—

"Pay by Cheque

Rs.....(Rupees.....only.)"

(3) The Officer making a pay order shall be responsible to see that the claim is valid in all respects.

Sections 143 and
193

60. Acknowledgement of payment.—Acknowledgement (stamped where necessary) shall be taken at the time of making payment, except in the case of disbursement of pay of staff and allowances to members made through Bank or where payees receipts could be taken on the bill itself or on the acquaintance roll. Where the payment is made to an illiterate person, the acknowledgement must be got attested by one or more witnesses.

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

(3) All paid vouchers shall be stamped 'paid' so as to avoid their being used for a second time.

61. Classification on bills and voucher.--The Executive Officer or the Chief Executive Officer, as the case may be, shall be responsible to see that proper classification has been recorded on the bills and vouchers before making Pay Order thereon. Sections 143 and 193

62. Establishment Bill.--(1) Pay bills shall be prepared in Form FBA 23, will be supported by all or any of the following statements, as the case may be. Sections 143 and 193

(i) absentee statement in Form FBA-23 A or certificate to the effect that no leave has been granted to any member of the establishment.

(ii) increment certificate in Form FBA-24 and;

(iii) last pay certificate in Form FBA -25

(2) Absentee statement or certificate of a leave shall invariably accompany all the monthly pay bills.

(3) Increment certificate and last pay certificate shall only be attached to the first bills in which the periodical increments and the salaries of persons either transferred or lent to the Panchayat Samiti or the Zila Parishad, as the case may be, are drawn.

(4) Except in the case of employees who have been dismissed or transferred or have resigned or died, the pay of any employee of the Panchayat Samiti or the Zila Parishad, as the case may be, shall not be drawn before the first working day of the month following that in respect of which the pay has earned.

Provided that if the first three days of the following month are holidays, the pay could be disbursed on the last working day of the month concerned.

(5) The last payment of the employees pay and allowances in the event of his transfer, or quitting the service of the Panchayat Samiti or the Zila Parishad either on resigning or for any other cause, shall not be made until it has been ascertained that there are no amounts or demands outstanding against him. A

certificate to this effect signed by the Executive Officer or the Chief Executive Officer, as the case may be, shall be attached to the bill in which such claims are drawn.

Sections 143 and
193

63. Arrears to be drawn on a separate bill.—Arrear pay bill shall not be drawn in the monthly pay bill but in a separate bill in which reference shall be made to the previous bill (s) from which the charge was omitted or withheld or on which it was refunded by deduction or to any special order granting a new allowance consequent to which the claim has arisen. Such claims to pay and allowances which are more than one year old, shall be got sanctioned by the Panchayat Samiti or the Zila Parishad, as the case may be, after investigation of claims.

Sections 143 and
193

64. Fixed Travelling Allowance and conveyance Allowance.— The fixed travelling allowance and the conveyance allowance shall be drawn in the pay bill and not on the travelling allowance bill of the officer concerned. To every bill for the conveyance allowance, a certificate shall be attached that the conveyance was actually maintained in good order and used by the official concerned during the month under reference.

Sections 143 and
193

65. Loans and advances to the employees.—The employees shall be entitled for loans and advances at par with the Government servants unless restrictions are imposed by the Government under the Act or rules made thereunder. The record for loans and advances shall be kept in Form FBA -24A.

Sections 143 and
193

66. Deduction from pay.—The Executive Officer or the Chief Executive Officer shall be responsible for making proper deductions from pay bills on account of Contributory Provident Fund, Insurance and other funds, income tax, house rent, recoveries of advances, loans and overpayments and then to have these deductions accounted for in accordance with the rules according to which these have been made.

Sections 143 and
193

67. Acknowledgement of pay.— The Executive Officer or the Chief Executive Officer, shall personally be responsible for the amount drawn on a bill signed by him till the amount is paid and legally valid receipt of the payee is obtained. In case payment is made by cheque or draft or by crediting the bank accounts of the employees, there shall be no need of getting a receipt.

Sections 143 and
193

68. Last pay certificate.—In the event of transfer of any of the employees of the Panchayat Samiti or the Zila Parishad, The Executive Officer or the Chief Executive Officer, as the case may be, shall issue a last pay certificate

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to him in Form FBA- 25:

Provided that in the event of transfer of an employee who has served fifteen days of the month or more in the Panchayati Raj institution wherefrom he is transferred, the salary of the whole month shall be drawn by that institution otherwise salary of the whole month shall be drawn by the new institution, where he is posted.

69. Establishment Check Register.—In order to facilitate the check of establishment bills and to ensure that no charge is paid over twice, an Establishment Check Register shall be maintained in Form FBA-26 in which the whole establishment of the Panchayat Samiti or the Zila Parishad, as the case may be, paid from the Fund, shall be recorded. As soon as a fresh appointment or revision of establishment is made, it shall be entered in the register together with the number and date of sanction of the competent authority. Changes due to revision of establishment shall be initialed by the Executive Officer or the Chief Executive Officer, as the case may be. The pay in this register is required to be recorded under the month for which it was due and not that in which it was disbursed. Sections 143 and 193

70. Travelling Allowances Bill.—Payment of travelling allowances, if admissible, to Chairman, Vice Chairman or members of the Panchayat Samiti or Zila Parishad, as the case may be, shall be effected by means of travelling allowances bill in the Form FBA 27 and that to the employees in Form FBA 27-A. Sections 143 and 193

71. Travelling Allowances Check Register.—In order to avoid double payment of any claim, travelling allowance, check register shall be maintained in Form FBA- 28. Sections 143 and 193

72. All Other Payments.—(1) All other payments by the Panchayat Samiti and the Zila Parishad, shall be made through the vouchers in Form FBA-29 or in vouchers as prescribed in the Model Accounting System by the Ministry of Panchayati Raj, Government of India in Forms given below:- Sections 143 and 193

Receipt Voucher Form FBA-29 A

Contra Voucher Form FBA-29 B

Journal Voucher Form FBA -29 C

(2) The account of postage stamps shall be kept in register in Form FBA -30 which should be attested by the Drawing and Disbursing Officer or in his absence by a subordinate Officer authorized by him in this behalf.

CHAPTER 6

DEFALCATION AND LOSSES AND ABANDONMENTS
OF CLAIM.Sections 143 and
193

73. Responsibility for loss sustained through fraud.—Every Officer of the Panchayat Samiti or the Zila Parishad should realize fully and clearly that he shall be held responsible not only for any loss sustained by the Panchayat Samiti or the Zila Parishad through fraud or negligence on his part, but also for the loss arising out of fraud or negligence on the part of any other servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Sections 143 and
193

74. Report of and enquiry into losses.—(1) Whenever any loss of money, revenue or receipts, stamps, stores, etc., held by or on behalf of the Fund caused by defalcation or otherwise is discovered, it should immediately be reported to the Executive Officer or the Chief Executive Officer, as the case may be, as well as to the Government, even when such loss has been made good by the party responsible for it.

(2) If the loss is detected by audit in the first instance, the audit authority shall report it immediately to the Executive Officer or the Chief Executive Officer, as the case may be, and to the Government.

(3) Any serious loss of immoveable property by any natural calamities like fire, flood, earthquake, etc, shall also be reported to the Executive Officer or the Chief Executive officer, as the case may be, and to the Government.

(4) Such reports must be submitted as soon as it comes to notice that there has been a loss. They must not be delayed while detailed enquiries are made after affording an opportunity of hearing the person concerned. When the matter has been fully investigated, further a complete report should be submitted of the nature and the extent of loss showing the error or neglect of rules by which such loss was rendered possible and the prospect of effecting a recovery and punishment to be awarded to the defaulter and other persons who are responsible for contributory negligence.

(5) As soon reasonable suspicion arises that a criminal offence has been committed in the matter, the Executive Officer or the Chief Executive Officer, as the case may be, shall lodge a report to the nearest Police Station¹ for making investigation in the case:

Provided that in case the Executive Officer or the Chief Executive Officer is involved in criminal offence, the Chief Executive Officer in the case of

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Executive Officer Panchayat Samiti and Divisional Deputy Director in the case of the Chief Executive Officer Zila Parishad, shall lodge a report to the Police Station.

75. Recovery of over payments.—The Executive Officer or the Chief Executive Officer, as the case may be, shall be responsible for making prompt recovery of an over-payment made out of the Fund even though made in good faith and while making recommendation for waiving such recovery for special reasons, the fullest justification must be given in support thereof, i.e., practical impossibility of recovery. Recovery of such over-payments may be waived only by the competent authority. Sections 143 and 193

76. Write off.—(1) The Panchayat Samiti or the Zila Parishad may sanction "write off" of the store rendered unserviceable in normal working or use provided the same is first examined and certified to be so by the Executive Officer or the Chief Executive Officer or any other officer appointed by the Panchayat Samiti or the Zila Parishad, as the case may be. Necessary entry to this effect shall also be made in the relevant stock register. Sections 143 and 193

(2) (a) All other losses of money, irrecoverable revenue, loans, advances or stores other than those referred to in sub-rule (1) shall be written off by the Panchayat Samiti or the Zila Parishad, as the case may be.

(b) A list of all such amounts shall be prepared once half yearly and submitted to the Panchayat Samiti or the Zila Parishad at its next meeting for consideration with reasons and recommendation of the Executive Officer or the Chief Executive Officer to write off the same.

(c) The Executive Officer or the Chief Executive Officer, as the case may be, should see before making his recommendation that the defaulter has no attachable property with in the village or with in the jurisdiction of the Panchayat Samiti or the Zila Parishad and that all means of recovery have been tried and found unsuccessful.

(3) In case where any loss exceeding rupees ten thousand is caused through fraud, forgery, defalcation, serious negligence of any servant warranting disciplinary action or through flaw in rules and procedure requiring rectification or amendment, the Panchayat Samiti or the Zila Parishad, as the case may be, shall first review such a case and take appropriate disciplinary action before recommending the cases to the Government for approval to 'Write off':

Provided that in case loss not exceeding rupees five thousand, the Panchayat Samiti and in case loss exceeds rupees five thousand, but not

exceeding rupees ten thousand, the Zila Parishad shall be competent to write off.

(4) Necessary entry to this effect shall also be made in the register of "write off" in Form FBA-31, as well as in the Demand and Collection Register and on the bill, where necessary.

77. Grant of remission of revenue to lessees and contractors.— All lessees and other persons who have entered into any contract with the Panchayat Samiti or the Zila Parishad, as the case may be, shall be bound by the terms of their leases or contracts and no remission shall be granted by the Director to them except in the following cases:-

(i) remission may be granted to lessees and contractors only in the case in which they are prevented from carrying out their part of lease or contract by reason of the occurrence of some extraordinary extrinsic causes which could not reasonably have been anticipated;

(ii) the amount of remission granted shall not exceed the proportionate the amount payable under the lease or contract for the period for which the lessee or the contractor was prevented from carrying out his part of the lease or contract on account of such extraordinary cause;

(iii) penalties provided in the lease or contract shall be strictly enforced in accordance with the terms and conditions of the leases or contracts. Penalties for late payment of the amount due to the Panchayat Samiti or the Zila Parishad under the lease or contract shall not be remitted except in the case where the payment of installments of the amount due are, in the opinion of the Panchayat Samiti or the Zila Parishad, as the case may be, fairly regular and the whole amount due to the Panchayat Samiti or the Zila Parishad, as the case may be, under lease or contract is paid before the end of the period to which the lease or contract relates:

Provided that the remission under items (ii) and (iii) shall be sanctioned by the Panchayat Samiti up to rupees five thousand and the Zila Parishad up to rupees ten thousand through resolution.

CHAPTER 7

DEPOSITS

78. Deposits.— Deposits may be received by the Panchayat Samiti or the Zila Parishad either in cash or in interest-bearing securities on the following account:-

- (i) security money of cashiers and store-keepers for their handling cash or stores;
- (ii) earnest money of the intending tenders;
- (iii) security money of contractors for fulfillment of their contract; and
- (iv) other deposits for sums which cannot be brought to account under any revenue head.

79. Security deposits.—(1) Every subordinate official or Cashier or Store-Keeper of the Panchayat Samiti or the Zila Parishad, as the case may be, who shall be required to handle cash or stores, shall furnish security to be fixed by the Executive Officer or the Chief Executive officer, as the case may be. The amount of the security shall be fixed according to the Government instructions as available in this behalf failing which according to the circumstances and local conditions. When an official who has furnished security takes regular leave or is deputed to other duty, the official who is authorized to officiate for him should be required to furnish the full amount of security prescribed for the post, unless a competent authority on valid reasons which must be recorded, has authorized a relaxation of the rules regarding security applicable to his case.

Sections 143 and
193

(2) Whenever a private person or firm contracts to supply stores or execute a work, he or it should, unless exempted by the Panchayat Samiti or the Zila Parishad, as the case may be, to do so, be required to give security for the fulfillment of his or its contract and a suitable provision regarding security should be incorporated in the agreement.

(3) When any earnest money in cash is received along with tenders, it shall be treated as deposit received by the Panchayat Samiti or the Zila Parishad, as the case may be, and shall be brought to account immediately unless the Panchayat Samiti or the Zila Parishad, allow such money to remain in the custody of an official authorised by it in this behalf. In that case only sums tendered by the contractors whose tenders have been accepted, shall eventually be brought to account. The earnest money received from contractors whose tenders have not accepted shall forthwith be repaid to them after obtaining proper acknowledgement. No interest shall be paid by the Panchayat Samiti or the Zila Parishad on deposits in cash. Security furnished in cash by an employee of a Panchayat Samiti or a Zila Parishad, or a contractor, may be converted, at the cost of the Depositor, into any of the interest bearing securities; provided that, -

- (a) the depositor has expressly requested in writing that this be done; and
- (b) the acceptance of the new form of security is permissible under the rules and under terms of agreement or bond.

Notes.

- (1) Cash actually received may be converted into an interest bearing security even when it forms part of a deposit which is being paid in installments and has not yet been realised in full.
- (2) Percentage deductions made from a contractor's bills held as security for the due fulfillment of a contract should not be converted into any other form of security unless there are special orders of the competent authority for such conversion.
- (3) A security deposit taken from an employee of the Panchayat Samiti or the Zila Parishad should be retained for at least six months from the date when he vacates his post.
- (4) Without special orders of the competent authority, no security deposit shall be repaid, or retransferred to the depositor or otherwise disposed of except in accordance with the terms of his security or agreement. When an interest-bearing security is returned or retransferred, the acknowledgement should set-forth full particulars of the security.
- (5) The percentage deductions from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

Sections 143 and
193

80. Refund of deposits.—Refund of deposits through Bank instrument should be made on voucher in Form FBA-32. They shall be passed for payment only when the Executive Officer or the Chief Executive Officer, as the case may be, has satisfied himself by a reference to the original entry in the Deposit Register that the deposit is actually outstanding which fact should also be certified by the Senior Assistant (Accountant) on the voucher.

Sections 143 and
193

81. Register of deposits – (1) A register of deposits received by the Panchayat Samiti or the Zila Parishad shall be maintained in Form FBA-33. Separate sets of pages shall be set aside for each of the classes of deposits referred to above.

- (2) A separate register of the receipt and disposal of interest-bearing securities should also be kept in Form FBA -34

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82. Lapsed Deposits.— At the end of each year any deposit not exceeding five hundred rupees unclaimed for one whole year, balances not exceeding five hundred rupees of deposits partly repaid during the year then closing and all balances unclaimed for more than three complete account years from the date on which they become payable, shall at the close of March, each year be credited to the revenue of the Panchayat Samiti or the Zila Parishad, as the case may be. Sections 143 and 193

(2) The deposits lapsed should be noted in the Register of deposits lapsed.

(3) Deposits credited to revenue cannot be repaid without the sanction of the competent authority who shall before giving sanction to determine that the item was really received and was carried to the credit of revenue as lapsed and that the claimant's identity and title to money are certified by the officer signing the application for refund.

(4) The amount of the lapsed deposit refunded shall, however, be charged in the Cash Book as refunded. The repayment of a lapsed deposit shall also be recorded in the Register of lapsed deposits in Form FBA-35 so as to guard against second payment.

83. Submission of deposit returns.— A list of depositors with balances outstanding to the credit of their accounts at the end of the year shall be prepared and enclosed with the statement of the assets and liabilities. Sections 143 and 193

CHAPTER 8

CONTRACT

84. General rules and principles relating to contracts.— (1) The Panchayat Samiti or the Zila Parishad shall keep the following principles in view while entering into contracts or agreements affecting the Fund:— Sections 119, 143, 180 and 193

(a) Every contract made by the Panchayat Samiti or the Zila Parishad for any sum or property of an amount of value exceeding rupees ten thousand shall be in writing and shall be signed on behalf of the Panchayat Samiti or the Zila Parishad by the Executive Officer or the Chief Executive Officer, as the case may be:

Provided that the sanction to the incurring of expenditure involved has been accorded by the competent authority.

(b) Even in the cases, where a formal written contract is not made, no order for supplies should be placed without at least a written agreement as to the price and quality of supplies.

- (2) The terms of the contract must be precise and definite and must have the prior approval of the Panchayat Samiti or the Zila Parishad, as the case may be, and there must be no room for ambiguity or misconstruction therein.
- (3) As far as possible, the contract may not endure more than a period of three years, it should invariably include provision for unconditional power of revocation, or cancellation by the Panchayat Samiti or the Zila Parishad at any time on the expiry of six months notice to that effect.
- (4) Standard form of contract as are in use in the various Departments of the State Government for various purposes should be adopted wherever possible, and their terms should be subjected to adequate prior scrutiny.
- (5) The terms of contract, once entered into, should not be varied without the previous consent of the competent authority. No payment to a contractor by way of compensation or otherwise outside the strict terms of contract or in excess of the contract rates may be authorised without the prior approval of the competent authority.
- (6) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into.
- (7) Provision must be made in contracts for safeguarding the Panchayat Samiti or the Zila Parishad property entrusted to a contractor.
- (8) As far as possible expert legal and financial advice should be taken while drafting the deed and before it is finally entered into, especially when the amount of the contract exceeds rupees five lacs so as to avoid any complication at a later stage.
- (9) (a) whenever practicable and advantageous, contract should be entered into only after tenders have been openly invited;
- (b) the Panchayat Samiti or the Zila Parishad, as the case may be, shall determine up to what limit, not exceeding rupees five lacs, tenders may be dispensed with. In such cases the purchase shall be made at the lowest market rates by inviting quotations or at rate contracts, which shall be kept on record for audit purposes;
- (c) when tenders are invited, they shall be tabulated and scrutinized by the Executive Officer or the Chief Executive Officer, as the case may be, and then placed before the Panchayat Samiti or the Zila Parishad with his recommendation for orders;
- (d) the lowest tender shall ordinarily be accepted. Where for valid reasons,

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it is not considered desirable to accept the lowest tender, the reasons therefor, shall be clearly recorded and made available for purposes of audit;

Note:--Where the lowest tender is in respect of more than one article, the comparative prices tendered may be considered either individually for each article or conjointly for all the articles or for specified groups of articles:

Provided that the intention of the Panchayat Samiti or the Zila Parishad to accept the lowest tender in any of these ways is made clear in the tender notice. If the tender is considered conjointly for all the articles in each group the cost of all the articles in each group, shall be worked out with reference to the rates given in each tender and the lowest tender shall be that according to which the total cost of the probable requirements of all the articles proposed to be taken together works out to be the lowest.

(e) the Panchayat Samiti or the Zila Parishad reserve the right to accept the tender item wise, group wise or as a whole, which fact shall be made clear in the tender notice and the tenderer shall be bound to supply the goods accordingly. In case he fails to supply the goods, the earnest money deposited by him shall be forfeited;

(f) where the capacity to supply or the integrity of a tenderer, not otherwise blacklisted, is not known or where they are doubtful, his tender need not necessarily be rejected but such additional security as the Panchayat Samiti or the Zila Parishad considers necessary shall, however, be taken from the tenderer;

(g) where the lowest tender is rejected, the next higher tender shall be accepted subject to the approval of Panchayat Samiti or the Zila Parishad, as the case may be, through resolution. Adequate reasons shall also be recorded for rejecting that lowest tender;

(h) in no case shall a tender be accepted at rates other than those specified in that tender;

(i) there shall be no avoidable delay in the disposal of the tenders after they are opened;

(j) tenders shall be invited by the Executive Officer or the Chief Executive Officer, as the case may be, in sealed covers in the most open and public manner possible, and invariably,--

(l) by a notice in the regional language of the State, pasted at the office of the Panchayat Samiti or the Zila Parishad, and at such other places as the

Executive Officer or the Chief Executive Officer, may deem fit; and

(2) by the advertisement in at least one English news paper and one regional language newspaper having wide circulation in the Punjab State, where the cost is expected to exceed rupees five lacs;

(3) every notice or advertisement published under sub-clauses (i) and (ii), shall state inter alia-

(i) the conditions under which, the officer from whom, and the price, if any, for which a copy of the schedule or quantities of the various kinds of articles can be obtained.

(ii) the precise form in which the tender shall be made, i.e., whether the prices for the various articles are to be quoted and whether the comparative value of the tender shall be examined with reference to each article mentioned in the Schedule of quantities or for all articles conjointly or for groups of such articles;

(iii) the time and place for presenting the tenders allowing a period of at least ten days from the date of publication of the notice at the office of the Panchayat Samiti or the Zila Parishad, as the case may be, or in cases falling under sub-clause (2) of clause(j) appearance of the first advertisement in the newspaper;

(iv) the time and place for opening the tenders;

(v) the amount of earnest money in the shape of bank instrument or RTGS/ book transfer for the purpose of tender and the nature of the security which shall be required in case the tender is accepted;

(vi) the authority competent to accept the tenders;

(vii) that the authority competent to accept the tenders reserve the right to reject any or all of the tenders received without assigning any reason; and

(viii) that a tenderer who has withdrawn his tender, without valid reasons (to be decided by the authority competent to accept the tenders), shall be liable to have his subsequent tenders summarily rejected.

CHAPTER 9

Stores

85. Stores.—The term 'Stores' includes all articles and materials purchased or otherwise required for the use of or in the service of the Panchayat Samiti or the Zila Parishad, whether these are consumable like articles of stationery etc., or non-consumable like instruments, furniture, etc.

(2) The expenditure on stores is included in contingent expenditure and is debited to specific works or purchases for which stores are purchased.

(3) Where similar provisions have been made for stores under the Panchayati Raj Public Works Stores Rules and under this chapter, the Stores purchased for Panchayati Raj Public Works shall be governed by the former set of Rules.

86. Purchases. — (1) Stores shall be purchased according to definite requirements and should not ordinarily be purchased in very large quantities when not required to be utilized immediately, or in dribblets in order to avoid taking sanction from higher authorities. Sections 143 and 193

(2) Stores shall ordinarily be purchased from the suppliers at the contract rates to be indicated by the Government from time to time. The Panchayat Samiti or the Zila Parishad concerned should approach the suppliers direct indicating specific requirements and giving the supplier a date by which the articles of stores shall be supplied but not less than ten days notice shall be given.

(3) (a) When the supplier is unable to supply by the specified date; or
(b) when the stores are very urgently required and it would be more convenient and without much extra expenses to purchase stores from the open market; or

(c) when the stores having the same specification are easily available in the open market at the rates lower than those of the suppliers and contract rates indicated by the Government, the quotations should be invited and stores should be purchased from the open market, ordinarily from the lowest tenderers. Reasons for purchase of store from the open market under this rule should be recorded in writing and where the lowest tender/quotation is not accepted, full explanation should be given in writing which should be available to audit while auditing the accounts:

Provided that no such explanation would be necessary when stores being purchased are less than the cost of rupees ten thousand and the purchases are made at the usual market rate.

(4) (a) articles of stationery may be obtained from the Controller of Printing and Stationery, Punjab or from open market at the competitive rates subject to the maximum expenditure limit given in the appendix to these rules, by the Panchayat Samiti and the Zila Parishad;

(b) the forms and registers prescribed under Punjab Panchayati Raj Act.

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1994 and the Rules made there under or other necessary forms and registers shall be got printed by the Zila Parishad for its own office and for the offices of the Panchayat Samiti and the Gram Panchayats under its authority, after inviting quotations/tenders. The tender/quotation notice shall be published in at least one regional language newspaper having wide circulation in the State and by displaying the tender/quotation notice at conspicuous places in the head quarter town of the Zila Parishad and the Panchayat Samiti and in such other manner as may be considered useful by the Chairman Zila Parishad.

Provided that when the purchase order is of less than rupees one lac, the Zila Parishad may dispense with the publication of tender/quotation notice in the news paper as provided in this sub rule:

Provided further that the expenditure on account of stationary and account books etc. should be borne proportionately by the Zila Parishad, the Panchayat Samitis and the Gram Panchayats concerned.

(5) Those articles of stores for which the Government has fixed the price should in no case be purchased at a price higher than that fixed by the Government.

(6) It shall be the duty of the Chairman, the Panchayat Samiti or the Zila Parishad, as the case may be, to have indents prepared and scrutinized in the light of the general principles mentioned in sub-rule (1).

87. Receipt of Stores.— All stores when received shall be examined, counted, measured or weighed, as the case may be, at the time of taking delivery and shall be entered in the stock register immediately. A certificate shall be given at the end of the entries for any single day by the official incharge of stores stating that the stores have been received in proper condition and according to specifications. Surplus, if any, shall be indicated as additional receipt and shortage, if any, shall be indicated in red ink.

88. Issue.—Articles of stores shall be issued against proper indents and written acknowledgement shall be obtained from the person to whom the stores have been ordered to be issued by the Deputy Chief Executive Officer or the Executive Officer, as the case may be. Where the indents are modified, the indenting officer or official shall be informed of the modification.

89. Storage.—The officer or official entrusted with the custody of stores of any kind shall be personally responsible of arranging for their safe custody for

Sections 143 and
193

Sections 143 and
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keeping them in good and efficient condition and for protecting them from damage or deterioration. Any loss or damage shall be immediately brought to the notice of the Executive Officer or the Chief Executive Officer, as the case may be:

Provided that it is the responsibility of the Panchayat Samiti or the Zila Parishad to arrange for godowns or refrigerator for medicine etc. for safe custody and protection for stores.

90. Accounts of Stores.— (1) The officer or official incharge of stores shall maintain the following registers:-- Sections 143 and 193

- (a) stock register of non-consumable articles in Form FBA-36;
- (b) stock register of consumable articles other than stationery and printed material in Form FBA-37; and
- (c) register of printed material and Stationery in Form FBA-38.

He shall also be responsible for preparing an half yearly and annual return showing receipt and consumption of stores.

(2) Stock account and inventories for consumable and non-consumable articles shall be maintained, separately.

91. Physical verification.--(1) A physical verification of all stores shall be made by the Deputy Chief Executive officer or the Executive Officer as the case may be, at least once in a year invariably in April every year. The result of the verification shall be recorded in writing. During the verification, the condition of each article shall be indicated against it in the Stock Register. Sections 143 and 193

(2) Any discrepancies noticed shall be indicated in relevant Stock Register, the surplus being treated as additional receipt and the shortage being indicated in red ink. The cost of shortage shall be recovered or got written off after proper investigation, under orders of the competent authority.

(3) The articles of stores which are found to have become useless or obsolete or have been rendered surplus and cannot be put to any profitable use, shall immediately be reported to the competent authority for sanctioning disposal by auction or write off, as the case may be. In case of disposal by auction after sanction of competent authority, the proceeds there of shall be credited to the fund.

(4) The competent authority shall ensure that in explaining discrepancies losses are not adjusted against surplus stores.

CHAPTER-10

USE OF MOTOR VEHICLES

- Sections 143, 193 and 225 **92. Controlling Officer.**— (1) Motor vehicles provided for the use of Panchayat Samiti shall be under the control of the Executive Officer of the Panchayat Samiti.
- (2) Motor vehicle provided for the use of the Chairman Zila Parishad shall be under the control of the Chief Executive Officer of the Zila Parishad and all other motor vehicles of the Zila Parishad including the vehicle of Deputy Chief Executive Officer, shall be under the control of Deputy Chief Executive Officer of the Zila Parishad.
- (3) The controlling officer shall be responsible for the proper use, care and maintenance of the vehicles and for the strict enforcement of these rules.
- Section 225 **93. Number plates.**— (1) All vehicles of the Panchayat Samitis and the Zila Parishads shall, in addition to the number plate, exhibit plates in front and at the rear indicating the name of the Panchayat Samiti or the Zila Parishad to which they have been allotted.
- Sections 143, 193 and 225 **94. Record of vehicles.**— In respect of each vehicle, the Controlling Officer shall be responsible for the maintenance of,-
- (a) Particulars of each vehicle in Form FBA-39;
 - (b) a log book in Form. FBA-40;
 - (c) a register in Form FBA -41 showing cost of repairs etc., carried out;
 - (d) a register of petrol and diesel etc. in Form FBA-42; and
 - (e) An inventory of equipment in Form FBA-43.
- Sections 143, 193 and 225 **95. Precautions in respect of consumption of Petrol/Diesel/Oil.**— (1) The petrol, diesel or power line tanks of vehicles shall be fitted with locks and the keys thereof shall be kept in the possession of the Controlling Officer or any Officer authorized by him who should be present when petrol, diesel or power line is put in the tank.
- (2) The log-book shall be examined and signed by a responsible officer at the close of each month showing the total fuel and oil consumed during the month, the total distance covered and the average kilometers of per liter of fuel or oil consumed. It shall then be put up to the Controlling Officer, who

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shall examine and satisfy himself that the average consumption of fuel and oil is reasonable, and countersign it. If the consumption of fuel or oil is high, he shall take immediate steps to look into the causes and take suitable steps.

96. Inspection of inventory.—The inventory shall be checked by the Controlling Officer or by a responsible officer deputed by him for the purpose every six months and any loss arising out of negligence or default, shall be recovered from the person concerned. A report of inspection shall be prepared and kept on record. If an officer other than the Controlling Officer carries out the inspection, the report shall be placed immediately after inspection before the Controlling Officer. Sections 143, 193 and 225

97. Testing and servicing of Vehicles.—(1) The Controlling Officer shall have each vehicle tested every year regarding fitness for journeys and place a report on record. Sections 143, 193 and 225

(2) He shall also submit a half yearly report, to the Panchayat Samiti or the Zila Parishad, as the case may be, about the kilometers run and the expenditure incurred on the maintenance of each vehicle.

(3) Each vehicle shall be serviced and lubricated as per norms prescribed in service book of vehicle or earlier only with the permission of the Panchayat Samiti or the Zila Parishad, as the case may be.

(4) The place where the vehicle shall be taken for service or lubrication or repair shall be decided by the Executive Officer or the Chief Executive Officer of the Panchayat Samiti or the Zila Parishad, as the case may be.

98. Handing over on vacation of office.—In the event of the Controlling Officer vacating the office, the vehicles shall be handed over to his successor with complete equipments, spare parts, spare wheels, tyre and tools, and with the record referred to in the Rules. The certificate of handing over and taking over shall be prepared and signed by the relieved and relieving authorities on each of the records given in the rules. Sections 143, 193 and 225

99. Meters.— Each vehicle shall be fitted with a meter and, in case of tractor, JCB (excavator-cum-loader) machine, road roller with hour meter. It shall be the responsibility of the Controlling Officer to see that the meters are kept in proper working order. As soon as a meter falls out of order, steps should be taken to get it repaired or replaced, as the case may be. The Sections 143, 193 and 225

Controlling Officer shall ensure that the meter is not tampered with.

Sections 143, 193
and 225

100. Entry in the log-book.—(1) The person using the vehicle shall note in the log-book in his own hand, the meter reading at the start and at the completion of each journey. He shall also indicate whether the journey undertaken was an official duty and if so the purpose of the journey shall be briefly recorded. It shall not be enough merely to state that the journey was official.

(2) When more than one officer travel together in a vehicle, the senior-most officer shall make entries in the log book.

(3) If any officer fails or refuses to indicate the particulars of the journey undertaken by him, this fact should be reported immediately by the driver of the vehicle to the Controlling Officer.

Sections 143, 193
and 225

101.- Insurance of vehicles: —All the vehicles shall be insured with a registered insurance company.

Sections 143, 193
and 225

102. Restrictions on the use of vehicles.—(1) The vehicles are intended for the use of bonafide official duty within the jurisdiction of the Panchayat Samiti or the Zila Parishad, as the case may be. Vehicles shall not be used for journeys outside the jurisdiction of the Panchayat Samiti or the Zila Parishad, as the case may be, without the previous sanction of the competent authorities mentioned in a schedule below;

SCHEDULE

Sr. No.	Officer with designation who is to visit out of jurisdiction.	Competent authority for sanction
1	Chief Executive Officer, Zila Parishad	Chairman Zila Parishad
2	Deputy Chief Executive Officer, Zila Parishad	Chief Executive officer Zila Parishad
3	Any other officer/official Zila Parishad in exceptional cases.	Deputy Chief Executive Officer, Zila Parishad
4	Executive Officer Panchayat Samiti	Chairman Panchayat Samiti
5	Any other officer/official Panchayat Samiti in exceptional cases.	Executive Officer Panchayat Samiti

Provided that no permission shall be required for using vehicles to attend meetings at the neighboring block/district and at the Headquarter of the

Department of Rural Development and Panchayat.

(3) Vehicles of the Panchayat Samiti or the Zila Parishad may be used by non-officials members (Elected representative of the Panchayat Samiti or the Zila Parishad) as per orders issued by the Government from time to time.

103. Conditions for use of vehicles.—(1) In addition to the Chairpersons of the Panchayat Samitis or the Zila Parishads, the following authorities are entitled for use of vehicles:- Sections 143, 193 and 225

- (a) the Chairperson of the Standing Committees of the Panchayat Samitis or the Zila Parishads,
- (b) the Deputy Chief Executive Officer of the Zila Parishad;
- (c) the Executive Officer of the Panchayat Samiti; and
- (d) any other officer/official authorized by the Executive Officer of the Panchayat Samiti or the Chief Executive Officer of the Zila Parishad, as the case may be. The use of vehicles shall be subject to the following conditions:-
 - (i) the vehicles shall be used primarily for inspection of development works and other activities of the Panchayat Samiti or the Zila Parishad; and
 - (ii) the vehicle shall not be used for journey from residence to the office and vice versa:

Provided that whenever any case of serious sickness within the area of the Panchayat Samiti is reported and no ambulance is made available by the hospital for carrying the patient from the village to the hospital, the vehicle may be detailed for such purpose on payment of charges at the rate as determined by the State Government from time to time.

104. Vehicles be driven only by driver.—Vehicles shall only be driven by the authorised driver. No member of the Panchayat Samiti or the Zila Parishad or Officer thereof shall drive the vehicles. Sections 143, 193 and 225

Provided that in case of emergency when driver is not available, the services of an official holding a valid driving license may be availed with the prior approval of the next higher authority.

105. Disposal of unserviceable motor vehicles.—(1) Unless the Government otherwise directs, the norms of life and procedure of condemnation and disposal of various kinds of vehicles in terms of years and kilometers covered shall be as under: Sections 143, 193 and 225

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Sr. No	Nature of vehicle	Life
1	Motor Cycle/Three wheelers	As per norms prescribed by the State Transport commissioner Punjab from time to time.
2	Ambassador Car(with Nova / Isuzu Engine) Contessa Car,	
3	Jeep/Gypsy/Maruti Van or Car/ Qualis/ Tata sumo and other light motor vehicles	
4	Matador and other medium vehicles	25000 Hours of use or 11 years
5	Heavy Motor Vehicles	
6	Tractors/Bulldozers/Road Roller/JCB (excavator-cum-Loader) Machine	

The vehicles shall stand automatically condemned on completion of life provided that the Head of the office may certificate a vehicle to be fit for use.

(2) The Reserve price of a vehicle shall be the Purchase price depreciated for the first year at thirty percent and for second and subsequent years at 9.5 percent per annum and depreciation for part of a year shall be calculated pro rata subject to minimum of thirty percent of the purchase price. The purchase price shall be the cost of the vehicle plus the purchase price of major accessories including air conditioner if fitted. The date for calculating the depreciated price in the above manner shall be the date on which the competent authority declare a vehicle condemned or the date on which reference is made to the Chief Executive Officer of the Zila Parishad for the disposal of the vehicle.

(3) Premature condemnation of the vehicles

- that have not completed their life as per norms; or
- vehicles that have met an accident and it shall not be useful after repairs; and
- fixation of their reserve price shall be done by the Vehicles Price Fixation Board constituted at the District level after physical inspection of the vehicle.

(4) The Vehicles Price Fixation Board shall consist of:

(a)	the Chief Executive Officer of the Concerned Zila Parishad	Chairman
(b)	the District Transport Officer or his representative	Member
(c)	the Works Manager Punjab Roadways or Pepsu Road Transport Corporation.	Member

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|-----|---|------------------|
| (d) | two officers of the concerned Panchayat Samiti or the Zila Parishad, as the case may be, one of whom should be an accounts/finance functionary. | Member |
| (e) | the Deputy Chief Executive Officer of the Concerned Zila Parishad | Member Secretary |

106. Auction of the condemned vehicle.— (1) The condemned vehicle shall be auctioned by public auction at the district level by the committee consisting of—

Sections 143, 193 and 225

- | | |
|---|------------------|
| the Chief Executive Officer | Chairman |
| the District Transport Officer or his representative | Member |
| the District Development and Panchayat Officer | Member |
| the Executive Officer of the Panchayat Samiti
(in case the vehicle to be auctioned is the property of Panchayat Samiti) | Member |
| the Deputy Chief Executive Officer Zila Parishad | Member Secretary |

(2) The Chief Executive Officer of the Zila Parishad concerned, in consultation with the members of auction committee, shall fix the time, date and place where such auction shall be held together with the specifications of the vehicle and the terms and conditions of the auction and shall cause a notice thereof to be published not later than a period of fifteen days before the date of such auction in at least one Punjabi language newspaper having wide circulation in the area; and

- (a) by affixing a copy thereof at the office of the Panchayat Samiti or the Zila Parishad, as the case may be; and
- (b) by displaying the same at conspicuous places in the concerned Panchayat Samiti or the Zila Parishad areas, the headquarter town of the Panchayat Samiti or the Zila Parishad and outside the office of the Panchayat Samiti or the Zila Parishad and also in such other manner as may be considered proper by the auction committee mentioned in sub rule (1).
- (3) In case the highest bidder fails to lift the vehicle within a period of 72 hours after his bid has been accepted (after excluding the holidays, if any) the earnest money shall be forfeited and the vehicle may be offered to the second highest bidder.
- (4) If the vehicle is not disposed off at the reserve price, even after the

second auction, the Vehicles Price Fixation Board, after physical inspection of the vehicle shall re-fix the reserve price and the auction committee shall re-conduct the auction in the aforesaid manner.

(5) It shall be the responsibility of the Chief Executive Officer to dispose off the condemned vehicle within a period of three months of condemnation. The head of the office shall be responsible to bring the condemned vehicle to the disposal point in running condition unless it was not in operational condition at the time of condemnation.

(6) Sale proceeds of vehicles auctioned by the committee shall be deposited in the Fund of the concerned Panchayat Samiti or the Zila Parishad, as the case may be, and sales tax shall be paid in to the Government account.

Sections 143, 193
and 225

107. Purchase of new motor vehicle for the Panchayat Samiti.—(1) On the recommendation of the Panchayat Samiti, the sanction for the purchase of new motor vehicle shall be accorded by the Zila Parishad subject to the condition that the concerned Panchayat Samiti, has:-

- (a) a provision for the purchase of new motor vehicle in the budget;
- (b) sufficient funds out of their own sources for the purchase of new motor vehicle; and
- (c) the previous vehicle has been condemned by the competent authority and the sale proceeds of the vehicle have been deposited in the Panchayat Samiti Fund:

Provided that no sanction shall be accorded for the purchase of more than one motor vehicle (Jeep/Gypsy) per Panchayat Samiti or more than the limit of vehicles prescribed by the Government. Purchase shall be made only from the authorised dealers and against the rate contract of Central Government or State Government.

(1) For the Zila Parishad, sanction for the purchase of new motor vehicle for the Chairman or the Deputy Chief Executive Officer of the Zila Parishad or any other officer, subject to the limit of vehicles fixed by the Government, shall be accorded by the Zila Parishad after the fulfillment of conditions mentioned in sub rule (1).

108. Hiring of vehicles: The Panchayat Samiti or the Zila Parishad subject to the approval of Chief Executive Officer of the Zila Parishad, may hire the vehicles for official use from open market at the rates prescribed by the State Transport Department from time to time.

109. Arrangements for audit.—The Panchayat Samiti and the Zila Parishad shall make suitable arrangements to enable the audit authority to hold his

Sections 143, 193
and 225

Sections 143, and
194

office for conducting audit and shall keep all records, statements and registers of accounts ready for purpose of audit and supervision in such manner as prescribed in the rules. The record relating to the audit note shall be maintained in audit notes register in form FBA-44

110. Extent of Audit—(1) The manner and the procedure of audit shall be determined by the audit authority and if a change in such a procedure involves financial implications, such a change shall be prescribed only after consultation with the Government. Sections 143 and 194

Act, Rules or Instructions issued by the Government from time to time, shall also be kept in view by the audit authority while auditing.

(2) The Officer deputed by the audit authority for the audit of accounts shall be competent to physically verify—

- (a) investments; and
- (b) store, stock and other property.

(3) In addition to the ordinary audit, higher audit shall also be conducted by the Audit Authority with reference to the following cannons of financial propriety:-

(i) every Public Officer should exercise the same vigilance in respect of expenditure incurred from the public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(ii) money borrowed on the security of allocated revenue should be spent only on those objects as provided in the rules made under the Act, if the money is utilized on works which are not productive, arrangements should be made for the amortization of the debt; and

(iii) no authority should pass an order in exercise of its powers of sanctioning expenditure, which shall be, directly or indirectly, to its own advantage.

(4) Public funds should not be utilized for the benefit of a particular person or section of the community unless;

- (a) the amount of expenditure involved is insignificant; or
- (b) a claim for the amount could be enforced in a court of law; or
- (c) the expenditure is in pursuance of recognized policy or custom.

(5) The amount of allowances such as travelling allowances granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole sources of profit to the recipients. Without prejudice to the other audit functions, a list of the more important matters that may be

taken up in higher audit is given below,-

- (a) examination of Administration Reports dealing with public expenditure;
- (b) scrutiny of orders delegating financial authority;
- (c) scrutiny of Rules and Orders affecting expenditure and other transactions subject to audit;
- (d) scrutiny of the financial position and suggestions for increasing income or reducing expenditure for maintaining equilibrium;
- (e) scrutiny of outstanding realisations and collection of information from the assesees to ensure the correctness of the arrears;
- (f) scrutiny of refunds or rates and taxes to ensure that there is no leakage of revenue;
- (g) scrutiny of expenditure with a view to see that it is necessary and to make suggestions designed to stop extravagant expenditure;
- (h) in order to see that the travelling allowances bills are not made a source of profit—
 - (i) scrutiny of bills of Heads of institutions and other officers who countersign their own bills with special regard to the necessity and frequency of journeys and halts to see if they show any special feature which cannot be objected to in the ordinary audit;
 - (ii) scrutiny of all travelling allowances bills particularly journeys by motor with a view to checking excessive demands;
 - (iii) scrutiny of countersignatures on bills to show if the Controlling Officer is not showing undue laxity;
 - (iv) suggestion for transfer of headquarters in order to effect economy in travelling allowances charges and to facilitate the work of officers concerned;
 - (v) scrutiny of actual expenses on account of hire of conveyances and other charges with a view to fixing a suitable monthly allowance;
 - (vi) scrutiny of frequent bills for short journeys; and
- (i) scrutiny of bills for pay and allowances with a view to see that the allowances or scales of pay are not excessive in comparison with that of similar posts under Government or in adjoining local bodies;
- (j) As regards supplies and services—
 - (i) the instance of calls for tenders being made before contracts are given and on comparison of local rates with those at important

trade centers before placing orders;

(ii) comparison of rates in the neighboring localities for the supply obtained and contracts entered; and

(iii) in cases of water and electric supplies and other similar works, the comparison of quantity of the work done with the consumption of fuel; and

(k) scrutiny of water-supply, electricity and other contingent charges with a view to suggesting the possibility of effecting economy.

111. Unspent Government Grants to be credited to the Government.— Sections 143 and 193

On the authority of a requisition issued by the Audit Authority, the Treasury Office, Manager or Agent of the Bank, with which the Zila Parishad or the Panchayat Samiti conducts business, shall credit to the Government, the balance of Government grants which remain unspent for more than five complete financial years including the year in which the grant is received. The record relating to grants in aid received from Central Government or State Government for various purposes shall be maintained in Form FBA-45, FBA 45-A and FBA-45 B.

112. Adoption of system of pre-audit or that of test-check.— It will be Sections 143 and 194

for the Government to determine in consultation with the Audit Authority whether a system of pre-audit or test check is to be adopted in respect of the accounts of the Panchayat Samitis or the Zila Parishads. The orders of the Government in this respect shall be final.

113. Inspection Reports—The Audit Authority, as a result of audit shall Sections 143 and 193

prepare an Inspection Report on the accounts of the Panchayat Samiti or the Zila Parishad, as the case may be. A copy of the Inspection Report of the Panchayat Samiti shall be sent to the Executive Officer of the Panchayat Samiti, the Chief Executive Officer of the Zila Parishad and the Government and that of the Zila Parishad, shall be sent to the Secretary to the Government. The Inspection Report shall bring out in a concise way, the important irregularities detected by him. The unimportant and minor objections may be settled by the Audit Authority at the spot by discussion with the Executive Officer or the Chief Executive Officer or through an objection statement which shall be handed over, at the end of audit, to the Executive Officer or the Chief Executive Officer, as the case may be.

114. Disposal of inspection reports.—The Executive Officer or the Chief Sections 143 and 193

Executive Officer, as the case may be, shall attend to the Inspection Report

and the statement of minor objections promptly, but in no case delay the dispatch of reply to the Audit Authority beyond the period of six weeks in the case of an Inspection Report and one month in the case of objection statement from the date of its receipt. A copy of the reply to the Inspection Report shall be forwarded to the Audit Authority as well as to the authorities to whom the Inspection Report has been issued for keeping a watch on the progress of their clearance.

Sections 143 and
194

115. Settlement of Audit Objections—An audit objection shall be removed after the requirements of the audit are fulfilled or sanction of the competent authority is accorded as desired by the Audit Authority in his Inspection Report. An audit objection shall be considered to have been finally settled only, if so agreed by the Audit Authority.

Sections 143 and
194

116. Progress Report of Pending Audit objection—A half yearly progress report on the settlement of pending objections shall be sent, in duplicate, by the Executive Officer or the Chief Executive Officer, as the case may be, to the Audit Authority so as to reach him not later than the end of the month following the half year to which it pertains. The Audit Authority shall compare it with his books in order to ensure that no pending objection has been left out of the statement and in case there be such left out, he shall cause it to be added in the list and shall forward a copy thereof to the Government with his observations.

Sections 143 and
193

117. Utilisation certificates.—(1) The utilisation certificates in respect of the grant-in-aid placed at the disposal of the Panchayat Samiti or the Zila Parishad, as the case may be, for the purpose of projects under sections, 119 and 180 of the Act, shall be furnished to concerned quarter in Form FBA-46.

(2) The utilisation certificates in respect of the functions entrusted to the Panchayat Samiti or the Zila Parishad, as the case may be, under sections 120 and 182 of the Act, shall be furnished to concerned authority by the Government, based on the audit conducted by the Audit Authority.

Sections 143 and
193

118. Maintenance of Records of Inspection Report.—The Panchayat Samiti and the Zila Parishad shall maintain a register in Form FBA- 47 showing the receipt and disposal of the Inspection Reports issued by the Audit Authority in order to watch their proper disposal. In case the Audit Authority feels the necessity of maintenance by the Panchayat Samiti or the Zila Parishad, an other register or records in this behalf, it shall approach the Government for

the purpose and the Government may order its maintenance.

119. Audit Report—(1) The Audit Authority, as a result of its audit, shall prepare an audit report on the annual accounts of the Panchayat Samiti and the Zila Parishad, which shall be appended to their annual accounts. The Audit Report shall inter alia bring out the true financial picture as on the last working day of the financial year to which it pertains. This Audit Report, along with annual accounts of the Panchayat Samiti or the Zila Parishad, shall be placed before the Panchayat Samiti or the Zila Parishad, as the case may be, for such action as may be deemed necessary by them. Sections 143 and 194

(2) The annual accounts of the Panchayat Samiti and the Zila Parishad, as the case may be, and audit report thereon shall be examined and discussed by the Finance, Audit and Planning committee constituted by Panchayat Samiti or the Zila Parishad, as the case may be, for the purpose under section 134 and 184 of the Act.

120. Divisional Inspection Committee.—(1) In order to exercise supervision and control over the affairs of the Panchayat Samitis and the Zila Parishads, Divisional Inspection Committee Sections 143 and 193
are constituted at division level, comprising the following:-

- | | |
|--|----------|
| 1. Divisional Deputy Director of the area | Chairman |
| 2. All the Accounts Officers of the Zila Parishads in a division | Members: |

Provided that there will be one Divisional Inspection Committee for Ferozepur and Faridkot division headed by Divisional Deputy Director Ferozepur.

(2) Divisional Inspection Committee shall meet minimum once in a month. The Committee shall frame annual calendar for inspection of Panchayat Samitis and Zila Parishads by the teams in the month of March.

(3) Divisional Inspection Committee shall conduct annual inspections of the Zila Parishads and the Panchayat Samitis by forming three members teams headed by Accounts Officer. After examining the inspection reports and internal check reports within a month, the same shall be sent to the Director for appropriate action. In serious cases, i.e. embezzlement etc., the matter shall be brought to the notice of the Director at once for quick action.

121. Payment of audit fee.—The Panchayat Samiti or the Zila Parishad, as the case may be, shall pay to the Audit Authority the cost of audit, unless Sections 143 and 194

otherwise ordered by the Government, for conducting the audit of their accounts. The cost of audit shall be determined by the Government in consultation with the Audit Authority, from time to time.

(2) The audit fee may be paid by the Panchayat Samiti or the Zila Parishad into the Bank or Treasury by crediting the amount under the appropriate head;

Provided that the Audit Authority may direct the Bank or the Treasury where the Panchayati Samiti Fund or the Zila Parishad Fund, as the case may be, is kept, to transfer to the account of the Government the amount of audit fee due from the Panchayat Samiti or the Zila Parishad.

Sections 143 and
194

122. Internal Check over Finance and Accounts.—(1) In order to exercise a proper control over the Panchayat Samitis and the Zila Parishads in financial matters, the Controller Panchayati Raj Finance shall conduct internal checks of the accounts of the Panchayat Samitis and the Zila Parishads every year by deputing all the Superintendents and Senior Assistants (Accountants) of the Panchayat Samitis and the Zila Parishads, Section Officers or Auditors of Government. Each internal check and inspection team shall consist two members. Controller Panchayati Raj Finance shall constitute the teams. The Divisional Deputy Directors shall frame annual calendar for Internal Check of all the Panchayat Samitis and the Zila Parishads and supervise the teams within their respective area. The teams shall submit the reports to the Divisional Inspection Committee for examination and recommendation to the Director.

Provided that team members shall not be deputed for Internal checks of the institutions where they are posted.

(2) Internal check of the accounts are meant for ensuring that the Panchayat Samitis and the Zila Parishads are properly functioning as Agents of the Government for the execution of Government schemes and the accounts of the Funds allotted to them are properly maintained.

(3) The Government may order a special audit or inspection or inquiry in case an embezzlement or serious omission or commission is apprehended.

Sections 143 and
193

123. The scope of internal check.—It shall be the primary responsibility of the Internal Check Team to carry out the internal check to give guidance to the persons concerned in the proper maintenance of accounts and also to help them in the clearance of audit objections raised by the Audit Authority in the Inspection Reports. The team in the course of internal check of accounts shall be entitled to make such queries and observations and to call thereto, as may

be necessary, and the Panchayat Samiti or the Zila Parishad, as the case may be, shall make arrangements for the supply thereof. The scope of internal check of the accounts shall inter alia extend to see that:-

- (i) all the registers prescribed for various purposes particularly for grant-in-aid and loan, if any, received from the Government and their further utilisation have duly been opened and maintained in accordance with the rules;
- (ii) all items of revenues and other dues which have to be brought to account are correctly and promptly assessed, realised and credited to the accounts of the Panchayat Samiti or the Zila Parishad concerned;
- (iii) the initial accounts of demand have been properly prepared and all items of demand have been entered in the accounts and that the demand arrived at in the case of taxes and fees is generally correct and that adequate steps have been taken to enforce recovery;
- (iv) demand, collection and balance statements are regularly prepared and agreed with the subsidiary registers of demand and collections;
- (v) no amount due to the Panchayat Samiti or the Zila Parishad is left outstanding in its books without sufficient reasons;
- (vi) a proper watch is kept over the growth of revenue by obtaining supplementary lists of persons or property liable to the taxes;
- (vii) the write off is supported by competent sanction and there is a record to show that the items are really irrecoverable;
- (viii) the arrears have been transferred at the end of the year to an arrear demand register;
- (ix) the bills issued for collection are in prescribed form, serial numbered and the stock account of bill books, receipt books, etc., are properly maintained;
- (x) all properties usually leased or liable for lease, have been leased out;
- (xi) an agreement or contract, wherever it is necessary, has been entered into setting forth the conditions of agreement or contracts;
- (xii) security has been taken for the due fulfilment of the terms of the lease, agreement or contract;
- (xiii) the funds have been utilised only on the purpose authorised by the Act or the Rules;
- (xiv) the money made available for the expenditure have been provided for in the manner specified in the Act or the Rules made thereunder;

- (xv) due regard to the Government share and public contribution has been kept in formulating and executing the schemes under sections 119, 120, 180 and 182;
- (xvi) the sanction (technical, administrative or financial) either special or general of the authority competent to sanction expenditure has been obtained;
- (xvii) the character and pattern of schemes required to be formulated by the Panchayat Samiti or the Zila Parishad, as the case may be, under section 119, 120, 180 and 182 has not been changed, without estimate;
- (xviii) the works or schemes have been executed within the prescribed period and in accordance with the original plan, design and sanctioned estimate;
- (xix) all claims are in accordance with rules and in prescribed form;
- (xx) all prescribed preliminaries to expenditure and rules relating to the method of payments have been duly observed;
- (xxi) the revenue and expenditure is correctly classified; and
- (xxii) the departmental official carrying out the internal check and inspection shall also be competent to physically verify—
 - (a) the cash;
 - (b) the store and stock; and
 - (c) the work in progress or completed.

Sections 143 and 193

124. Disposal of Internal Check and Inspections Reports.—The teams conducting the internal checks and inspections shall issue their internal check and inspection reports and these reports shall be dealt with in the office of the Panchayat Samiti or the Zila Parishad, as the case may be, in the same manner as the audit report of the Audit Authority, except that the Audit Authority shall not be brought into picture in their disposal. The teams shall specifically see to the disposal of the previous internal check reports as well as Audit Authority's reports at the time of internal check and inspection.

Sections 143 and 193

125. Destruction of Records.—The following registers, books, bills, vouchers and other records of a Panchayat Samiti or a Zila Parishad, as the case may be, shall be destroyed after the expiration of the period specified against them. Such period shall be reckoned from the date of their closure or final disposal:-

1	Duplicate copies of Receipt Books	Five years
2	Registers showing demand and collection of taxes and other dues	Ten Years

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3	Register of correspondence	Three years
4	Inspection Book	Five years
5	Application for copies of records	One year
6	Application for inspection of records	One year
7	Audit report	Fifteen years
8	Report regarding embezzlement	Fifteen years
9	Service Book and Character Rolls	Twenty five years after retirement of the person concerned
10	Pay bills and Attendance roles	Thirty Five years
11	Annual estimates of receipts and expenditure	Five years
12	Vouchers and Bills	Five years after audit
13	Security Bonds	One year after they cease to have effect
14	Cash Book and ledger	Ten years
15	Nomination papers, relating to employees	Thirty years
16	Other miscellaneous papers or records.	Ten years

Provided that the documents required in court cases, enquiries or audit, shall not be destroyed till such enquiries, audit or court case is finally disposed off.

126. Relaxation.—Where the Government is of opinion that it is necessary or expedient to do so, it may by order, for reasons to be recorded in writing, relax any of the provisions of these rules, with respect to any class or category of cases. Section 227

127. Interpretation.—The power of interpreting these rules shall vest in the Director Rural Development and Panchayats.

128. Repeal and savings.—The Punjab Panchayat Samitis and Zila Parishads General, Finance, Budget, Accounts and Audit Rules, 1964, are hereby repealed.

Provided that any thing done or any action taken under the rules so repealed shall be deemed to have been done or taken under the provisions of these rules.