

## CHAPTER II—DEFINITIONS.

Unless these are something repugnant in the subject or context, the terms defined in this chapter are used in this Code in the sense here explained.

3. **Administrative Approval.**—This term denotes the formal acceptance, by the administrative department concerned of the proposals for incurring any expenditure in the Public Works Department on a work initiated by, or connected with, the requirements of such administrative department. It is, in effect, an order to the Public Works Department to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also paragraph 64 of this Code and paragraph 99, Madras Public Works Department Code.

4. **Advance payment means.**—A payment made on a running account to a piece-work contractor for the work done by him but not measured—Vide paragraph 313. All intermediate payments made in the case of contracts based on the lump-sum tender system as defined in the Tamil Nadu Details Standard Specifications, Tamil Nadu Building Practice are also treated as advance payment. Vide paragraph 303 (c).

5. **Agency transactions** is the term employed to denote those transactions of the Central Government for which, in a Governor's province, the Governor in Council acts as merely the Agent of the Governor-General in Council under rule 46 of the Devolution Rules.

6. **Appropriation**—See paragraphs 106 and 109.

7. **Assets.**—In the accounts of works this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges. Examples: Recoveries of advances or recoverable payments, and sale-proceeds or transfer value of surplus materials.

8. **Auditor-General's Rules** (vide Appendix 1).—Rules framed by the Secretary of State in Council under section 96-D (1) of the Government of India Act, which reads thus :—

96-D. (1) An Auditor-General in India shall be appointed by the Secretary of State in Council and shall hold office during His Majesty's pleasure. The Secretary of State in Council shall, by rules, make provision for his pay, powers, duties, and conditions of employment, or for the discharge of his duties in the case of a temporary vacancy if absence from duty.

(G.O. Ms. No. 1299, P.W.D., dated 21st July 1972.)

**Accountants General, Tamil Nadu** means the head of an office of Accounts and Audit, Subordinate to the Comptroller and Auditor General of India who keeps the Accounts of Government and when used in relation to the Public Works Division the head of the Office to whom the accounts of ten Division are rendered.

**NOTE.**—The functions of the Comptroller and Auditor-General of India are derived in the main from the provisions of Articles 149 to 151 of the Constitution of India. Pending enactment of legislation to regulate the duties and powers of the Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the State Government as prescribed in the Government of India (Audits and Accounts) Order, 1936, as adopted by the India (Provisional) Constitution Order, 1947, extracts of relevant provisions of which have been reproduced in Appendix XI in the Tamil Nadu Public Works Account Code.

**8-A. Bank.**—The term “the Bank” is used in the sense in which it is defined in clause (a) of Treasury Order 2.

**9. Book Transfer.**—This term is applied to the process whereby financial transactions which do not involve the giving or receiving of Cash, or of Stock materials, are brought to account. Such transactions may either affect the books of a single accounting officer, or they may involve operation on the books of more than one accounting officer, or they may involve operation on the books of more than one accounting officer whose accounts are ultimately incorporated in the accounts of Government. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transaction, previously taken into account.

#### **9 (A) Charged (See Para 80.)**

**10. Commercial Department.**—See Appendix 5 to the Madras Financial and Account Code, Volume II.

**10-A. Completion and completed.**—In this Code and in all the Public Works Account forms “completion of a work” may be understood to include “abandonment of work”, and “completed” to include “abandoned”.

**11. Contingencies (Works).**—When used in respect of the accounts of works, the term *Contingencies* indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub-head or sub-work, yet pertain to the work as a whole.

12. *Contract and Contractor*.—The term *Contract*, as used in this Code, means any kind of undertaking, written or verbal, express or implied, by a persons, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the performance of any service in connexion with the execution of works or the supply of materials. The term *Contractor* means a person, syndicate or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for services in connexion therewith.

13. "Government Data Central Deals with system analysis techniques coding and programming techniques for the proper maintenance of the Accounts of Government.

14. *Department*.—This term, when qualified by the prefix "The" is used to indicate the Public Works Department.

15. *Deposit Works*.—This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for municipalities either to cash deposits made for the purpose, or to their credit balances at treasuries.

16. *Detailed Head*.—See paragraph 76.

17. *Devolution Rules*.—Rules made by the Governor-General in Council, with the sanction of the Secretary of State in Council and with the approval of both Houses of Parliament, under section 45-A of the Government of India Act, sub-section (1) whereof reads thus :—

45-A. (1) Provision may be made by rules under this Act—

(a) for the classification of subjects in relation to the functions of Government, as central and provincial subjects, for the purpose of distinguishing the functions of local Governments and local legislatures from the functions of the Governor-General in Council and the Indian legislatures ;

(b) for the devolution of authority in respect of provincial subjects to local Governments, and for the allocation of revenues or other moneys to those Governments ;

(c) for the use under the authority of the Governor-General in Council of the agency of local Governments in relation to central subjects, in so far as such agency may be found convenient, and for determining the financial conditions of such agency; and

(d) for the transfer from among the provincial subjects of subjects (in this Act referred to as "transferred subjects") to the administration of the Governor acting with Ministers appointed under this Act, and for the allocation of revenues or moneys for the purpose of such administration.

18. *Direct Charges and Direct Outlay*.—These expressions as distinguished from "Indirect Charges" and "Indirect Outlay" (vide paragraph 28 below) are applied to those charges pertaining to a work, project or job, which are directly incurred for its execution and are included in the regular accounts of it.

19. *Direction office*.—This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipt and disbursement of public money, e.g., a Chief or a Superintending Engineer, or a Superintendent of Works, but, if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer for the purposes of this Code, even though some part of this emoluments may be treated as *Direction charges*.

20. *Direction Officer*.—The head of a Direction office is known by this designation.

21. *Direct Receipts*.—These receipts as distinguished from Indirect Receipts (vide paragraph 29), relate to items of revenue receipts which are realized in connexion with a work or project either by officers of the Public Works Department or other departments and are directly brought to account as appertaining to the work or project.

22. *Division and Divisional Office*.—Throughout this Code, these terms are used to denote respectively the executive charge held by a Divisional Officer (paragraph 23 below) and the head office of such a charge. Thus, the office of an independent executive subdivision is a Divisional Office for the purposes of this Code, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.



**23. Divisional Officer.**—In this Code, this term is applied to an executive officer of the Public Works Department who is not subordinate to another executive or disbursing officer of the department, even though the executive charge held by him may not be recognized as a "division" by the Government concerned. Thus, the officer in charge of an independent subdivision is also treated as a Divisional Officer for the purposes of this Code. See also paragraph 19.

Disbursing Officers of other departments, if they spend Public Works funds and are required to render accounts direct to the Audit Office, are also referred to as Divisional Officers in this Code.

**24. Final Payment** means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

**25. Fundamental Rules.**—Rules made by the Secretary of State in Council under section 96-B (2) of the Government of India Act, which runs thus—

96-B. (2) The Secretary of State in Council may make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances, and discipline and conduct. Such rules may, to such extent and in respect of such matters as may be prescribed, delegate the power of making rules to the Governor-General in Council or to local Governments or authorize the Indian legislature or local legislatures to make laws regulating the public services:

Provided that every person appointed before the commencement of the Government of India Act, 1919, by the Secretary of State in Council to the civil service of the Crown in India shall retain all his existing or accruing rights, or shall receive such compensation for the loss of any of them as the Secretary of State in Council may consider just and equitable.

Rules made by the Governor in respect of services in exercise of the powers conferred by the proviso to Article 309 (reproduced below) read with the Article 313 of the Constitution of India.

309. Subject to the provisions of this constitution, Acts of the appropriate Legislature may affect the affairs of the Union or any State.

\* Under Article 149 of the Constitution the Comptroller and Auditor General.....

(G.O. Ms. No. 1299, Public Works Department, dated 21st July 1972)

Provided that it shall be competent for the president or such person as he may direct in the case of services and posts in connection with the affairs of the Union, and for the Governor of a State or such person as he may direct in the case of services and posts in connection with the affairs of the State, to make rules regulating the recruitment, and the conditions of service of persons appointed to such services and posts until provision in that behalf is made by under an Act of the appropriate Legislature under this article and any rules so made shall have effect subject to the provisions of any such Act”.

(G.O. Ms. No. 1299, Public Works Department, dated 21st July 1972)

26. *Grant*.—See paragraph 102.

27. *Inclusive Rate of Cost*.—See paragraph 50.

28. *Indirect Charges and Indirect Outlay*.—These expressions are applied to those charges, and capital outlay, respectively, which pertain, or are incidental to a work, project workshop job or manufacture job but which are not incurred directly and solely in connection therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

29. *Indirect Receipts*.—Receipts which pertain, or are incidental, to a scheme or work, but cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.

30. *Intermediate Payment* is a term applied to disbursement of any kind on a running account, not being the final payment. It includes an “advance payment” and an “on account payment (other than the final payment on a running account)” or a combination of these.

31. *Issue Rate*.—This term denotes the cost per unit fixed, in respect of an article borne on the stocks of the department at a valuation, for the purpose of calculating the amount creditable to the sub-head concerned (i.e., the sub-head under which the article is classified) of the stock account by charge to the account or service concerned, when any quantity of that article is issued from stock. This does not take into account the storage charges mentioned in paragraph 58-A.

32. *Labour*.—When a separate materials account is kept for one or more sub-heads of an estimate and the term “labour” is used in connection with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct and (2) carriage and incidental charges in connexion with the materials.

32(a) “Letter of credit system in Government is a system of Appropriation Control in regard to drawings of the Officers of major spending departments where payments are mostly by means of cheques. Under this system instructions are issued by the Finance Department to the Treasury Officers indicating the periodwise allocations for each Drawing Officers of the Public Works Department. These stipulate the amount that should be drawn by the officer concerned for the period indicated. It is usual to authorise lock for two spells in a year. (i) first for a period of nine months from April to December based on the Budget Estimates for the year, (ii) second for a period of three months from January to March based on the Revised Estimates for the year. The Finance Department restructures such letter or credit to the actual cash requirements of the division (i.e.) Budget appropriation minus adjustments transactions under respective major heads of account (See para 118A).

33. *Liabilities*.—When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges, but have not been paid or adjusted regardless of whether or not they have fallen due for payment or adjustment or, having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

34. *Local Government*.—The term “Local Government” or “Government” as used in this Code means, the Governor in Council, the Governor acting with Ministers (as the case may require).

The expression “Local Government” or the term ‘Government’ as used in this Code, means the State Government.

35. *Local Loan Works*.—As used in this code, this expression indicates works executed by the Public Works Department on behalf of municipality, Port Trust, or other Corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.

36. *Major Estimate* is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 1,00,000. The work is also classified as a major work.

*Note.*—In the case of Central Civil works an estimate for works expenditure exceeding Rs. 75,000 is less as a major estimate with effect from the 1st April 1965.

(G.O. Ms. No. 1299, P.W., dated 21st July 1972.)

37. *Major Head.*—See paragraph 76.

38. *Market Rate.*—Used in respect of an article borne on the Stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time at the stores godown from the public markets suitable to the division for obtaining a supply thereof.

*Paragraph 39.*

The paragraph 39 shall be substituted with the following paragraph :

“Minor Estimate is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 1,00,000. The work is also classified as a Minor work”.

40. *Minor Head.*—See paragraph 76.

41. *Non-voted.*—

The existing, “Non-voted” shall be substituted with ‘Charged’.

42. *On Account Payment or Payment on Account* means a payment made, on a running account to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of work or supplies; if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

43. *Operation.*—Used in respect of the accounts and manufacture and workshop transactions, this term denotes the value of the incurred on the manufacture operations connected with specific jobs.

44. *Outturn.*—Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

45. *Primary Units of Appropriation.*—See paragraph 102.



45(a). Programme Evaluation and Review Technique (PERT) (Critical path method) net work analysis is the designing of the accounts date to enable a review of the physical progress, not only in terms of money spent, but in terms of the time taken for given activities as against the time stipulated in the time bound activity net work to be prepared along with the estimate. The modern practice in respect of major projects is to analyse the project both in terms of the various kinds of activities and in terms of the time consumed for each activity and prepare a net work analysis is decide on the timing of the individual activities. Net work analysis consists in compiling a diagram called net work diagram showing the logical sequence of activities and the relationships between them. From the diagram the total durations of this project can be calculated. It will also reveal the sequence of activities which contain some measure of flexibility in the time available for their completion as well as these which do not have such flexibility. This implies that all major estimates will have to be subjected to PERT/CPM net work analysis. Critical path, or the series of operations crucial to timely and proper execution of the project within the estimated cost, should be constantly watched. Based on the use of the Programme Evaluation and Review Technique (Critical) Path Method Techniques should be possible to prepare a memorandum on the possible escalation in costs over the execution period. Action can be taken to complete execution of the project in the minimum time with minimum increase in costs. The net work itself should be periodically updated with reference to changing conditions so that it is operational.

*Note :* Programme Evaluation and Review Technique (PERT) Critical Path Method (CPM) chart for execution of major work costing more than Rs. 5 lakhs shall be furnished by the Superintending Engineer, Planning and Designs along with Estimate. During the execution of work, a monthly progress of each and every work shall be critically reviewed in the circle office with reference to PERT/CPM Chart and (PERT/CPM) chart should be periodically undated in unforeseen contingencies.

46. *Progress* means the up-to-date quantities of work done or supplies made.

(G.O. Ms. No. 1299, P.W., dated 21st July 1972.)

47. *Deleted.*

48. *Quantity.*—In the accounts of works this expression is used to describe the extent of work done, supplies made or services performed, when these can be measured, weighed or counted.

49. *Rate*.—In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service. Except in the case of lump-sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which the payment is to be made.

50. *Rate of Cost and Inclusive Rate of Cost*.—*Rate of Cost* means generally the total cost of a work or supply divided by its quantity. In the accounts it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head by the up-to-date progress thereof. *Inclusive Rate of Cost* means the rate of cost of the entire work relating to a sub-head, including the cost of materials if recorded separately in the accounts.

51. *Re-appropriation* means the transfer of funds from one unit of appropriation to another such unit.

52. *Recoverable Payment* means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done on supplies made by him, and has therefore to be made good to Government by an equivalent cash recovery or short payment of dues.

53. *Reserved Subject*.—See paragraph 78.

54. *Running Account* is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

55. *Secondary Unit of Appropriation*.—See paragraph 102.

56. *"Sectional Officer"*.—This designation is used in this code to describe those officials, who are placed in responsible executive charge of works or stores under the orders of the officer in charge of a recognized sub-division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the sub-division.

57. *Deleted*.

58. *Special Officer (or Specialist Officer)*.—This term is applied in this Code, to such officials of the Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer, and have no Divisional Officers working under their control, e.g., Consulting Architects, Electrical Inspectors, etc.

**58-A. STORAGE RATE AND STORAGE CHARGES.**

These expressions denote respectively the centage rate fixed for and charges leveled on all issues of stock from the P.W.D. Stores, Madras to cover such actual expenditure as is incurred, after the acquisition of the stores, on Temporary establishment charged to works and keeping initial accounts, the custody of stock and the maintenance of the store godowns or yards, etc. This rule may, with the sanction of the State Government, be extended to any other stores in which appreciable storage charges are incurred.

(G.O. Ms. No. 1299. P.W., dated 21st July 1972.)

*Paragraph 58A (2).*

**59. Sub-Divisional Officer.**—This designation is applied primarily to an official, who holds the charge of a recognised sub-division in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge but is held by the Divisional Officer himself, the latter is also treated as the Sub-Divisional Officer in respect of such charge when a divisional officer holds the immediate charge of a recognised sub-division in addition to his own duties as the executive head of the division he is treated as the sub-divisional officer in respect of the charge of the sub-division.

**60. Sub-head.**—In the accounts of works and in working estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of work that have to be executed in the course of construction or maintenance of a work or sub-work, e.g., excavation, brickwork, concrete, woodwork, etc., are usually treated as the sub-heads of it.

**61. Sub-work.**—In the case of a large work consisting of several buildings of smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example the outer wall, the solitary cells, the cook-houses, the Sailor's quarters, etc. In the case of a large Central Jails in the case of Irrigation, Navigation, Drainage, Flood Control and Water Storage Projects, the Head works. Main line, each branch of a canal, each group of distributaries relating to each branch separately the drainage and protective works, the water course scheme, and special tool and plant, all form separate sub-works.

62. *Supervision Charges*.—The term is ordinarily applied to the charges which are levied, in addition to book value and storage charges in respect of stock materials sold or transferred, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value, and are not included in the storage charges (see paragraph 58-A).

63. *Suspense Accounts*.—This term is applied primarily to certain heads of account, falling under the minor head "Suspense" of a major head or expenditure, which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery, or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts in reduction thereof. For suspense accounts within the accounts of works, see paragraph 354.

64. *Technical Sanction*.—This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the Public Works Department. Ordinarily, such sanction can only be accorded by Government in the Public Works Department or by such authorities of the department to whom the power has been delegated by Government. Sanction accorded to a work by any other department of Government is regarded merely as an administrative approval of the work (*vide* paragraph 3).

65. *Transferred Subjects*.—See paragraph 78.

66. *Unit of Appropriation*.—See paragraph 102.

66 (a) *Value*.—This term used in connection with the sale of stock materials (*vide* paragraphs 201 and 420) or their issue to works (*vide* paragraphs 320 and 325) includes storage charges.

67. *Voted*.—See paragraph 80.

68. *Water-course*.—A water-course in a major system of irrigation for which Capital and Revenue Accounts are kept, is a minor channel intended for the supply of water to a particular block of fields and maintained by the joint labour of the ryots concerned.



69. *Work*.—The term “work” when by itself, is used a comprehensive sense, and applies not only to works of construction or repair, but also to other individual objects of expenditure, connected with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

70. *Works Expenditure and Works Outlay*.—These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair and maintenance of works. The charges falling under these categories may be met when, under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general services, tools and plant and establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.