

CHAPTER XVI.—TRANSACTIONS WITH OTHER DIVISIONS, DEPARTMENTS AND GOVERNMENTS.

A.—GENERAL RULES.

485. The general rules under which one department of the public service may charge another department under the same Government, or any department under another Government, for services rendered or articles supplied to it, are given in Articles 82 and 180 of the M.F. and A.C., Volume I.

1. Save as provided in rule 3 of Appendix 5 to the Civil Account Code, Volume I, all charges connected with the construction and maintenance of buildings, etc., will be brought to account as expenditure of the Public Works Department (Civil Works section) or of the civil department concerned according as the administration of the work rests with the Public Works Department or is transferred by competent authority from the Public Works Department to the department using or requiring it.

2. Rule 1 above applies only to works of the Central Government. As regards provincial expenditure, the Madras Government with the concurrence of the Auditor-General have decided to record all expenditure on the construction and repair of works transferred to the administrative control of civil departments (vide paragraphs 95 to 97 of the Madras Public Works Department Code) under the minor head "works" to be opened under each of the major or sub-major heads concerned.

3. The value of Public Works stores issued to other departments is chargeable to them under rule VI of Appendix 5 to the M.F. and A.C., Volume II.

486 The cost of land acquired by the Civil authorities on behalf of the Public Works Department is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more non-commercial departments conjointly, the charge is not divided, but is wholly debitable to the department for which the greater part of the land was taken up. As regards establishment and contingent charges in connexion with such acquisition, see Article 235 of the M.F. and A.C., Volume I.

The law charges incurred on civil suits in connexion with the execution of Government works fall under three categories, namely :—

(1) the amount of the claim for which a decree is given ;

(2) the amount of the incidental law charges incurred by the executing department in connexion with a work financed from its own departmental heads of expenditure, e.g., when the Public Works Department carries out a work chargeable to the Public Works heads of expenditure; and

(3) the amount of incidental law charges incurred by the executing department when acting as an agent in connexion with a work financed from a different head of expenditure for instance, when the Public Works Department executes a work the cost of which is debitable to a head other than the Public Works heads of expenditure, e.g., General Administration, Medical, etc.

Charges falling under category (1) above, viz., decretal amounts should in all cases be debited to the work concerned and booked as expenditure charged on the revenue of the Province. The charges referred to in item (2) should be debited to the sub-head "Establishment—Contingencies" of the executing department. As regards charges mentioned in item (3), the amount should generally be borne by the department on whose behalf the work is undertaken. In exceptional cases, however, where it is established that the law suit has been caused by a deliberate act of an employee of the Agent department for his personal gain, the charges should be adjusted by recovery from the individual concerned or by debit against the standing charges of that department according to the merits of each case.

487. The rent of buildings hired for use as residences of Government servants of any civil non-commercial department is chargeable in the accounts of that department to which the work of leasing the buildings has been assigned by His Excellency the Governor. Similarly, when any land or building not belonging to the Public Works Department is hired by another department to be occupied for any other public purpose, the rent is payable by the department concerned, and Divisional Officers do not disburse rent for such premises unless ordered by Government to do so.

When buildings which are requisitioned or leased by the Government for non-residential purposes, fall vacant for short periods, rent payable for such short periods, should be borne by the department which occupied the building before it was vacated except in cases where the buildings are specially vacated for occupation by a particular department when the particular department concerned should bear the rent.

In these cases rent for periods during which the building might be vacant should be debited to "50. Civil Works—d. Repairs."

488. When with reference to note (3) under paragraph 98 of the Madras Public Works Department Code, jail works are executed by the Public Works Department departmentally the cost of the jail labour employed thereon calculated at the rate of $2\frac{1}{2}$ annas per man per day should be debited to the work by a corresponding credit to the Jail department. When jail works are executed by private contractors the cost of the jail labour supplied to them should be debited to the contractor's account and credited to the Jail department.

489. When any land or building is transferred from one department to another under the same Government, the transfer shall be free of all charge, except when the property is transferred to or from a commercial department, in which case the full market value of it will be charged.

490. Services may be rendered, or articles may be supplied, free of cost, by one division to another under the same Government (vide Article 180, M.F. and A.C., Volume I) except in the following cases :—

(i) *Stores*.—If they are issued from a Stock or Materials account (*vide* paragraphs 354 and 355) or if their transfer affects a work for which a separate capital or revenue account is kept.

(ii) *Other Services*.—If they affect the accounts of (a) any work for which a separate capital or revenue account is kept, (b) of a work in progress, or (c) *Suspense or Deposits*.

491. Cash recoveries made from employees, contractors, etc., as also revenue realized, by a division on behalf of other divisions, departments or Governments, should be passed on to them, the payment being made by book transfer unless payment in cash is prescribed by rule as sometimes happens, in the case of other departments. Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries, are accounted for as remittance transactions.

B.—ACCOUNTS PROCEDURE.

492. When a transaction has to be cleared by a book transfer under the foregoing rules, the transfer should be effected by debiting or crediting it to the remittance head concerned in the Cash or

Stock accounts if it appears therein, or by an entry in the Transfer Entry Book. See also paragraph 557 in respect of cash obtained from treasuries on cheques.

1. Such percentage charges on account of storage and establishment tools and plant as may be leviable under the rules, should also be included, by a transfer entry in the amount transferred. See also paragraph 449.

2. The cost of workshop jobs need not be adjusted monthly—Vide paragraph 448.

493. In cases, however, in which the transaction originates in another division or department, the responding transfer should, as a rule, not be made until receipt of intimation of the original debit or credit either through the Accountant-General or direct from the division or department concerned on an Advice of Transfer Debit or Credit (paragraph 498 *et seq.*). Exceptions to this rule may, however, be authorized by the Accountant-General in respect of transactions of any class.

1. Debits on account of rent realised, on behalf of the Public Works Department, by disbursing or Audit Officers of other circles of audit may be raised in anticipation of the corresponding credits, provided that they are supported by certificates in Form 48 (P.W.D. VI-49), Statement of Rents recoverable in cash or by deduction from Pay bills, signed by those officers. See paragraph 270.

2. All entries in the schedule of credits to Civil Department will be advised by the Accountant-General, but there is no objection to the P.W.D. raising credits to the civil department for forest supplies in anticipation of debits appearing in the exchange accounts.

494. The responding division should examine every transfer advised to it for adjustment, but it may not reject a transfer because the voucher is not in order or is missing. Nor may a transfer be rejected by partly accepted and partly rejected; it may be rejected altogether if it does not pertain to the division; otherwise it should be provisionally accepted in full and the dispute, whether as to the amount chargeable or as to other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer. See also paragraphs 499 and 500.

1. Railway debits for amounts due on warrants and credit notes should be accepted in full in the account of the month in which they are raised in the Railway Exchange Account without reference to the issuing officers whose signatures on such warrants or notes should be taken as final, subject only to readjustment, late on, of or under overcharges. The responding officer is not responsible for the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the

propriety of the charges as against the head of the service concerned; the calculations made by the Railway Accounts Department, which are best checked by the Railway Audit Department, should be accepted as correct.

495. When a charge is transferred to another division, department or Government for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects, or by a certificate signed by the Audit Officer of the department originating the transfer to the effect that the payment vouchers have been duly audited and passed in accordance with the rules. Division Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

496. When a transaction originates in a Public Works division, the necessary transfer should ordinarily appear in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost is adjustable in accordance with the rules in paragraphs 447 to 449.

497. In respect of work done in a division for other divisions, departments, or Governments, the intimation of the transfer will be given, after audit, by the Accountant-General to the Audit Officer concerned, or to the division or department for which the work is done, if in the same province. The division undertaking the work is responsible that the transactions are brought to account under the remittance head concerned, and that works accounts are maintained and vouchers submitted to the Accountant-General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work, as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it.

1. For the purpose of this article work done includes jobs executed in workshops.

2. In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the amount of the estimate and appropriation for the work should be rateably broken up into two parts to represent, respectively, the works expenditure and the percentage charges.

498. For other transfer transactions between Public Works divisions of the same or different provinces, the originating division should send an advice of Transfer Debit (or Credit), Form 55 (P.W.D. VI-36) accompanied by necessary vouchers in the case of debits, to the divisions concerned, as soon as the transaction occurs. The responding division should, if it accepts the transfer, acknow-

ledge it on Form 56 (P.W.D. VI-37), Acceptance of Transfer. The debiting division will be responsible that the entry in its accounts is supported by the Acceptance of Debit, or Advice of credit, as the case may be.

1. In cases of transfer debit transactions, all relevant vouchers, including such as do not ordinarily pass beyond the divisional office, **should accompany** the Advice. If this requirement cannot be complied with, in any case, in respect of a cash voucher which cannot be replaced by a certificate under Rule 1 to paragraph 154, the Advice should be attached to the monthly account for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

499. In cases in which Advices and Acceptances of Transfer are exchanged direct by the Divisional Officers of two provinces, those officers will be jointly responsible for clearing remittance transactions expeditiously in direct communication with each other. If an item cannot be accepted, and the intimation of its rejection issues too late to reach the originating officer within the month in which he has brought it to account, the officer who is called upon to respond to it, should also inform his own Audit Officer giving brief particulars of the debit or credit, and of the grounds of objection, with the number and date of the originating officer's Advice of Transfer and of his own intimation of objection.

500. In cases in which no Advices and Acceptances of Transfer are exchanged, the Divisional Officer is required to examine, as expeditiously as possible, the transfers which his Accountant-General intimates to him to be responded to, and to report all his objections to the Accountant-General whether the transfer is brought to account provisionally or rejected.

501. The procedure prescribed in paragraphs 499 and 500 applies *mutatis mutandis* to transfer transactions, not relating to the execution of works, with (1) Railways, (2) Military Works Services and (3) Post and Telegraphs (Telegraph Section).

502. Except in respect of transactions of the following classes, the Divisional Officer may authorize the Divisional Accountant to sign advices and Acceptances of Transfer for him :—

(i) when the transfer advised is a credit or *minus debit*.

(ii) when the transfer accepted is a debit

So far as the Public Works Stores Division, Madras, is concerned, the Assistant Superintendent of Stores is authorized to sign advices and acceptance of transfer in the excepted cases mentioned above.

503. The Divisional Accountant will be responsible that there is clear authority of the responsible disbursing officers of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.