

CHAPTER-1

Organisaiton of the Finance and Accounts Wing General Instructions.

The Finance and Accounts Organisation of the Board is under the charge of the C.A.O. as H/O Deptt. Member (F &A) is also appointed by the State Govt. under clause of the Indian Electricity Act, 1948. The functions of the C.A.O. are mainly to manage the affairs of the organisation and he is to assist the Member (F&A) in the following manner.

The Wing is divided into two groups namely Accounts and Internal Audit group headed by Deputy Chief Accounts Officer/Dy. C.A. and the Finance group headed by a Deputy Finance Adviser.

The detailed organisational set up of the Finance and Accounts Wing is given in the chart at the end of this chapter.

Finance Group

This group is responsible for scrutiny of the proposals emanating from other units of the Board namely the Secretary's Wing, the respective Chief Engineers' Wings and units thereunder, from financial angle and giving financial concurrence to such proposals. Cases relating to creation of posts, all appointments, promotions according to cadre rules Departmental Promotion Committees, delegation of financial powers, and fixation of pay will be examined in the Staff Miscellaneous Section. All matters relating to Store-Purchases, contracts for purchases or sales, inventories, agreements for sale and purchase of power, tariff, scrutiny of work estimates will be handled in the 'Stores and Contracts' Section for the purpose of convenience of miscellaneous subjects, such as Audit Objections, Public Accounts Committee references, Estimate Committee and Assembly Questions, Planning Commission references and miscellaneous items not under any other classified group will also be handled in this group in the Sections named as Co-ordination Section and Reports Sections respectively.

Accounts Group

Accounting functions comprise of maintenance of accounts of the Board pre-audit of all payments. Watching the ways and means position, keeping a watch on recoveries of dues and making of disbursements on behalf of the Boards after scrutiny of claims, maintenance and reconciliation of bank accounts, preparation of bank accounts, preparation of annual accounts etc. These functions will be spread over the appropriate sections given in the Chart. In addition this group will be incharge of internal audit work and commercial. For the purpose of convenience internal administration, preparation of codes and manuals and procedures has also been placed in this group in store accounting and verification.

Store Accounts

For purpose of convenience, the Store-Account and Verification Section has also been placed under the administrative control of the Accounts Wing presently headed by the 'Chief Accounts Officer'.

Internal Audit

Section 69(I) of the Indian electricity (Supply) Act, 1948 provides interalia that the Board shall have a proper system of internal check. The internal Audit group is entrusted with the functions of the conduction internal Audit of expenditure and receipts and revenue of the Board as well as of examination and analysis of the system and procedures in force and to suggest improvements therein with a view to securing an efficient financial management of the Board. The detailed scope and extent of internal Audit will be specified in the form of separate Manual for "Internal Audit" which is under preparation. It is enough to mention here that Internal Audit Wing will conduct the concurrent scrutiny of expenditure incurred both at the head-quarter units as well as in the field units of the Board with reference to the initial accounting records maintained therein. Internal Audit of revenue comprises of a concurrent audit of revenues of the Board, accruing and accounted for at the head quarter and field units of the Board.

Audit is conducted through the peripatetic audit parties functioning under the control of this group and the results of such audit are edited and issued by this group to the heads of the offices of the units concerned at both initial and controlling levels. A monthly digest of important irregularities noticed in the course of Internal Audit alongwith suggestions for improvements in procedure and in the system as well as for economies in expenditure is submitted to the top management viz the Chairman and the members of the Board.

Budget

This section will be responsible for preparation of Annual Financial Statement of the Board in accordance with provisions of Section 61 of the Indian Electricity (supply) Act, 1948. Its main duties are the determination of financial resources required to meet the Board's expenditure, and programmes, long term operating and capital expenditure budget, maintenance of control over the flow of expenditure against Annual Budget and reporting of variations between budget and actuals to the top management through monthly reviews. The Budget Manual has been prepared and issued to all concerned separately.

Internal Administration.

Internal Administration of the Staff will be under the control of this Wing (See Chart at the end of this chapter) and will be the responsibility of Branch Officer (Internal Administration Section) this section will be responsible for arranging and providing all the office equipment for the Finance and Accounts Wing to process cases for staff and to handle all the affairs connected with the staff at the head-quarters

and in the field working under the control of Finance and Accounts Wing, conduct of departmental examinations, maintenance of service records of staff etc.

GENERAL INSTRUCTIONS

(1) MAINTENANCE OF FILES

Each Section in the Finance & Accounts Wing will maintain an index register of files.

(2) The file number should denote the section to which it pertains. For this purpose the following alphabets will be used.

Pay Sections (G) & Pay (Non-gazetted)	PG PNG
G.P. Fund	GPF-I/II/III,
Pension Section	Pen
Routine Section	Rt.
Sales' Ledger & Deposit	SL & D.
Banking & Loan	BA LN.
Budget & Cash	B C
A & R	A & R
Internal Audit (works)	IA (W)
Internal Audit (Commercial)	IA (C)
Internal Audit (Field control)	IA (FC)
Internal (Administration)	I (Admn)
Stores, Contract (Finance)	S & C (Fin)
Coordination Section	CO
Staff Miscellaneous	SM
Codes & Manual	C&M
Report Section	I R
Central Payment Cell	C P C

The above alphabets will be added after the word 'F &A'. Thus the complete nomenclature may run as follows.

No. HPSEB/F&A/CO/Audit objection – 1/70-71-Vol-issue No. and date.

All other standard instructions for maintenance of files should be followed. Important orders on any particular subject should be kept in a separate order file for constant reference.

Duty List

It will be the responsibility of the in-charge of each section to draw up duty list for each of the sectional hands and get it approved from the Accounts Officer/Dy. Financial Advisor/Dy. Chief Accounts Officer/Dy. Chief Audit/C.A.O. A duty list file should be maintained in each section by the in-charge concerned.

Calendar of Returns

Every section should maintain a calendar of returns in the prescribed form to watch the submission of returns/reports on due dates. The calendar of returns should be put up to the branch officer incharge once a week and to the Dy. Chief Accounts Officer/Dy. Financial Advisor every fortnight and to the Chief Accounts Officer, once a month,

Accounting Year

Every accounting year for the Board is from 1st March. All statutory book of accounts like purchase and sale books, Personal ledgers etc., should be closed on 31st and new books opened from the 1st April except in the case of running ledgers such as General Provident Funds ledgers.

Bill Register and Receipts

All bills received should be entered (chronologically) in a bill register to be maintained by each section. A bill diary report showing the disposal of bills will be put up to the Accounts Officer concerned weekly. Reasons for delay beyond 3 days in the disposal of bills should be given in the summary of the abstract of the diary.

Bank & Loan Section

(a) Bank Section will also maintain a similar diary and will prepare cheques, on the basis of first come first served basis unless a particular voucher is marked 'immediately' by the debiting officer.

For payments received by the Board whether by cash, or by cheques, drafts, etc., receipts in an appropriate form will be issued. The receipts will be signed by the superintendent incharge and blank receipt books kept in possession of the Accounts

Officer, Bank Section. Similarly for all payments made, the corresponding receipts from the payees should be watched and where delayed reminders should be sent as often as necessary to obtain the receipts.

(b) Loan Section separated from the main functions of Banking will keep accounts of all kinds of loans received and paid. The accounts should be so upto date that the precise position of liabilities is available at any given time.

Control Statement

In order to ensure that sections maintain the accounts records properly and all action that is required, is taken in time, suitable control statements have been prescribed separately. Sectional Superintendents will ensure that these statements are properly filled in with correct facts and submitted on the due dates to the Branch Officer/Dy. Chief Accounts Officer/Dy. Financial Advisor/Chief Accounts Officer, as the case may be.

Inter Sectional Correspondence

As far as possible sections within the Finance and Accounts Wing should avoid formal correspondence with each other except specifically prescribed in the rules for transactions of the inter-sectional business or where it is necessary to have a written record of transactions involving two sections. It is expected that all the sections/Accounts Officers incharge of a group of section will work in close co-ordination and not in water tight compartments.

Central Payments Cell

This section will release payments to firms and other agencies which are required to be centrally paid in accordance with the requirements of the Board

ANNEXURE

Functions of the Chief Accounts Officer.

(a) Accounts

The C.A.O. will be generally responsible for supervision of the Accounts Organisation and its functions. The main functions of this Organisation are :-

I- Accounts Group

1. To have a proper system organised for the maintenance of the accounts of the Board. They shall maintain or cause to maintain adequate records of assets, liabilities and other financial transactions of the Board. In particular they shall be responsible for maintenance of adequate system of store accounts.

2. Compilation of Annual Accounts of the Board, including Balance Sheet and Profit and Loss account in prescribed forms and their submission as required under the Electricity (Supply) Act. 1948.

3. Custody and control over cash. Adequate arrangements with Bankers of the Board will be made for receipts and disbursement of cash and their accountal Control over the liquid resources of the Board will be exercised and surplus funds invested in short/long term deposits. Adequate financial control will be exercised over allocation and use of funds in accordance with approved programme and budget and with due regard to policies and regulations of the Board.

4. Budget:-

(a) preparation of the Board's annual and supplementary financial statements and their submission to the Board, the State Electricity Consultation council and thereafter to the State Government as per provisions of the Electricity (Supply) Act, 1948 and rules, if any, made thereunder.

(b) Control over the flow of receipts and expenditure in relation to the Budget Estimates and analysis and report to the Board of variations.

(c) Preparation of periodical cash flow statements and control over cash flow in relation thereto.

5. **Internal Audit :-** Prescribing a sound system of internal audit of Board's Revenue Collection and expenditure and reporting the results of internal audit to the Board for necessary action.

6. Verification of stocks and disclosure of variations of physical stocks from books, alongwith identification of surplus stock wherever disclosed, to the Board through periodical reports.

B. Finance

1. **Scrutiny of Expenditure:-** All proposals involving expenditure from Board's funds, other than those for which powers have been delegated to subordinate authorities or agencies, will be scrutinized by the Member before the Board accords sanction thereto. The Member will satisfy himself regarding the necessity for the expenditure and that it is the minimum necessary for achievement of the Board's objectives. While doing so, he may suggest other measures and other ways of meeting the same objectives.

2. **Scrutiny of Estimates:-** All project estimates will be scrutinized by the Member and his concurrence thereto taken before Board's approval is accorded.

3. **Purchases and pricing policies:-** Member will be associated in all matters relating to purchase of machinery and equipment, stores, raw materials etc. including devising of a proper procedure for purchase to ensure that adequate control is exercised over such purchases. He will also be associated in the formulation of tariffs of the Board and in the pricing of products for sale, interdepartmental issues, charging of material to works etc.

4. Member will be associated in all service matters having financial implications such as scales of pay, dearness allowances, bonus, gratuity etc., creation of posts, yard sticks for such creation of posts and new addition to the organization, fringe benefits, and on all policy matters, affecting service conditions and benefits requiring Board's approval.

C. General :

1. The Member will devise a reporting system by which the Board is kept apprised periodically of the financial results of the Board's working, review of actuals against Budget, results of internal audit and any other matter of importance and interest which in his opinion, needs to be brought to the notice of the Board and interest which in his opinion, needs to be brought to the notice of the Board.

2. Member will provide an effective liaison with Statutory Audit in the settlement of audit objections, draft paras, finalization of the Audit Report of Comptroller and Auditor General and observations of the Public Accounts Committee.

D. Organisation:

For the discharge of his responsibilities and functions generally outlined above. The C.A.O. will have Dy. C.A.O./DRA/DCA & Accounts Officers Incharge of various sections who will discharge the duties assigned to each section separately.

CHAPTER –II

Accounting Procedure in the Head Office.

1. Pay, contingencies, General Provident Fund Group.

This group is responsible for checking payments and accounting of transactions relating to the personal claims of gazetted officers of the Board, pre-checking of all claims of staff at the headquarters office and contingent expenditure incurred in the Board's Head Office and their payments. The group is divided into three sections: (i) Pay and contingencies Section. (ii) General Provident Fund & Pension Section and (iii) Routine Section.

2. Pay & Contingencies Section.

The main functions of this section are:-

(i) To disburse the salaries and all other claims of non-gazetted officers of the Board.

(ii) To check and pass bills for payment pertaining to establishment and contingent to the parties other than the Board.

(iii) To arrange for remittance of amounts deducted from the employees payable to the parties other than the Board.

(iv) To work out and arrange payment of leave salary and pension contribution to the quarters concerned; and

(v) Disbursement of bonus to employees.

3. General Provident Fund & Pension Section

The functions of this section are:-

(i) To maintain accounts of subscribers to the General Provident Fund and Contributory Provident Fund of the Board and to authorise non-refundable advances and final payments to retirees.

(ii) To maintain the investment accounts relating to General Provident Fund and Contributor provident Fund.

(iii) Issue of Annual Accounts Statements of General Provident Fund.

(iv) Processing of Pension Cases, payments to Pensioners, audit of Pension and gratuity payments.

4. Routine Section

This section will function as the diary and dispatch section as the diary and dispatch section in the Finance & Accounts Wing and also manage the typing and stenographic pool for the wing.

The detailed accounting procedure relating to the above groups is given below:-

5. The Pay & contingencies Section

The pay bills of the non-gazetted staff at the headquarters office and contingent bills etc. are initially prepared by the concerned sections in the Secretary's Branch CEs Offices and sent to the pay and contingencies group in the Finance and Accounts wing for pre-audit and payment. This section will examine and scrutinise all sanctions to expenditure pertaining to establishment and contingent charges of the Board at headquarters issued by the competent authorities under the powers delegated to them from time to time. This pre-check of sanctions will not be necessary where the sanctions indicate that they have the prior concurrence of the Finance and Accounts Wing. The sanctions will then be recorded in the relevant check register enumerated hereinafter to enable them to pre-audit and pass the bills for payment tendered by the Secretary's division. The terms and conditions of service of the employees are governed by the Board's relevant service regulations or by such other regulations as may be prescribed by the Board from time to time. The expenditure on contingent charges is regulated by the rules framed by the Board and under the delegation of financial powers approved by the Board. The section shall maintain the under mentioned registers. The forms in which these registers are to be maintained are given at the end of this manual.

- (i) Register of pay and allowances (other than the T.A.) of officers.
- (ii) Register of pay and allowances (other than T.A.) of staff.
- (iii) Register of T.A. for officers.
- (iv) Register of T.A. for staff.
- (v) Register of payment against special sanctions.
- (vi) Register of payment of fixed charges.
- (vii) Register of remittance of amounts recovered from the employees on behalf of other parties.
- (viii) Register of reimbursement of medical expenses.
- (ix) Register of fees and honorarium.
- (x) Register of leave salary and pension contributions.
- (xi) Register of Bonus.

6. Register of Pay and Allowances of Officers.

All sections for creation of posts and making appointments of officers and rates and scales of pay and allowances admissible to them from time to time shall be noted in this register. A separate page of the register will be allotted to each officer. The particulars of charge reports, health certificate on fresh appointment, last pay certificate and orders regarding leave and transfer of the officers shall be recorded in the appropriate columns of the register. The amount of pay and allowances, leave salary etc. due to an officer will be worked out with reference to the above particulars and entered in the monthly columns provided for this purpose (register provides columns for a period of four years). All calculations of pay and allowances of each officer, a statement of account, in duplicate, will be prepared for each officer. This statement along with a debit voucher giving the appropriate accounts classification for the gross amount as well for the deductions will be prepared. A consolidated statement of remittances of net amount due to the officers, who have bank accounts with each branch of bankers of the Board will be prepared showing the total amount branch wise for each bank. The register along with these statements will be checked by the Superintendent of the section and passed by the accounts officer of the group. Therefore the statement of accounts and the consolidated statement of amounts to be authorised for payment bankwise/branchwise and the debit voucher will be sent to the Banking section for payment. The Banking Section will prepare cheques for consolidated amount bankwise/branchwise and send these cheques along with a copy of the statement of the officers to whose accounts with those branches of the banks the amounts are to be credited. Separately they will send a copy of the statement of account to the officer concerned and return the debit voucher duly encased by a stamp, to the Central Accounts Section for incorporation in the accounts.

The process of calculations of pay and allowances of officers will commence on the 10th of each month and the cheques will be dispatched to the banks concerned by the Banking Section by the 20th of the month.

7. Register of Pay and Allowances of Staff.

All sanctions creating the posts and making appointments in the various categories of staff along with rates and scales of pay and allowances admissible to them from time to time, will be noted in this register. Set of pages will be allotted to each category of staff.

The pay and allowances drawn for the staff will be checked with reference to the scales of pay and the other allowances admissible with reference to the increment certificates and average pay calculations attached with the bill. Separate register will be maintained for different units of the Board according to the accounts classification prescribed. The establishment bills on being passed will be accompanied by a debit voucher giving the proper classification for the gross amount and the deductions and sent to the Banking section for payment. After the drawl of cheques by the Banking section disbursement of pay will be made by the Cashier to the staff. The debit

voucher en faced with a stamp will be sent to the Central Accounts Section for incorporation in the accounts.

This section will also be responsible for post audit of the schedule of establishment expenditure accompanying the monthly Divisional Account. After such post audit the pay section will pass on General Provident Fund/Contributory Provident Fund schedules to the General Provident Fund section for posting in the ledger cards of the employees. All the other schedules will remain attached to the schedules of Establishment Expenditure and filed.

The detailed post audit of the establishment expenditure incurred in the Division will, however be done in accordance with procedure prescribed in the Accounting Manual Vol-II.

8. Register of T.A. of the Officers.

The travelling allowances claimed by the officers are checked with reference to the T.A. Rules of the Board and noted in this register, passed for the payment and accompanied by a debit voucher duly classified sent to the Banking section for disbursement of the claims.

9. Register of T.A. of Staff.

The same procedure as in the case of T.A. of Officers will be followed.

10. Register of payments Against Special Sanctions.

All payments against special sanctions like purchase of staff cars, cycle, office equipment, furniture, entertainment, advertisements etc. are noted and checked through this register. Thereafter the bills will be passed for payment and passed on with a debit voucher duly classified to the Banking section for disbursement.

11. Register of Payment of Fixed Charges.

Payment of fixed rates like rent for office buildings are noted and checked through this register and the disbursement procedure mentioned above for other payments followed.

12. Register of Remittance of Recoveries made from Employees.

The remittances of various recoveries for example advance of pay, motorcar advance etc. made from the deputationists salary to their parent departments through their respective Accounts Officers, remittances of Income-tax deduction on account of Board's salary saving scheme, hose rent etc. are made through this register. All recoveries made from the employees and remittances to various departments parties will be recorded in this register in order to ensure the correctness of the remittances. Remittances of a common type to each Account Officer/Department/Party will be

consolidated in a form of a statement giving the particulars and break up and sent alongwith a debit voucher with classification to the Banking section for disbursement.

13. Register of Reimbursement of Medical Charges.

In this register will be kept a record of the medical bills received, details of charges paid to the individuals concerned along with a record of period and nature of illness. Bills be checked with reference to the medical rules in force and disbursement made. The record will also serve as a safe-guard against the double draws against the same claim.

14. Register of Leave Salary and Pensionary Remittances

The rates of leave salary and pension contributions in respect of deputationists as intimated by their respective departments and duly checked by the section with reference to the rules on the subject will be entered in this register. All bills of remittance of amounts on account of leave salary and pension contribution will be checked with reference to these rates and recorded in the columns provided for the purpose to avoid double payments in respect of the same period of the service of the deputationists. The bills will be prepared by the section itself and sent with a debit voucher duly classified to the Banking section for disbursement.

15. Register of Bonus Payments

The bills for bonus payments to the staff received from the Secretary's branch shall be scrutinized with reference to the orders regarding payment of bonus before these are passed for payment.

16. General Instructions for Checks to be Applied to Bills.

The following main checks should be applied to all bills in order to see that:-

(i) The bill has been prepared in the prescribed form and has been signed by the competent drawing authority.

(ii) The claims presented are arithmetically correct and that the totals expressed in words as well as in figures.

(iii) The bill has been correctly classified according to the prescribed Accounting Heads, the Sub-vouchers accompanying the bill contain the date of payment.

(iv) There is no reason and that all corrections and alterations in the totals are duly attested by the Officers concerned.

(v) Income-tax and other deductions have been correctly made.

(vi) All claims are covered by sanctions of competent authority.

(vii) If a claim is of a recoverable nature, an entry for the same is made in the prescribed register to watch the recovery in accordance with the rules.

(viii) Every claim passed for payment is so recorded that a second claim against the Board is rendered impossible, and if it represents a refund of sum previously received by the Board, it should also be seen that the amount paid is correctly refundable to the party concerned.

(ix) Stamps are affixed wherever necessary and duly cancelled.

(x) All bills for supply of articles conform to the terms and conditions of the supply order or contract (issued by the competent authority) and that all such bills are accompanied by a certificate that articles in the invoice/bills have been actually received and entered in the stock register, that their quantities are correct and quality good and a suitable note has been to prevent double payment.

(xi) If a claim is passed provisionally, certain fulfillment's, such as sanction of a competent authority, objection is duly registered in the objection book and communicated to the drawing officer for prompt settlement.

17. The following further checks should be applied to personal claims of pay and allowances of staff:-

(i) That the first pay bill is supported with the last pay certificate, medical fitness certificate and other prerequisites mentioned in the offer of appointment.

(ii) Charge Report:- Charge report indicating the post held has been received and noted in the register (in the case of officers).

(iii) In case of leave salary the leave is due and has been sanctioned the competent authority.

(iv) In case of deputationists, it is noted in the leave and pension contributions register and to safe guard any irregularity of payment of such contributions.

(v) After check, every bill is enfaced with a rubber stamp pre-checked over the dated initials of the SAS Accountant and a pay order is recorded on the bill. A journal voucher should be prepared and attached to the bill before it is put up for signing the pay order. The journal voucher will indicate the net amount payable in cash in the space provided for the purpose and the accounts, classification of gross charges as well as of recoveries made from the bill. The pay order will be signed by the Accounts Officer after he has examined the bill and satisfied himself about its correctness and propriety of the claim and allocation of the charges and recoveries

made from the bill the pay order will be written legibly without the possibility of insertion. All pay orders must be signed by hand and in ink, and the bills so passed will be made over to the Banking section for payments/issue of cheques in favour of the officers officials concerned. The journal voucher will be passed on to A.O. (Comp) for adjustment in the accounts.

18. Check over un-disbursed amounts.

In order to make disbursement of salary of the staff, self cheque is drawn and entered on both sides of the cash book even when the whole amount drawn is not remitted with the result that un-disbursed salary of some employees will remain with Cashier. In order to reflect the un-disbursed salary in the accounts a register of un-disbursed salary of regular staff and un-disbursed wages of work-charged staff and muster-roll labour will be maintained both at the headquarters as well as in the field offices as is necessary. These registers will include all bills whether regular or supplementary, which remain un-disbursed at the close of the day. The payment made subsequently will not only be recorded against outstanding amounts shown in the above registers, but also in the bill in which the amount was originally drawn. the register will be closed daily in order to agree with the cash balance in the chest with the un-disbursed amount shown in the register. It should be ensured that amounts do not remain in disbursed for a period of more than one month.

19. Register of Motor-Car and Motor-Cycle Advance of Deputationists

Recoveries on account of motor car/motor cycle advances from the deputationists will be noted and their remittances to the department concerned watched through this register. The register will record all details of advances made installments recovered and remittances made to the department.

20. Adjustment Register for Advances

Adjustment register will be maintained for watching the advances of Travelling Allowances etc. Salary advances fall under two heads, viz., salary advances to deputationists and salary advances to employees of the Board. The payment of leave salary advance will also be booked under these heads. In view of the rules permitting leave salary in respect of Government servants on foreign service be paid by the foreign employer without any authority from the Accounts Office/Head of the Office for the drawl of the advance, it is necessary that a proper watch for the recovery of the amount should be kept by the Secretary's division/Pay section of the Finance & Accounts Wing. As soon as the advance is paid to the deputationists, a demand should be placed on the Accountant General/Head of office concerned duly supported by the cash receipt obtained from the officer. The receipt of the bank draft from the Accountant General/Head of Office will be watched through the Objection Book. If on receipt of the demand draft it is observed that the advance has been paid in excess of the amount refunded by the Accountant General/Head of Office step will be taken to recover the balance of the amount from the deputationist himself. The amount of

advance should also be noted in the last pay certificate by the Accountant General/Head of Office.

21. Objection Book.

All payments made provisionally should be noted in this book for watching their regularisation after the settlement of the points concerned. Bills for advances drawn by the officer/staff to cover Travelling Allowance expenses on tour together with any amount unspent should be submitted within three days of the completion of the travel. In order to keep the watch over the prompt settlement of advances granted to the various officers the pay section will carry out a monthly review of the cases and submit a report to all the outstanding advances for orders. The submission of this report should be watched through the calendar of returns of the section a review note for all outstandings for more than three months should be put up to the Chief Accounts Officer in the Objection Book itself, while the objection book will be put up to the Deputy Chief Accounts Officer monthly.

22. Accounting of Advance Deposits made for Telephones

The amounts deposited with the Telephone authorities under O.Y.T. schemes are recorded in the register for fixed charges in order to watch the proper allocation of prorate distribution of expenditure over a period of 20 years in the Board's Accounts. A separate page will be set aside for each telephone. The payment will be adjusted under suitable deposit account head. The payment will be adjusted under this deposit account head and at the end of each year the section will adjust proportionate charges for a period of account through a journal entry by crediting this head and debiting the expenditure of telephones and trunk call charges. The due adjustment of this expenditure in the Board's account will be watched by the compilation sections through the register of periodical adjustment.

23. Stock Account of Furniture etc.

A stock account of all articles of furniture and other equipment for use in the offices, purchased by the Board will be maintained by the Secretary's division in a suitable property register which shall be kept up-to-date.

(ii) As soon as an article is purchased and received, its particulars should be entered in the Register. Entries in the Register should be made in serial order and such number indicated on the article as well. Each category of article should have separate series of numbers. Entries in the register will be chronological.

(iii) If any article is to be struck off from stock due to its being unserviceable or for any reason, necessary entry will be made in the register on the basis of the orders of the competent authority and the balance in hand worked out and noted.

(iv) At the end of each year depreciation charges for a year at the rates prescribed by the Board will be worked out for the articles and noted in the register. Depreciation of articles removed from stock should be charged only for the period the articles were in use during the year until their removal.

(v) The total balance as worked out above showing the quantity in hand, their value before and after depreciation and the amount of depreciation at the end of the year will be taken over to the abstract page of the register so as to work out the total cost for all the articles at the close of the year.

(vi) An intimation regarding the cost of articles removed from stock from time to time and intimation of the cost of all articles as it stood before and after deductions of depreciation charges and the amount of depreciation, annually, will be intimated by the Secretary's division to the pay and contingencies section of the Finance and Accounts Wing. On the basis of such intimation, pay section will prepare necessary journal entries in triplicate and pass them on to the Central Accounts section, who will retain one copy for incorporation in the Accounts and return the other two copies duly certified as having been incorporated in the account to the pay section as well as to the secretary's section.

(vii) All entries regarding quantity, value and depreciation charges of articles entered in the register will be attested by the officer in-charge of the section, which maintains this accounts, to see that the register is maintained properly, reviewed monthly and reported to the higher authorities. Such review should be conducted in the register itself.

(viii) Physical verification of the articles noted in the register will be conducted each year by 31st March by an officer nominated by the Secretary, other than the officer in-charge of the articles. Discrepancies, if any, should be explained and put up for orders of management, certificate to this effect will be recorded in the register on the following lines.

“Certified that the balance as per stock register agree with the number of articles as per physical verification, except the followings (here mention the discrepancies found between the balance as per register and as per verification)”.

(ix) Pay section will test check the amount of depreciation of dead stock articles to be charged to profit and loss account as intimated by the Secretary's division and watch its adjustment in the account.

(x) Secretary's division shall also maintain in separate inventory register, a list of articles issued to various officers for their use. A copy of the inventory will also be issued to the sections/officers for their information and control over the articles supplied to them.

(xi) The above procedure will apply mutatis-mutandis to field units of the Board.

24. Expenditure on Examinations

The Board will be holding examinations for recruitment of various categories of posts, like Upper Division Clerks, Lower Division Clerks, Divl. Accountants & SAS Superintendents etc. For this purpose the Board will be receiving money on account of sale of application forms, examination fees etc. and incurring expenditure on items like remuneration's for setting and valuing papers, fee for supervising the examination etc., rent of examination hall, stationery and miscellaneous expenditure connected with the examination. In order that the financial results on the holding of examinations are available, the accounting head "Expenditure" on conduct of examination" will be opened. All receipts and expenditure relating to the conduct of examinations shall be booked under this head of account on the receipt and payment side respectively.

25. Grants-in-aids

The Board may be releasing grants to various recreation clubs and other activities in the Board, such as sports, recreation etc. Such grants are subject to the conditions that the accounts of the grantees are audited. Before payments of grants are released, it should be ensured/verified that the accounts of the grantees showing utilization of the previous grant has been duly audited.

26. Payment of Telephone Bills

Since the telephone bills if not paid within 15 days may result in disconnection of the telephones, there should be no delay in the payments of such bills. The Secretary's/C.Es offices will send the bill duly passed to the Pay (N.G.) section for pre-audit and payment to the Post & Telegraph Department on immediate basis. Pay (N.G.) section will book these transactions under the head "Telephone, Trunk Calls Account" and pass on the bills to the Banking section for payment. Only such amounts as is admitted in pre-audit will be charged to the final expenditure head and the amount which is not accepted in audit will be intimated to the Secretary's division with details so that the matter is taken up with the Telephone Department. The amount un-accepted by the Pay Section will remain under the Head "Telephone Suspense Account" so long as the objections are not cleared.

27. PROCEDURE REGARDING PROVIDENT FUND

General provident Fund

Board is following the General Provident Fund rules presently in force in the Himachal Pradesh Government. A separate brochure setting out the main features of General Provident Fund rules will be issued for the guidance of all concerned. In so

far as the accounting functions are concerned, the Provident Fund Section in the Finance & Accounts Wing will be responsible for proper maintenance of individual accounts of the subscribers. It will also keep an account of the investment of contributions realized from the members.

28. General Provident Fund schedule in respect of subscribers will be prepared in duplicate, by the Pay Section in respect of gazetted officers, by Secretary's division in respect of non-gazetted officers at headquarters and by the field units in respect of their establishments. In respect of gazetted officers of the Board and non-gazetted officers at Head-quarters, establishment bills in respect of whom are passed by the pay section, the General Provident Fund Schedules will be passed on by the Pay Section, to the General Provident Fund section by the 2nd of the following month. Similarly schedules of deductions made from the staff of the field unit will be forward by the latter directly to the General Provident Fund Section of the Finance & Accounts Wing by the 5th of the month in which the deductions are made. In respect of schedules of head office staff as well as gazetted officers, the credit voucher will be prepared by the Pay Section and sent to the Central Accounts Section for incorporation in the Accounts. When the posting in the individual's ledger cards is completed by the General Provident Fund Section, they will send an intimation of the amount adjusted in the accounts of the subscribers for the month of Central Accounts section with the credit vouchers received directly from the Pay section as well as from the field units. Any discrepancy between the amounts booked on the basis of credit voucher and the statement received from the General Provident Fund Section will be removed by reference to the section concerned. In order to prevent any delay in the investment of amounts of contributions, Banking section will obtain a copy of the credit voucher in respect of gazetted officers as well as head-quarters staff from the pay section and add thereto amount of field units and take the total into the investment account. Banking section will be authorized by the Board to invest the amount in fixed deposits. The monthly accounts of the subscribers should be closed by the end of the month following the month to which they relate. Subscriptions for the month of March paid in April should be classified at the end of March.

29. Annual Closing of Accounts

The work of annual closing of accounts of subscribers should be taken up in hand immediately after the closing of accounts of March. In all cases interest for the year should be calculated and totals incorporated in the accounts by the end of the month. After closing the annual accounts the total amount of interest should be transferred to the General Provident Fund Investment Account and duly invested. It should be ensured by a suitable cross check for the total transactions of General Provident Fund, as per registers are reconciled completely with the accounts maintained by the A.A. & R Section.

30. Contributory Provident Fund

The accounting instructions in the case of General provident Fund accounts will be followed in the case of Contributory Provident Fund Accounts also. As the

Contributory Provident Fund is in charge of trustees of the fund, necessary trustee bank account will be opened. As in the case of General Provident Fund amount of subscription collected monthly will be invested directly, but only to the nearest thousand rupee, the balance less than thousand rupee being deposited in the trustee's bank account. The GPF accounts are now being maintained by RPF. However, the balances of GPF should be transferred to the GPF accounts of the subscribers by Funds-II section.

31. Pension Section

It will be the duty of the Head of the Office last served by the Board employees to process the pension papers two years in advance of the official's date of retirement.

All such pension cases will be processed through the Secretary's Office, so as to keep him informed about the timely or delayed preparation of the pension cases by the Board's units. The cases when received from the Secretary's Office will be entered in a Register (Pension Application Register), in the Pension Section and its disposal/movement recorded in this register from time to time. The pension papers will be scrutinized in the Pension Section with reference to the relevant rules applicable to the retiree and in case the papers are complete, the pension payment orders/gratuity payment orders will be prepared by the section and approved by the officer incharge. The sanction to the release of pension and gratuity will, however, be recorded on the pension papers itself by the sanctioning authority before the case is passed on to the Pension Section.

A note of pension payment orders and gratuity payment orders will be kept in the registers prescribed for the purpose. Simultaneously, a note thereof will also be made with necessary particulars in the pension register/gratuity register. Both the above mentioned retirement benefits will be paid to the retiree through the Divisional Officers or at Headquarters, according to the pensioner's request. All payment at Headquarters will be made on the basis of bills prepared by Secretary's division and passed on to the Pension Section for disbursement. Thereafter the section will send the bill with classification voucher to the Banking Section for payment and final accounting in the Central Accounts Section. The Pension section in the scrutiny of pension payments made in field offices will see that the payments have been made in accordance with the rates and conditions provided in the pension payment orders/gratuity orders and will also keep a note in the registers of pension/gratuity.

In the month of June and December, every head of the office will intimate the particulars of their employees, who are likely to retire within the coming 24 months and those, who have already retired with dates whose pension cases have not been processed by the Department. This will enable the Pension section to know the number of the employees likely to retire during the period in question and will thereby keep a watch that their pension cases are timely prepared and submitted to the Accounts Wing and the number of employees whose pension cases have not been initiated by the heads of the offices. The Pension section will prepare a monthly report

showing (i) number of employee due to retire during the financial year. (ii) number of employees who have already retired but pension cases have not been prepared. (iii) number of pension applications finalized or disposed of and (v) number of pension cases outstanding with details. This statement will be reviewed every month and put up to the Chief Accounts Officer for information.

32. (i) A register showing the particulars of Board's employees lent or transferred to foreign service will be maintained in the form enclosed at the end of this chapter to enable necessary checks to be exercised over the timely recovery of contributions on this accounts. On receipt of an order of transfer to foreign service after it has been examined that the sanction is in order and has been accorded by the authority competent to sanction a transfer to foreign service, it should be noted in this register with the necessary particulars of the services of the employee transferred. These particulars should be called for, from the concerned quarter. The rates of contributions payable and the date from which they are to be paid should then be communicated to the foreign employer. All orders subsequently received such as the grant of special pay or allowances sanctioned by competent authority, grant of leave, recovery of penal interest or of contributions in arrears etc., should be noted in the Register. A serial number should be assigned to each deputaionist.

(ii) A Broad sheet should be maintained in the usual form in order to keep a watch over the correct and regular recoveries of the contributions receivable. The name of the employee transferred, the number assigned to him in foreign service register referred to above and the rate of contribution payable should be noted in the broad Sheet. When contributions are not payable during leave, the fact should be noted in red ink against the name of the employee concerned in the proper column to show that no contribution is to be claimed for the period.

The Board Sheet should be closed every month on the 15th and put-up to the Branch Officer. It should be seen that the contributions have been corrected and regularly paid. In case of delay in payments reasons for such delays or no payment should be enquired into. The last column of the Broad Sheet should be filled after the close of March Accounts and this figure should be carried over the Broadsheet of the next year.

(iii) A part from the maintenance of Register/Boardsheet for watching the recovery of leave and pension contributions, necessary account adjustment will be prepared and sent to the Compilation section by the Pension section on the 20th of every month in the manner laid down in Accounts Classification (Operation of Account Heads). This fact will be recorded in the monthly report on the Boardsheet at the time of its submission to Branch Officer/Deputy Chief Accounts Officer/Chief Accounts Officer/Member (F&A).

33. Routine Section.

The routine section, which is incharge of the central diary and dispatch of the Finance and Accounts Wing will submit statistical information for the wing showing the total number of receipts and letters dispatched during the month. They will show separately number of letters received and dispatched in Hindi. They will also maintain statistics of letters mis-marked and subsequently delivered to the right sections through Transit Registers. The section will also prepare statistical information showing the output of typists and stenographers and proper utilization of the Typists and Stenographic pool in order to ensure maximum utilization and maintenance of type-writers in the Finance and Accounts Wing.

Deputation on Foreign Service of Shri.

Particulars :

Replies

1. Date of Birth.
2. Date of Joining Service.
3. Date of commencement of qualifying service.
4. Date and hour of making over charge under HPSEB, on transfer to Foreign Service.
5. Date and hour of taking over charge under the foreign employer.
6. Joining time availed of.
7. Post Substantive and/or officiating under the HPSEB.
8. Leave Rules applicable.
9. Substantive pay under the HPSEB.
10. Scale of post substantively held.
11. Date of next increment in the above.
12. Officiating pay under the HPSEB.
13. Scale of pay held in officiating capacity.
14. Date of next increment in the above.
15. Pay under the Foreign Employer.
16. Duration of Foreign Service.

CHAPTER –III

COMPILATION SECTIONS

1. This group consists of three sections i.e. Comp-I, Comp-II and Comp-III and it is entrusted with the compilation and Accounting of expenditure incurred on the execution of works by the Board Divisions. Apart from the works expenditure, the Divisional Officers will be drawing and disbursing pay and allowances of the regular staff, deducting G.P.F. contributions from the employees subordinate to them and those working in the Circle Offices. The income tax deductions and recoveries of advances given to officials for various purposes will also be made and accounted for in the Divisional Accounts. Pension and gratuity payments, too, will figure in the Divisional Accounts. The Divisional officers will be sending their monthly accounts duly, compiled to their accounting units according to the Accounts classification introduced by the Board from 1st April, 1985 in such form as will be prescribed in Vol-II of this Manual. The monthly accounts received from a Divisional Office from 1st April, 85 onward will consist of works expenditure, payments made to the staff on account of their personal claims, pension and gratuity payments and such the pay bills, etc., alongwith all supporting schedules will be forming a part of the monthly account. The monthly accounts will be received in the compilation sections which section will see that the trial balance or the monthly Accounts form CS-I is supported with relevant schedules and voucher and after verifying the same, the vouchers and schedules etc., will be passed on to the sections concerned such as pension, G.P. Fund and pay section etc., Before doing so, the A&R section will post the total of all the transactions, receipts and payments in respect of every monthly account in their trial balance register.

2. The monthly accounts will be received in the compilation sections concerned from the circle accounting units by the 21st of succeeding month to which it relates. It will be the duty of the compilation sections concerned to keep a watch that the accounts are received from the compilation by this date and in case they are delayed, telegraphic reminders should be issued to the Accounting unit to the units concerned. Every month a report will be compiled by the compilation section concerned indicating the particulars of the Divisions who defaulted in the timely submission of the monthly account and this report alongwith the proposals/actions taken to avoid the recurrence of such lapses put up to the Chief Accounts Officer for his information. The due date for the submission of this report will be 25th of each month and a suitable note to this effect will be recorded in the calendar of return of the compilation sections concerned.

3. The compilation sections on receipt of the monthly account will promptly segregate various schedules and vouchers relating to each section and will ensure that the distribution of account schedules etc., to all sections is completed within two days of the receipt of the account in the section i.e. by the 23rd of the month.

4. As soon as the monthly account with relevant vouchers and schedules is received in the com-sections, the auditors will promptly check up the classification of the accounts transactions and will see that the expenditure in respect of each scheme is shown distinctly in the schedule of works expenditure and that the expenditure incurred by the Divisional Offices is booked strictly according to the accounting head approved by the Board. In the ledgers/register maintained by the auditors the expenditure in respect of each scheme should be noted under different account heads and the progressive expenditure worked out from month to month. Similarly, he will also ensure that the receipts realized and accounted for in the Divisional Accounts are classified according to the detailed account heads approved by the Board and that receipts are accounted for separately in respect of each scheme. The receipts appearing in the circle Accounts will then be posted by him in the sectional ledgers/register scheme-wise.

5. After the checking of the Circle Accounts in respect of which classification is completed by the auditor and posting thereof made in the relevant ledgers/registers he will proceed to prepare an abstract of receipts and expenditure scheme wise appearing in each Division. The transactions appearing under Miscellaneous Heads of Account, too, will be given similar treatment in the Comp. Section. After this exercise has been completed by all the auditors in respect of their respective Divisions, a general abstract of receipts and expenditure as well accounting heads should be prepared in the Com-sections within the classification of expenditure and receipts according to the approved Accounts Classification. The abstract duly approved by the officer incharge will then be passed on to the A.A. &R section which section will adopt the figures so communicated to them through the said abstracts for their final accounts. This abstract will be prepared in duplicate, one copy being retained in the comp-sections itself. It should be noted that the checking of classification and preparation of abstract must be completed by the Com-sections within 4 days and that the abstract of receipts and expenditure etc., should positively be delivered to Central Accounts section by the 27th of the month without fail.

6. The monthly account will be post audited in so far as works expenditure is concerned in the circle accounting units and it should be seen by the auditors that:-

- (i) Every payment is supported with vouchers complete in all respects.
- (ii) All running and final payment vouchers are linked and a counter reference to the Schedule Dockets and vouchers number etc., are recorded by the Auditor under his dated initials on both the documents.
- (iii) Every voucher is enfaced "Checked".
- (iv) In case of payments to the contractors for which agreements have been received in the circle accounting unit it should be particularly seen that the terms and conditions of agreements have been observed and that

time limit provided in the agreement has been exceeded by the Contractor only under the orders of the competent authority.

- (v) During the course of checking of vouchers and various schedules, only intelligent objections will be raised by the auditors and those are to be communicated to the each Divisional Officer through the monthly audit note in respect of each Division. Objections involving financial implications, such as vouchers not received with the monthly accounts, expenditure incurred without the sanction of the competent authority etc, will be registered in the Objection Book maintained separately for each Division in the Circle Accounting Unit. These objections will also be included in the audit note. In order to watch the disposal of these audit notes, a Register be maintained in each accounting unit in which the record of Monthly Audit Notes will be kept Division-wise. This register will reviewed every month and a report of all the outstanding audit notes put up to the Branch Officer/Accounts Officer on the 10th of second succeeding month. A period of one month may be allowed for the disposal of a Audit Note by the Divisional Offices and in case the objections are not replied to within this period reminders will be issued to the defaulting divisions by the Circle Accounting Units.

7. If during the course of the checking of classification or otherwise, an auditor comes across a case of mis-classification of receipts or payment transactions he will at once, bring the same to the notice of his SAS Superintendent/Account Officers. In case the mis-classification can be established easily with reference to the accounts-classification approved by the Board, a transfer entry or a journal entry setting right the mis-classification should be prepared and after the same has been duly approved by the SAS Superintendent/A.O. the same is to be passed on to Accounts Section for making suitable note in the books. All doubtful cases in the matter of classification should be put up to the SAS Superintendent/Accounts Officer for his decision. In all such cases the opportunity of taking up the matter with the Divisional Officers who initiate the transactions may be availed of as far as possible and necessary.

8. A.A.&R. Section will bring to the notice of the compilation sections the discrepancies that may be noticed in the abstract sent by the compilation section to the A.A.&R. section. These discrepancies should be settled promptly so that the A.A.&R. section may be able to prepare the Annual Accounts of the Board within due date and in the correct form.

CHAPTER – IV

Banking and Cash Section

The Banking and Cash Section is responsible for the operation of the Bank accounts of the Board with its bankers, maintenance of the cash book, collection of bills etc., and arranging for the receipts and payments of the Board funds and for keeping watch over the ways and means position of the Board as a whole.

2. The functions of the Section are as follows:-

- (i) Arranging for the opening of the bank accounts of the Board and their operations through the officials of the Board authorised for the purpose.
- (ii) Maintenance of the Cash Book of the Board and arranging for their closing and reconciliation with the banks, periodical statement of accounts.
- (iii) Arranging for preparation and delivery of cheques in payment of the dues of the Board on the basis of vouchers passed by the various accounts sections.
- (iv) Keeping watch and control on the way and means position and arranging for additional funds as and when necessary by way of increase in the working capital of the Board or enhancement in the cash credit facilities with the banks, loans from the central/State Government etc. from time to time.
- (v) Arranging for the investment of the surplus funds of the Board.
- (vi) Checking of interest on over drafts.
- (vii) Issue of stamped receipts for payments received.
- (viii) Watching of receipts for payments made to the parties.
- (ix) Custody and proper arrangements for cash vouchers.
- (x) Fixing of drawing limits of the drawing officers of the Board.
- (xi) Arranging for supply of cheque forms from the Banks for operating the Board's drawing accounts.
- (xii) Arranging specimen – signature of drawing officers of the Board and supplying the same to the Banks.

- (xiii) Arranging supply of pay-in-slips from the banks for distribution to all the collection centers of the Board.
- (xiv) Custody and issued of blank receipts books to the different units of the Board.
- (xv) Dealing with and custody of valuable e.g. G.P. notes, fixed deposit receipts, post office certificates etc.
- (xvi) Maintenance of the banks accounts of the Board and preparation of final memorandum account of all transactions with the banks during each month for submission to the Chief Account Officer.
- (xvii) Maintenance of cash flow statement and submission of the monthly cash flow statement to the Board.

3. Detailed instructions for banking operations of the Board are contained in a separate manual called “Manual for Banking Operations” which has already been circulated. The Banking section will open all necessary registers for implementation of the instructions contained in the manual.

4. The detailed procedure regarding preparation and submission of cash flow statement has been circulated in Chief Accounts Officer’s Order No. 2 and 21/2/72. Banking section will maintain necessary registers to implement the instructions contained in the above quoted office order.

5. The Account Officer incharge of the section shall ensure:-

- (i) That all vouchers are properly classified, cash book and other accounts are posted and checked day to day.
- (ii) That all bank advices are duly examined and adjusted immediately and out standing advices obtained from the bank as prescribed in the Banking Manual.
- (iii) That the bank accounts are reconciled according to the periodicity prescribed in the Banking Manual and daily scroll received from the Bank are tallied with the entries in the cash book on daily basis.
- (iv) That the cheque delivery register is reviewed daily and all receipts in support of payments are received and are duly examined and filed with the respective receipt vouchers.

- (v) That the interest payable to and by the Board to the bank is checked from time to time.
- (vi) **Superintendent incharge of the section will be responsible:-**
 - (1) For checking of cash book with reference to cheques receipts, bank advices etc.
 - (2) Obtaining certificate of cash balances from the bankers at the end of the year.
 - (3) For checking of bank reconciliation statements.
 - (4) Scrutiny of charges to ensure correctness according to agreements entered into with the banks.
 - (5) Preparation of estimates of resources and general finances.

Operation of the Bank Accounts of the Board.

6. The Banks who have been appointed bankers to the Board and the branches of these banks where drawing and collections have been authorized are listed in the “manual for Banking Operations”. The Banking section will be responsible for keeping a watch on agreement entered into with the bankers and their proper implementation, any changes in the agreements or arrangements with the bankers will be conducted by this section.

Maintenance of the Cash Book

7. The cash book is the most important record of the Board and its proper writing up and closing is of fundamental importance. The entries in the cash book will be either in respect of receipts of payments. The receipt entries will be made either on the basis of counter foils of the pay in slips duly acknowledged by the Bank or bank advice intimating credits into the accounts. The payment entries will be made on the basis of cheque or cash vouchers supported by the payment orders. When a cheque is received in payment of the Board dues, the amount to that effect will be entered both in the total column and in the column pertaining to the bank account in the cash book giving a detailed narration of the transactions in the appropriate column of the cash book giving a detailed narration of the transactions in the appropriate column of the cash book. Similarly when a payment is made, the gross amount of the bill is shown in the total column and the net amount for which the cheque is prepared will be entered in the column pertaining to the bank account. The difference represents recoveries from the bill which will be entered in the adjustment column on payment side by per-contra entry in the recoveries column on the receipt side. Necessary details about the payment and recoveries will be entered in the particulars column on the payment and

receipt side respectively, the recoveries being shown in the total column on the credit side under various heads of accounts.

8. All receipt transactions of the day shall be entered immediately in the receipt side of the cash book as soon as the transaction takes place. In respect of each receipt a duly authenticated receipt on the Board's from HP (CAO) 37 will be made out and sent to the party concerned.

9. Similarly all payments during a day shall be entered on the payment side of the cash book with full particulars. Payments and receipts into the bank accounts of the Board advices given by the Bank will also be similarly entered in the cash book with necessary particulars.

10. All vouchers in respect of which payments are to be authorized should reach the Banking section by 2 P.M. daily duly passed for payment by the authorized Accounts Officer. Vouchers made over to that section for immediate payment after the time, shall bear the authorization of the Chief Accounts Officer and shall reach the Banking section latest by 3 P.M.

After the cash is disbursed cheques drawn and entered in the cash book, the cash book will be closed daily by 4 P.M. except on 1st, 2nd and 20th to 23rd of each month. On these said six days, cash book will be closed even after 5 P.M. depending upon the quantum of work and shall be signed by the Superintendent and the Accounts Officer incharge of the Banking section in token of their having checked the entries. The Superintendent incharge of the section shall initial each of the debit and credit entries in the cash book.

11. Vouchers etc., presented after the stipulated time will be accepted by the Banking section for payment on the following working day. In such cases, the Banking section may as well draw the cheques under the following day's account without hampering the progress of posting and closing of the cash book.

12. Cheques for monthly salaries, authorization to bankers for payment of salary bills into the accounts of the officers of the Board shall contain instructions that they are not payable before the first of the following month.

13. The banking section may maintain alternative day cash book so as to facilitate the posting of the transactions in the ledgers. For this purpose the cash book for the day duly closed will be passed on to the Compilation section, the following morning for posting in the ledgers and return not later than 4 P.M. of the same day.

14. The Banking section will maintain a bank advice diary in form HB (CAO) 38 (specimen attached with this chapter).

All advices shall on receipt from the Bank be rubber stamped as per specimen of the stamp shown below and will be machine numbered on the appropriate place or

the rubber stamp. The number shall be the same as for the corresponding number given of the advice diary in respect of the particular advice proposed to be machine numbered. The rubber stamp shall be shown under:-

Accounting Entry

Please Classify

Banking Section Advice

Diary No.

On receipt of bank pass book, the entries therein shall be compared with the advice diary to ensure that no advice which was to be received from the bank has been omitted to be received. In order that information extracted from the advice diary about the mission advices is dependable, it is essential that all advices received from the bank are entered in the advice diary immediately on receipt. The Diarist of the Banking section will be personally responsible to ensure this. The items for which it is discovered that the advices have not been received will be immediately taken down in a separate register and letters will be issued to the banks to call for the wanting advices without delay. These references should be pursued by reminders until the missing advice are received and when received they should be recorded in the main advice diary and entries in this diary will be cross referenced with the register of mission advices.

15. All classified vouchers will be received by the Diarist in the section and he will rubber stamp the date of receipt on the bank vouchers. After this has been done he will mark all the different receipts in column 9 of the advice diary against the relative entry and hand over the vouchers to the cash book writer under his dated initials to enable him to post them in the cash book.

16. After the day's cash book has been written, column 12 of the main advice diary will be filled up under the initials of the dealing assistant so as to ensure that all vouchers handed over to the cash book writer have been entered in the cash book. In certain cases advices sent by the Banking section for classification to the Accounting section may be received back with the remarks that the transactions do not relate to them. In order to keep a strict control over such cases and to avoid any confusion the Banking section will affix rubber stamp on the return advice stating "Transfer from Section _____ to Section _____ in case of doubt, the Banking section will refer return advice to the Deputy Chief Accounts Officer for order.

Petty Cash Book

17. As it is not desirable to burden the main cash book with small payments like coolie charges, refreshment, conveyance etc., the Cashier is entrusted with the task of making these small payments through the imprest of a sum to be authorized.

All payments made out of petty cash book/imprest will be maintained in the petty cash book and analyzed therein. Periodically by means of journal entry the various accounts are debited. The petty cash account head will be opened for this purpose and at the time of payment of petty cash to the petty cashier the petty cash account is debited. The sum payable of all payments made out of petty cash is credited to this account, the balance in the account representing the actual cash in the hands of the petty cashier.

18. Banking section will keep sufficient stock of printed letter head reminders for issuing to the Bankers to obtain the necessary advices. It will also keep a sufficient stock of reminder forms to be issued to the concerned Accounting section for getting the classification vouchers in time. Cases of undue delay either in getting the banking advices, or the classification vouchers as the case may be, should be referred weekly to the Chief Accounts Officer.

Instructions for the Accounting Sections

19. All accounting sections must strictly follow the following instructions in dealing with the advices received from the Banking section:-

- (i) On receipt of advice from the Banking section, the concerned section will enter the same in the separate diary called 'advice classification diary'.
- (ii) Classification vouchers will be prepared in respect of advices received urgently and shall be forwarded to the Banking section alongwith original Bank advice within a period of two days from the date of receipt of the advice from the Banking section. The number and date of the banking advice must be indicated in the classification vouchers. They will also give reference to the machine number in the Banking advice in their classification to ensure proper linking with the Banking section.
- (iii) The advice in which the details are not sufficient and cannot be classified, must be returned immediately to the Banking section giving reasons. These advices will be returned with the return slip signed by the Superintendent.
- (iv) A weekly report of the advices classification diary will be put up to the Accounts Officer/Deputy Chief Accounts Officer and an entry made in the calendar of returns for the purpose.

Realisation of the Board's dues

20. The receipts due to the Board in so far as they are by means of cheque's will normally be accompanied by a covering letter indicating the details of the payments. As soon as a cheque is received it will be entered in the register of

valuables thereafter a pay-in-slip will be filled in and sent to the bank alongwith the cheque for deposit into the accounts of the Board. Postings in cash book will also be made on the receipt of the classification advice and the relevant voucher number will be noted in the register of valuables against the particular entry.

Procedure for Payment

21. Payments of the Board may be made.

- (1) by Cheques
- (2) by cash
- (3) by letters of authorization to the bank.

22. Payments by cheques or by letter of authorization to the bank are made on the basis of pay orders passed by the appropriate accounting officer and the bills are sent to the Banking section for preparation and issue of cheques. Similarly, letter of authorization to the bank for remittance to the field units etc., will be prepared by the Banking section on the basis of pay orders given by the appropriate accounting officer. Pay orders and other supporting vouchers in respect of payments authorized will be attached by the section concerned with the classification vouchers before handing over the same to the Banking section.

23. After the cheque has been drawn and signed by the authorized officer, it will be entered in the cheque deliver register and forwarded to the authority concerned with a covering memo; whenever necessary. Receipt acknowledgement for the cheque alongwith stamped receipt for the payment will be watched through cheque delivery register. In case of payments to outside parties, steps will be taken to obtain the stamped receipt as soon as the cheque is delivered.

24. Care will be taken to ensure that none of the cheques is mislaid or lost during its preparation and delivery to the parties concerned. Blank cheque books will be in the custody of the Deputy Chief Accounts Officer and the current cheque book will remain in the custody of the Superintendent who will be responsible for their up-keep. It should be ensured that cheques are sent to the officers concerned for their signatures alongwith connected vouchers in a careful manner. While signing the cheques the officer concerned will also sign the counterfoil of the cheque and also the enfacement of the bill giving particulars of the payment. While signing the cheques the officer concerned will see that pay order is given in the appropriate form. Unless specifically requested by the payee and that too, in the case of local parties, only crossed cheques will be issued. Issue of bearer cheques will require the orders of Deputy Chief Accounts Officer/Chief Accounts Officer. Bearer cheques when prepared will be kept in the personal custody of the Accounts Officer, Banking section until it is delivered to the concerned parties. In the case of bearer cheques the responsibility for payment to the appropriate authority will be that of the party requesting for the issue of bearer cheques. Cheques for Rs. 1000/- (Rupees one thousand) and above should be marked, "Account Payee only" as well. Payments

below Rs. 25/- should normally be made by Cash Section out of its imprest unless a payment by cheque for such an amount is specifically authorized by the Accounts Officer, Banking Section.

25. Cash Payment

Cash Payment are made either

- (a) By drawal of self cheque in favour of the officer incharge of the Cash branch or.
- (b) Out of imprest.

In regard to (a) cheques are drawn for payment to staff for their pay and allowances and for making other cash payments. Day to day expenses in regard to office expenses and contingency is met out of the imprest which is replenished periodically by submission of contingent bill. Normally the procedure for drawal of bills on receipt of pay orders etc., will be followed by drawal of a self cheque. The accounting of such transactions out of imprest amount will be done through the petty cash book and subsequently incorporated in the main cash book.

Adjustment of expenditure out of Imprest/Temporary Advance in the Wings of the Head Office:-

- (i) Whenever the necessity of sanctioning advance to any official arises, necessary sanction will be issued by the authority competent to do so in accordance with the delegation of powers. A copy of each such sanction will be supplied to the payments and contingencies section of the Accounts Wing. The amount will thereafter be paid by the Accounts Wing against the bill duly passed by the Officer on Special Duty.
- (ii) The payments will be made out of the said advances to the various parties by the official holding the advance and bills or memos; in support of those payments will be collected by him. As soon as the amount of advance looks exhausting, the necessity for recouping the advance will arise. Then all the petty payments made out of the advance will be recast by the imprest holder in the Form of an account of expenditure. This Account of expenditure supported with vouchers will be passed on by the imprest holder to officer on Special Duty who will record the pass order thereon after satisfying himself that the payments are in order and have been incurred for the affairs of the Board.
- (iii) The advance holder will present the Account duly passed by the Officer on Special Duty to the Payments sections who will pre-check the expenditure and if the payments are found in order the advance will be recouped and payments made to the Advance holder.

- (iv) In order to have a check on the payments of such advances, the Payments section will maintain a Register showing all the imprest holders and the amount of imprest with each etc.

26. Ways and Means Position

The Banking Section would be responsible for watching the ways and means position of the Board. It is for them to ensure that funds of the Board are utilized and invested properly and promptly so that no avoidable loss of interest is incurred on over drafts in the banks and that surplus balances are properly invested. For this purpose, the controls detailed in the Manual for Banking Operations should be carefully followed and a daily balance report on cash position should be prepared and submitted to the Dy. C.A.O./C.A.O. by 11 A.M. on the following day. Only minimum funds should be kept in current account with the banks as may be necessary according to the anticipated requirement and surplus funds invested in call-deposit or fixed deposit depending on how long the money can be kept out of circulation. All decisions in regard to investment whether short term or long term will be based upon:-

- (a) Position revealed by the cash flow statement and as indicated by the summary advice statement.
- (b) On the basis of daily cash position report.

27. Cash Flow Statement

Detailed procedure for cash flow statement is contained in Chief Accounts Officer's order No. 1 and 2. It will be the responsibility of the Banking section to maintain requisite registers and submit reports on the cash flow position according to those instructions without fail.

28. Statement of Bank Balances

A statement of bank balances with the various banks of the Board will be submitted to the C.A.O. every day and to the Chairman through the Member, Finance and Accounts every week and monthly to the Board.

29. Security Deposits

Particulars of all security deposits will be entered in the register of security deposits and securities will be kept in the custody of the Accounts Officers, Banking. No security shall be repaid or transferred to the depositor or otherwise disposed of except under written instructions of concerned Accounting Section. When a security is returned either to the depositor or otherwise disposed of, a proper acknowledgement stating full particulars of the security shall be taken and kept in the custody of the Banking section. Physical check of all securities on hand shall be conducted half yearly by an officer of the rank of Accounts Officer to be nominated by the Chief

Accounts Officer. Such a check shall also be conducted whenever there is a transfer of charge and an appropriate certificate shall be recorded by the relieving and relieved officers in the register and put up to the Chief Accounts Officer for information.

The accounting and classification in respect of security deposits will be done by the SL & Deposit section who will take care of the classification and advice to the AA & R sections for incorporation in the accounts.

Deposits by the Board.

30. The Board may also be required to deposit accounts with outside parties like the D.G.S. and D.

31. The Banking section will maintain the following registers which are self explanatory:-

- (i) Register of Cheques issued.
- (ii) Register of cheque-books.
- (iii) Register of pay-in-slips.
- (iv) Register of receipt books.
- (v) Register of valuables.
- (vi) Register of bank drafts requested.
- (vii) Register of revenue stamps.

All unused cheque-books, receipt books, valuables, pay-in-slips will be in the custody of the Accounts Officer, Banking.

FORM NO. HP (CAO) 38

HIMACHAL PRADESH STATE ELECTRICITY BOARD

Bank Advice Diary

(Particulars of the Debit-Credit Advices received from the Bank)

S. No.	Advice date	Particulars	Whether debit or credit	Amount	Name of the section delivered to	Initials of the person receiving the advance	Tallied with pass-book initials of the Assistant
1	2	3	4	5	6	7	8

PARTICULARS OF TRANSFER

1st transfer

2nd transfer

3rd transfer

Date received	Section transferred	Initials	Date received	Section transferred	Initials	Date received	Section transferred	Initials
1	2	3	4	5	6	7	8	9

Entry responded by

Classification received on	Initial	Initials of the cash book writer for receiving classification	Voucher No.	Date	Initials of dealing Assistant	Remarks
9	10	11	12	13	14	

CHAPTER –V

Budget Group

The Budget Section will deal with the following items:-

1. Preparation of the budget of the Board in accordance with the provisions of the Electricity (Supply) Act, 1948, preparation of revised estimates, authorization of excess and surrenders and control of expenditure against the budget.
2. The processing of cases pertaining to the resources of the Board from all sources namely Loans and Subventions from the State Government etc.
3. The division of all assets and liabilities on reorganization of the Punjab State Electricity Board and correspondence related thereto.

1. Budget

1. Under Section 61 of the Electricity (Supply) Act, 1948, the Board is required to submit to the State Government a statement in the prescribed form of the estimated capital and revenue receipts and expenditure for the ensuing year by February of each year. The manner in which the annual financial statement of the budget is to be prepared and the action to be taken thereon in terms of section 61 of the Act are described, in detail in the Budget Manual of the Board, which is being issued separately. This chapter sets out briefly the procedure to be followed in the Budget section in the formation of the budget and action to be taken thereafter.

2. Preparation of the Budget Data

Budget section will send the forms on which the budget data is to be furnished by the units of the Board to the Budget section, by 1st of August each year. These forms duly filled in carefully and precisely should be returned to the Budget section by the dates prescribed in the Budget Manual.

On receipt of the Budget data on the prescribed forms, the Budget section will prepare the budget in accordance with the forms prescribed in the Act by the dates required by the State Government or under the Act.

In accordance with the provisions of the Act, the annual financial statement is required to be approved by the Board and then placed before State Electricity Consultative Council vide section 16 of the Act and to take into consideration any comments made on such statements by the said Council before submitting the same to the State Government under Section 61 of the Act.

Budget section will ensure the timely submission of the Budget to the Board Council/State Government.

The Board can also at any time during the year in respect of which budget has been prepared and submitted to the State Government, submit a supplementary statement to which all provisions of the section 61 apply. Budget section will take necessary action in regard to

the supplementary budget in the same manner as the main budget for the year, after submission of the budget to the State Government; Budget section will take action to allocate the budget to all the units of the Board by the 15th March of each year. Any variations in the budget that the Board may authorize after taking into consideration the comments made on the budget in the State Legislature, will be communicated in due course to the units, which are affected by such modifications.

3. Supplementary Budget

Proposals for supplementary budget will be submitted by the field units and by headquarters units on the same forms as have been prescribed for the preparation of the main budget alongwith details of proposals on which the supplementary demands are based. Budget section will consolidate all such supplementary demands and prepare a supplementary budget if decided by the Board.

4. State of Excesses and Surrenders

A statement of excesses and surrenders will be prepared by all units of the Board on a Performa prescribed for the purpose in the Budget Manual showing the major works in progress under the prescribed account classification heads for which provision has been made during the current year, the past actuals and modified grants, if any, the excesses and surrenders that are anticipated and for which necessary modifications in the budget are to be considered. Such statement of excesses and surrenders should be sent to the Budget section by 1st November each year. Budget section will take necessary action to incorporate these statements in the budget estimates.

5. Final Demands and Re-appropriations

Final demands and requests for re-appropriations should be submitted to the Budget section by February each year so as to assess the actual expenditure and authorize final demands and re-appropriation orders where necessary.

6. Budget Control over the Expenditure

Budget section will be provided information about the actual flow of expenditure monthly by the Central Accounts section on the basis of the complied accounts for the month. Supplementary information in such a manner as is necessary for appropriate budgetary control will be called for in the manner prescribed in the Budget Manual. On the basis of information so obtained, Budget section will maintain registers showing the allocation of budget according to the classification heads of accounts during each month of the progressive expenditure upto and including the month of review for the information of the Board by the 20th of each month. These consolidated statements will be accompanied by a descriptive note commenting on the flow of expenditure against the budgetary provision and point out major variations in the expenditure against the budget. The comments of the Board on the basis of the statements will be conveyed by the Budget section to the units concerned for regulation of expenditure in an appropriate manner.

7. Expenditure not Provided in the Budget

It may happen occasionally that additional expenditure which is not covered by sanctioned appropriation has to be incurred. In such cases, the authority concerned will

apprise the Budget section of the additional requirement of funds alongwith reasons as to why it could not be foreseen at the time of submission of Budget data. On the basis of such demands, the Budget section will obtain the approval of the Board to such addition funds being provided. Such additional funds are to be arranged either by reappropriation or by provision in the supplementary budget or in such a manner as the Board may direct. At the end to the financial year. Budget section will propose a resolution for the Board while considering the annual accounts, for authorization of excess, which may have taken place over the authorized budget.

II. Resources

Budget section will process all policy papers relating to raising of resources for meeting capital or revenue expenditure of the Board. The decisions of the Board on such cases will be obtained by the Budget section and thereafter conveyed to the appropriate Account sections for detailed action.

III. Assets and Liabilities

Under the provisions of the Re-organisation Act, the assets and liabilities of the erstwhile composite Punjab State electricity Board were required to be apportioned among its successor Boards. All correspondence pertaining to the division of such assets and liabilities will be dealt with by the Budget Section. On the basis of agreement reached in regard to such assets and liabilities, Budget section will advise the AA&R section of the adjustment in accounts that should be carried out. The section will also deal with the claims and counter claims relating to the period prior to the formation of the Board on 1st September 1971 and which are to be settled with the Himachal Government.

CHAPTER –VI

Central Accounts Section

The Annual Accounts & Report section is responsible for the maintenance of all ledgers and journals of the Board and the consolidation and compilation of accounts of the Board as a whole.

2. The initial accounts of the Board depending upon the location at which transactions take place will mainly arise:-

- (i) At Headquarters of the Board.
- (ii) Through the Store Purchase Organisation; and
- (iii) At field offices.

In so far as transactions arising at headquarters, accounting of these transactions by the concerned Accounts sections will be done as they arise day by day and A.A.&R. section will duly incorporate these transactions in the Central Accounts. Similarly, transactions arising out of Store Purchase Organisations to whom a Store Accounts Officer is to be attached will also be advised to the AA&R section through a complied monthly account. In so far as transactions arising in the field units, however, all the transactions will be compiled in the form of monthly account. The unit level in the field is the division/circle and therefore, every Division/Circle accounting unit will send a monthly account in such a manner as will be separately prescribed to the comp. section concerned by the 15th & 21st of the following month of account to which it pertains. These monthly accounts will be received in the compilation section concerned. Further action will be taken as described, in detail, thereon.

The functions of the AA&R section are given below:-

- (i) To carry out daily accounting of transactions arising in headquarters, including Central Store Purchase Organisations.
- (ii) To carry out postings in the journals and ledgers maintained in the section;
- (iii) To carry out all periodical adjustments that are prescribed and in corporate the same in the accounts before the accounts for the period/year are closed;
- (iv) Prepare monthly and quarterly accounts, cash balance statements and stock statements of the Board;
- (v) Settlement of inter-office transactions through transfer memos;
- (vi) Deal with matters relating to payment of income-tax and filling of income-tax returns for the Board.
- (vii) Preparation of annual and final accounts of the Board in the form prescribed under the Electricity (Supply), Act, 1985.
- (viii) Deal with matters pertaining to audit by the Comptroller and Auditor General of the annual accounts and obtaining audit certificate thereon.

- (ix) Submission of annual final accounts to the Board/State Government.
- (x) Maintenance of journal and personal ledgers accounts corresponding to the accounts heads classification prescribed.
- (xi) Preparation of opening and closing entries and final accounts including adjustments of pre-paid expenses, un-paid liabilities, apportionment of management expenses, depreciation charges creation of reserves etc., and
- (xii) Obtaining of certificate of stock after annual verification for incorporation of stock figures in the balance sheet.

4. Trial Balance Register

The classified Abstract of receipts and expenditure as well as accounting Heads incorporating the total receipts and expenditure and other accounting adjustments as received in the Divisional accounts will be received in the AA&R section by the 21st of each month from Com. Section. The other accounting section concerned will also intimate to the AA&R Accounts section accounting adjustments, if any, during the month by 21st of the month. The AA&R section will then consolidate the figures of receipts and expenditure received and will then post the consolidated statement in journals and personal ledgers by the 25th of each month.

5. Maintenance of Ledgers and Journals

The AA&R section will maintain appropriate ledgers and journals to facilitate accounting of all transactions on the basis of debit and credit vouchers received from accounting sections and through the journals for incorporation in the ledgers. The postings in the ledgers will be from the following sources.

- (i) Cash book maintained by the Banking section.
- (ii) Debit/Credit vouchers sent by the Account sections at headquarters.
- (iii) Journals maintained by the Compilation sections; and
- (iv) Expenses journal/transfer memo, journals maintained in the compilation sections.

6. Alternate day cash book have been prescribed to facilitate daily postings of cash book entries in the comp. section Ledgers. Under this agreement, the cash book for a day will be closed and balance carried on to the second cash book and the former will pass on to Compilation section for posting not later than 11:00 A.M. of the next working day. The cash book will be returned to the Banking section not later than 4:00 P.M. every day after making the postings. To obviate mistakes in the postings, the postings clerk should conduct a proving of the postings, i.e., he should total all individual accounts in a day and tally it with the total of the respective central account for the day in the cash book. This will be test checked by the Superintendent daily.

The compilation of debit and credit vouchers relating to the Head Office transactions will be done on the compilation sheets to be used date wise.

The daily analysis sheets will also be prepared daily so as to arrive at the total expenditure Block-wise. The dates 1st to 31st may be opened vertically on a sheet and all the block heads horizontally for daily analysis.

7. Journal

Journal vouchers will be forwarded by the Accounting section at headquarter to the Compilation section by 1:30 P.M. on the basis of which the journal will be written up. Postings will then be made into the ledgers from the journal.

8. Settlement of Inter-unit transactions

Transactions originating in one office, but adjustable in another office of the Board are called inter-unit transactions. Such transactions are transferred by the originating office for adjustment to the office concerned through the mechanism of transfer memo by debit/credit to Div/Circle/Head Office remittance account (Accounts Classification will be 30 to 39 "Inter-units Adjustment Account". Such Transactions fall under three categories:-

- (i) Transactions originating in one branch office, but adjustable by another branch office.
- (ii) Transactions originating at any one branch office, but adjustable duly countersigned to indicate response; and
- (iii) Transactions originating at head office and adjustable by any branch office. The Banking section will afford debit/credit as the case may be to the branch office concerned in the cash book and advise the Comp. section who will issue necessary transfer memo in the prescribed form. On receipt of the duplicate and triplicate copies of the transfer memo in the prescribed form. On receipt of the duplicate and triplicate copies of the transfer memos the adjusting branch office shall adjust by credit/debit to the head office concerned and return the duplicate copy duly countersigned to the complication section (Head Office to indicate response). In order to ensure correct adjustment of the inter-transactions the monthly balance under the accounts head "Inter Unit Account" will be reconciled by the accounting unit head office at the end of each month. For this purpose each branch office or field office will send a statement after the close of the month alongwith the monthly accounts with a copy of the transactions under these accounts head in their ledgers. Accounting Unit/Head Office will tally the entries made under this head in their ledgers with those in the accounts sent by the branch office and prepare a reconciliation statement for each branch office. A copy of the reconciliation statement will be sent to the branch office concerned for their information and necessary action.

The transfer memos required to be sent by one office or the other should be dispatched daily alongwith a copy of covering sheet indicating the particulars thereof transfer memos for head office should be sent to the F&A Wing none with the Accounts for necessary action.

8-A Inter Units Adjustment Account

Account Head No. 30 to 39

As and when any material is supplied by one Division to the other or any service is rendered, the supplying Division will credit his stock or cash account by contra debit to the expenditure under Account Head No. 30 to 39. The debit on this account duly supported with indents and Voucher will be passed on to the responding division accounting unit through an advice of transfer of Debt or Debit Transfer Memo in form HP-CAO-85 for the acceptance of debit. The debit so raised alongwith the No. and date of debit transfer memo, will be noted by the originating Divisions accounting units in the schedule of inter-units Adjustment Accounts accompanying the monthly account. A copy of this debit transfer memo will also be sent with the Monthly Account, which will be in support of evidence that an advice of debit has been sent to the Division/Circle concerned for acceptance. A ledger in form HB-CAO-86 will be maintained in each Division/Circle for keeping the records of all the Debit Transfer memos issued to various Divisions/Units. This ledger will be reviewed by each Divisional Officer/SAS Superintendent/Accounts Officer every month to asses the progress made in the clearance of transfer transactions. On receipt of the acceptance of debit from the responding Division/Circle which will be in form of HB-CAO-87, the net in the ledger will be kept in the originating Division.

In the responding Division as soon as the material is received of a certificate of work dine sent by the Account Wing in the prescribed form the charge will be debited to the final head of Account by contra debit to the Account Head 30 to 39 inter Units Adjustment Account. The responding Division will also depict all such responding items in the schedules of Inter-units Adjustment Account and will also prepare an acceptance of Debit in the form of HB-CAO-87 and will send the same to originating Division/Circle. In addition the responding Division/Circle will maintain a register in form HB(CAO)-88to watch the disposal of all the Debts transfer memos. received form other Divisions/Circles. Similar procedure will be followed in respect of originating credits in the Divisions/Accounting Circles. With a view to keep a watch over all such transactions in the Central Office two registers one for originating debits and other of originally credits, in the following form will be opened in the compilation section:-

Sr. No.	Name of the Originating Division/circle	Name of the Responding Division/Circle	Amount Rs.	Month in which responded	Remarks
1	2	3	4	5	6

After the checking of the classification of the monthly Account in compilation sections, the schedule pertaining to the Head "Inter Units Adjustment Account" will be posted on above form/Register.

Even item pertaining to a Division/Circle whether originating responding will be noted in the register distinctly and separate so as to facilitate identification of each item. So far as the responding items are concerned the Auditor in the compilation section will compare them with reference to, the originating items as indicated in the said ledger and note the

month in which the originating items have been adjusted. The outstanding items thus left will be pursued with the Division/Circles concerned by the compilation section. These ledger will be submitted to the Branch Officer on the 25th of every month indicating the number of items awaiting adjustment by the responding divisions for more than two months. Necessary entry will be kept in the Sectional Calendar of Returns of compilation section.

9. Register of Transfer Memos.

For watching prompt response to the transfer memos Accounting Units/Compilation section will maintain the following registers:-

- (i) Register of Outward transfer memos.
- (ii) Inter-Branch transfer journal
and
- (iii) Expenses Transfer journal.

10. The register of outward transfer memo is intended to watch the response by the field offices in respect of transfer memos sent from headquarters. On receipt of duplicate copy of the transfer memos, duly signed by the field office, it will be ensured that the branch office has taken the transactions into account in the same month, in which the Head Office has taken it into account. This will be reviewed by the Superintendent every Saturday to see that no transfer memo remains un-responded. The transfer memos sent by Head Office and not responded by the branch office should be brought to the notice of the Accounts Officer/Chief Accounts Officer for taking up the matter with the branch office concerned.

11. Inter-Branch Transfer Journal

This will be maintained at head office. On receipt of the transfer memo from a branch office a journal voucher will be prepared and the entries will be made in the inter branch transfer journal either debiting/crediting the branch office concerned in the columns provided therein thus all the transfer memos as and when received from the branch office in a particular month will be entered in this register and the monthly total struck. These totals will then be posted to the ledgers.

12. Expenses Transfer Journal

The register is intended to record the entry when the payment is made by the branch office on behalf of Head Office or other branch office and vice-versa. This register will be maintained both at head office and branch office and all transfer memos received either from head office or from other branch offices will be entered therein. Postings from the journals will be done monthly by posting monthly totals of debits/credits of Head Office/Branch Office account and other expenses accounts to the ledger. If any credit is raised against any expenses account, it will be shown in red ink and net total will be posted in the ledger. Some columns say 15 to 20 may be provided for expenses. Last column may be introduced for terms of miscellaneous nature. A summary of the Sunday items appearing in the last column will be drawn in the last of the month and individual accounts will be posted therefrom. A copy of the particulars entered in the Expenses Transfer Journal will be sent by the Branch

Offices with the monthly accounts. A separate journal may be kept in respect of each and for the head office.

13. Expeditious Disposal of Transfer Memos

In order to ensure prompt preparation, dispatch of transfer memos, the Superintendent of Banking section will intimate the compilation section the voucher Nos. and amounts in respect of which the compilation section has to issue a transfer memo to the branch office. The compilation Section shall immediately issue the transfer memo by reference to the cash voucher. The compilation Section shall also issue the transfer memos. in respect of journal vouchers as soon as they are received in the section.

14. Classification of Receipts and Expenditure

All receipts and payments pertaining to the Board will be classified under the heads of accounts prescribed by the Board and circulated separately. Any new additions or deletions of the account heads should be done by the coordination section after obtaining orders of the competent authority. Such classification will be recorded by the various sections on the debit cash voucher indicating therein the amount payable and other charges included in the bill as well as the classification of the recoveries from the bill, if any. The debit cash voucher will be signed by the officer authorized to sign in token of his having verified the correctness of the classification.

15. Apportionment of Management.

Various ratios will be prescribed by the management from time to time regarding apportionment of management expenses incurred at Division/Circle levels and at headquarters on different schemes and of capital and revenue accounts. It will be the duty of the AA&R section to obtain the order of the Board regarding the proportion in which the management expenses are to be so apportioned and carry out the necessary adjustment in accounts. The adjustment in so far as it affects the divisional account will be transferred by a transfer memo to the Division through accounting unit concerned.

16. Provisions

Provisions will be made in the accounts for the outstanding liabilities and income accrued, but not realized, debts considered bad or doubtful, interest payments or receipts accrued, but not discharged for various payments, and for various other liabilities and receipts, which are likely to be carried over beyond the current financial year. It will be the duty of the AA&R section to identify all the transactions of this nature for which due provision has to be made in the accounts. The decision regarding the quantum of provision to be made will be taken in consultation with the concerned accounts sections, before they are incorporated in the accounts.

17. Annual Accounts of the Board

The accounts for the year ending 31st March should be closed by the 30th April each year and with this object in view the account records should be so maintained as to make it possible to close the account by that date. Detailed instructions will be issued by the Chief Accounts Officer on all aspects of accounts, giving a schedule of dates by which various

actions should be taken by different sections, in order that final closing of accounts by 30th April is made possible. Some of the aspects in regard to the closing of accounts are given below:-

- (i) The annual accounts will be in the form prescribed under the Electricity (Supply), Act, with the concurrence of the Comptroller and Auditor General of India. The instructions issued by the Chief Accounts Officer referred to in para-1 above will ensure that all the data and information required for the presentation of the accounts in this form will be furnished by the sections/divisions/circle all concerned by due dates to the compilation section.
- (ii) **Valuation of closing Stock :-** The detailed instructions for physical verification and valuation of closing stock are contained in Manual of instructions of H.P. State Electricity Board Part-II and Punjab Departmental Financial Rules Chapter VI, provisions of which will be followed.
- (iii) **Depreciation :-** the statutory requirements about depreciation are contained in schedule VII of the Indian Electricity (Supply), Act 1985. The appropriate rules under the Act have been circulated vide No. HPHB/F&A/C&M-586/3547-3726 dated 18.8.1986.
- (iv) **Shortages in stock :-** If as a result of physical verification of stores , any shortage is noticed the same will be credited to AC-22.830 and debited to the head “Personal Ledger Account” pending investigation and decision by the competent authority. The latter head will be relieved as soon as the recovery of shortages is made from the party at fault or its write off ordered.
- (v) **Cash Balance :-** The certificate of actual cash statement as on 31st March will be obtained by the AA&R section at Head Office and at Branch Offices. Any cash which has been remitted by the Branch Offices to Head Office or vice-versa, but not received on the other end before 31st March will be exhibited as remittance and transit in the balance-sheet.
- (vi) **Loan and Advances:-** In respect of advances made to suppliers, their balances as on 31st March will be bifurcated and secured and unsecured advances exhibited separately in the balance-sheet.
- (vii) **Pre-paid expenses :-** All expenses such as advance payments incurred for a period subsequent to the year for which accounts are being prepared will be debited to the pre-paid expenses account.

A register will be maintained by all accounting sections at Head office and Branch Office and all pre-paid expenses will be entered in that register. These entries will simultaneously be reversed in the subsequent years.
- (viii) **Preparations of Schedules :-** The schedules in respect of rent, miscellaneous expenses, entertainment, interest, depreciation, doubtful debts and all provisions will be ,made by the Head Office/Branch Offices concerned for incorporation in all the accounts.

- (viii) **Reserve and Surpluses :-** After preparation of the consolidated revenue and expenditure account for the year on the basis of the position disclosed by such account, necessary orders of the Board will be obtained and provision made for the various reserves and surpluses in the accounts by adjustment entries debiting the reserve accounts concerned.
- (ix) **Provision for Liabilities :-** Detailed instructions about the maintenance of liability registers in the head quarter offices and field units are contained in Part-III, Para 9 of Accounting Manual Vol-II. The Central Accounts Section will issued suitable instructions during March each year drawing the attention of the Drawing and Disbursing Officers to the requirements of said instruction and obtain necessary data about outstanding liabilities from each office by the 15th of April without fail. On receipt of necessary data suitable account adjustments if called for will be prepared by the Central Accounts section for incorporation in the Annual Accounts of the financial year concerned.

18. Net Revenue and Appropriation Account

After drawing up the consolidated revenue and expenditure statements for the year, A.A.&R. section will prepare the net revenue and appropriation account for the year showing the showing the details of various appropriations made and the balance of profit/loss carried over to the next year's account. The A.A. & R. section will also prepare all the subsidiary statements as are required under the Electricity (Supply) Act, to accompany the Annual Accounts.

19. List of Resolutions

At the time of submission of accounts to the Board, besides other resolutions, that will be required to be passed by the Board for a particular year that following resolutions will also be passed:-

- (i) Excess if expenditure over the budget estimates.
 - (ii) Debiting of loss to the appropriate reserve.
 - (iii) Provision for doubtful debts, doubtful claims and all other provisions in accounts.
 - (iv) Depreciation on various fixed assets.
 - (v) Writing off books and periodical and other assets.
 - (vi) Provision of various reserves.
 - (vii) Loans taken during the year from all sources.
 - (viii) Writing off of any debt or claim during the year.
 - (ix) Appropriation to the various serves.
 - (x) Adoption of accounts.
- And
- (xi) Authority to the Chairman, Member, Finance/Secretary to Sign the balance sheet and accounts and forward the same to the State Government.

CHAPTER – VII

Loans and Advances

House Building Advances

Procedure for ear-making, sanctioning, payment etc., of advances to the employees of the Himachal Pradesh State Electricity Board, for the purchase of Plots, Construction of Houses, purchase of ready built Houses etc.
General.

1. For the purpose of release of House Building Advances, the various Wings/units of Himachal Pradesh Electricity Board will assess the requirements of funds in the ensuing financial year and communicate their demands to the Finance and Accounts Wing (Budget Section) by the end of October of the preceding year. Budget section will call for the above information from all the Wings/Units of the Board by the end of September each year alongwith the Budget documents. After receipt of demands from all the Wings/Units of the Board, Budget section will consolidate the demands and put up proposals for allotment of funds for this purpose to the Board for approval. The funds approved by the Board for the purpose will be centralized in the Budget section and will be available for ear-making/payment to the applicants in accordance with the instructions contained in the subsequent paras. Applications and Ear-making of funds.

2. Employees of the Board desiring advances for the purchase of plots, construction of Houses and Purchase of ready built House etc., will submit their applications (in duplicate) in Form HB (CAO) No. 96 to the Sanctioning authority. The following documents should accompany the applications.

- (i) A declaration in regard to the house/property, if any, owned by the applicant, applicant's wife/husband/minor children at the time of applying for such advance.
- (ii) If the advance is require for enlarging living accommodation in an existing house, an attested copy of the sale-deed or any other documents establishing that the applicant possesses an indisputable title to the property in question. The site plan should also be furnished.
- (iii) In cases, where an applicant happens to be in possession of land and desires to built a new house on it, a copy of the sale deed or other proof of the applicant having a clear title to the land on which the house is proposed to be built, along with the site plan. If the land happens to be lease hold, an attested copy of the lease deed should also be enclosed.
- (iv) In case where the applicant desires to purchase land, an attested copy of a letter from the seller of the plot to the affect that subject to the settlement and payment of the price, he is in a position to hand over the vacant possession of a clearly demarcated developed plot of land to the applicant within a period of three months from the date of payment of advance.

- (v) In case where the applicant desires to purchase, a flat/ready built house, an attested copy of a letter from the seller to the effect that subject to the settlement and payment of the price, he is in a position to hand over possession of a ready built house/clearly distinguishable flat to the applicant within a period of three months from the date of payment of such advance.

3. The sanctioning authority will scrutinize the applications carefully to satisfy themselves of the correctness of the facts stated therein. They will ensure from the title deed and other documents furnished with the applications that the applicant possesses a clear title to the property in question. The sanctioning authority will also ensure that the requirements of the rules and instructions contained in H.P.F.R. Vol. -1 on the subject have been complied with, after this had been done, the sanctioning authority will forward the application to the Finance and Accounts Wing (Budget section) for ear-marking of funds. Budget section will keep record of all the applications received on a chronological order with reference to the date of receipt of each applications in the Finance and Accounts Wing in a Register Form HB (CAO) No. 97. Budget Section will ear-mark the funds in favour of each applicant on 'first come' first served' basis, exceptions being made in the case of such officials who have already been granted a part of the loan for the purpose. Such an official will get an over-riding priority over others and will be placed on the top of the Register in Form HB (CAO) No. 97 *ibid* for the purpose of ear marking funds. In case there is more than one official of this category, their inter-se-priority for the ear-marking of funds will be determined with reference to the date of receipt of the application in the Finance and Accounts Wing. Certificate regarding availability of funds will be issued by the Budget section in Form HB (CAO) No. 98.

4. If an advance, in respect of which certificate of availability of funds has been issued by the Budget section is not drawn within 3 months from the date of issue of the certificate of availability of funds, it will be treated as cancelled unless the sanctioning authority obtains within such period of 3 months extension of the period of utilization of funds from the Budget section in a particular case, giving full justification for such extension.

5. To enable the Budget section to keep a watch that funds, ear-marked to different applicants are utilized within the aforesaid period of 3 months, copies of sanctions will also be endorsed by the sanctioning authorities to the Budget section. Similarly, pay section while issuing authorities for payment in the case of non-gazetted employees and intimation regarding release of advance in the case of gazetted officers will endorse one copy of each such authority/intimation to Budget section. Budget section will review the Register of ear-making of funds in Form HB (CAO) No. 97, every week to ascertain the cases in which prescribed period of 3 months has already elapsed but the funds have not been drawn. The funds already ear-marked in such cases will be cancelled by the Budget section under intimation to the sanctioning authority and if there are any applications on the waiting list, the funds thus released will be ear-marked in favour of the person(s) next on the waiting list. Before cancellation of funds in a particular case, the Budget section will ensure by reference to the Pay section whether necessary sanction in that case has not already been received in that section. With a view to making the best use of the available funds and to avoid lapse of funds, it is necessary that the sanctioning authority take prompt action to issue sanctions after availability of funds has been certified the Budget Section.

Sanction

6. On the receipt of information about the ear-marking of funds, the sanctioning authority will issue formal sanction to the grant of advances after completing the necessary formalities. The sanctioning authority will himself before sanctioning the advance that the applicant does in fact possess a clear title to the property free from encumbrances and attachments. The sanctioning authorities will also arrange to complete the prescribed formalities such as execution of Agreement, Security, Bond, etc. in the prescribed forms. In the sanction order, the following particulars should be specifically mentioned :-

- (i) Rule under which the advance has been sanctioned.
- (ii) Number of installments in which recovery will be made and the amount of each installment.
- (iii) Rates of interest applicable to the Advance.
- (iv) The period after which the first installment towards recovery of advance will be deducted from pay of the loanee.
- (iv) A certificate by the sanctioning authority to the effect that the requirements of relevant rules in H.P.F.R. Vol. I have been complied with.
- (v) The number and the date of communication from Budget sections intimating availability of funds.
- (viii) Date of birth and date of superannuation of the loanee.

7. All sanctions to advance will be received in Finance and Accounts Wing (Pay section). The sanctions will be entered serially in Register of sanctions in form HB(CAO) NO.99. The sanctions will be scrutinised with reference to the rules contained in H.P.F.R. vol-I. It will also be seen that the sanction is complete in all respects and gives the necessary information as per para 6 above. The following points will be particularly seen:-

- (i) That the sanction has been accorded by the competent authority as per "Delegation of Power" of the Himachal Pradesh State Electricity Board.
- (ii) That the amount sanctioned is within the maximum advance admissible to the applicant under the rules.
- (iii) That the rate of interest given in the sanction is correct.
- (iv) That the recovery is proposed to be made within the prescribed number of installments. It should be particularly ensured that the entire loan and interest thereon will be recovered before the date of super annotation of the loanee (Reference to note-2 below Rule 10. 16(v) of H.P.F.R. Vol-I)

8. After scrutiny, if the sanction is found in order, Pay section will authorize payments to the official concerned through his drawing and disbursing officer in the case of

non-gazetted employees. The authority will be issued in form HB (CAO) No. 100. In case of gazetted officer, payments will be released by the Pay section direct to the officer concerned.

9. Note of payment of each advance will be kept by the Pay section in the Board sheet in Form HB(CAO) No. 101 under dated initials of Branch officer. Figures in the Broad sheet will be posted on the basis of the amounts appearing in the vouchers/schedules. The totals of the figures posted in the case of each class of advance will be agreed every month with the figures appearing in the books of Central Accounts section and discrepancies, if any, reconciled. The Board Sheet will be put up to Branch Officer on the last working day of each month. A note to this effect may be recorded in the sectional Calendar of Returns maintained in Pay sanction.

Pay section will review the Broad Sheet every month to ensure that all the formalities laid down in the rules are fulfilled after the drawal of advance necessary certificate to this effect are received from sanctioning authorities.

10. At the close of the financial year, the outstanding balances in the Broad sheet should be verified with the balances under the relevant Accounting Head and then carried over to the next year's Broad Sheet. Thereafter, outstanding balances as on 31st March of the preceding year will be got confirmed from the loanees concerned. On receipts of acknowledgement, the Superintendent (Pay Section) will attest the relevant entries in the Board Sheet of the current year. The requisite acknowledgement should be furnished by the loanees within one month after the close of account of each year.

11. When the advance alongwith interest accrued thereon has been recovered in full from the employees, pay section will furnish a certificate to that effect to the sanctioning authority to enable him to cancel the Mortgage Bond executed by the employee.