

with signature
S. B. SATVAN
Circular No. 14 of 1886.

[For Examiners only.]

ACCOUNTANT GENERAL
PUBLIC WORKS DEPARTMENT.
GENERAL.

Simla, July 2, 1886.

To

THE EXAMINERS OF PUBLIC WORKS ACCOUNTS, MADRAS AND COORG,
BOMBAY, BENGAL, NORTH-WESTERN PROVINCES AND OUDH,
PUNJAB, CENTRAL PROVINCES, BURMA, ASSAM, HYDERABAD,
CENTRAL INDIA, AND RAJPUTANA.

THE EXAMINER OF ACCOUNTS, MILITARY WORKS.

THE EXAMINER OF TELEGRAPH ACCOUNTS.

THE EXAMINERS OF ACCOUNTS, NORTH-WESTERN, EASTERN BENGAL,
NORTHERN BENGAL, TIRHOOT, MADRAS, CENTRAL PROVINCES,
BURMA, SIND-PISHIN AND BOLAN AND SIND-SAGAR STATE
RAILWAYS.

THE EXAMINER OF IMPERIAL STATE RAILWAY ACCOUNTS, NORTH-
WESTERN PROVINCES AND CENTRAL INDIA.

THE EXAMINER OF PROVINCIAL RAILWAY ACCOUNTS, NORTH-WEST-
ERN PROVINCES AND OUDH.

THE EXAMINER OF ACCOUNTS, BHAVNAGAR-GONDAL STATE RAIL-
WAY.

THE DEPUTY EXAMINER OF STATE RAILWAY ACCOUNTS, ASSAM.

THE DEPUTY EXAMINER OF ACCOUNTS, STATE RAILWAY STORES.

THE JOINT AUDITOR AND EXAMINER OF ACCOUNTS, BENGAL AND
NORTH-WESTERN RAILWAY.

THE EXAMINERS OF GUARANTEED RAILWAY ACCOUNTS, MADRAS,
BOMBAY, AND CALCUTTA.

THE AUDITOR OF ACCOUNTS, OUDH AND ROHILKHUND RAILWAY.

THE GOVERNMENT EXAMINER OF ACCOUNTS, SOUTHERN MAHRATTA
RAILWAY COMPANY.

SIR,

The Comptroller and Auditor General has lately on
several occasions called attention to the state of the Suspense

Balances of this Department, and the reports of the Inspector of Public Works Accounts have shown, that in some cases these balances have not had sufficient attention. It has been, therefore, thought desirable to consolidate the orders which should be attended to by Examiners in connection with the balances upon their books, and I accordingly circulate the accompanying memorandum for your information and guidance.

I have the honor to be,

SIR,

Your most obedient Servant,

A. G. BEGBIE, Major, R.E.,

Offg. Accountant General.

Enclosure to Accountant General's Circular No. 14 of 1886.

AUDIT OF SUSPENSE BALANCES.

Every balance should be proved each month as far as possible, *i.e.*, it should be compared and agreed with other parts of the accounts where the figures appear; it should be seen that the total is supported by details, and that the items are efficient. An example of proof of a balance with the other parts of the accounts will be found at paragraph 43, Chap. IV, Vol. IV, of the Code.

2. The balances are all either Assets or Liabilities of Government.

3. An item of receipt should not be carried to "*Miscellaneous Advances*" ("*Suspense*" in the Railway Branch), except for adjustment against a debit already there; nor an item of payment to Deposits, except against a credit already in that account.

4. All the Balances, except *Stock* ("*Stores*" in the Railway Branch), should be analysed and proved monthly. In the Buildings and Roads and Irrigation Branches the Stock Balance should be proved twice a year, and in the Railway Branch once a year, in accordance with the prescribed returns.

5. In addition to the instructions in paragraph 1, the following are the chief points to be looked to in examining and proving the different suspense balances:—

6. *Stock (or Stores)*.—See that—

(a) The priced inventories (stock registers or balance returns) work up to the amount at debit of stock in the general accounts.

(b) There is a record of stock having been taken by a responsible officer within the previous twelve months. (*Vide* Code, Vol. I, Chap. X, para. 93 and Vol. IV, Chap. V, para. 83.)

(c) The rates at which articles are priced in the inventories are not in excess of current rates of purchase or manufacture.

- (d) The rules relating to depreciation, and to obsolete and surplus articles have been observed.

6. *Stock Purchases and Sales*.—These are really two separate accounts, and they are kept separate in the Railway Branch. In the Buildings and Roads and the Irrigation Branches the purchases and sales are shown in detail separately; and they should be analysed and audited as two separate accounts.

7. *Stock Purchases*.—See that—

- (a) All items are current, and are for bills payable to persons who have supplied stores, or are for advances made under competent authority in anticipation of supply.

8. *Stock Sales*.—See that—

- (a) All items are current, are readily recoverable, and that sufficient documentary evidence exists to support recovery.
- (b) The sales have been made under competent authority; and that the proper percentages have been added to the book prices when necessary.

9. *Miscellaneous Advances*.—('Suspense' in the Railway Branch).—See that—

- (a) There are no credit items.
- (b) There are no items other than amounts which cannot be carried to a final head of account or be at once adjusted through transfers or an exchange account.
- (c) All items are current, and are recoverable.
- (d) Sufficient documentary evidence exists to support recovery.
- (e) All advances have been made under competent authority.

10. *Workshop Suspense or Manufacture account*. See that—

- (a) The balance is supported by details, e.g., of the individual jobs in shops, individual brickfields, &c., that the details consist of labour and materials only, expended upon unfinished jobs or manufactures.

- (b) The operations are all current, and undertaken under competent sanction.

- (c) The accounts of manufacturing operations carried on from year to year are closed annually in the off season.

- (d) Credit items in the detail of balance are noted for immediate adjustment.

11. *London Invoices*.—See that all items are current, and readily adjustable on receipt of necessary particulars.

12. *London Stores*.—See that—

- (a) The items represent charges (English or Indian) upon stores imported from Europe, which have not arrived at destination in India.

- (b) All items are current.

13. *Deposits*.—See that—

- (a) There are no debit items.

- (b) All items are of a class which may be rightly placed in this account, i.e., that they are—

- (1) Sums received to be expended on works for individuals, States or corporations financially independent of Government.

- (2) Sums received as security for faithful performance of agreements.

- (3) Sums authorised under special orders of the Government of India to be placed under this head.

- (c) All items are current and relate to works in progress or to agreements in course of fulfilment.

14. *Deposits—Unpaid Wages, &c.*—This account is employed only in the Open Line section of the Railway Branch. It should be proved by the unpaid wages register; and that register should be examined to see that all items over six months old are carried to Revenue, and that items of less outstanding are individually detailed and remain still unpaid.

15. *Deposits—Foreign Railways*.—This and similar accounts must be proved by details.

16. *Traffic Account*.—*Vide* paragraph 43, Chap. IV, Vol. IV of Code.

17. *Provident Funds*.—The balances of these funds must be proved at the end of each year by the detailed books of funds if kept locally, and by the certificates of the Comptroller General.

18. *Audit Results*.—Items which, upon the examination of a suspense account, are found to have been wrongly carried into it, and others which have become capable of settlement, are to be noted for immediate adjustment, in the current month's accounts if possible; and every effort should be made to adjust all such items before the final supplementary accounts of March are closed. The balance accounts of the year should close with as few items in them as possible, and those that unavoidably remain should be all proved to be current and efficient.

19. *Annual Report*.—With the annual accounts and schedules of suspense balances prescribed in Code, Vol. II, Chap. XIV, para. 184, Examiners should submit, with respect to each balance, a certificate that it has been audited in the manner above indicated. Exceptional items should be specially noticed in the transmitting letter or in a note upon the schedule concerned. In the annual suspense schedules the items under each balance must be carefully grouped under the prescribed sub-heads.

A. G. BEGBIE, Major, R.E.,

Simla, 2nd July 1886. } Offg. Accountant General, P. W. D.

Act 82 P.W.D. Cir. No. 14 of 1888

188

P. W. DEPARTMENT.

Current No. 10558

From

The Engineer
P.W. Account

ENCLOS.—

No. 2422

Dated 16.10.88

Received 20.10.88

SUBJECT.

Forwarding for the approval of
Govt a draft S.O. requiring
Ex. Engrs. to obtain receipts
in duplicate for sales of
stock on credit to public
bodies or private individuals

DISPOSAL.

No. 4010.C Dated 20.10.88

To

C

Please explain
more fully the necessity
for duplicate receipts

12d/ H.R.M.
20.10.88

12d/ W.B.B.
20/10/88

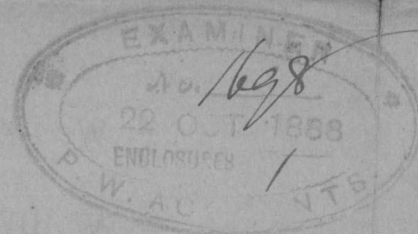
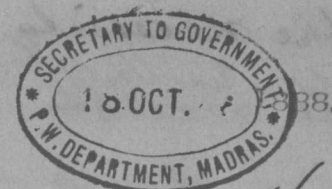
20/10/88

Cir 10558

Please see this para.
I cannot see the necessity
for duplicate receipts

12d/ H.R.M.

25/10



Madras, 16 October 1888.

Office Note No. 2422

To W.

Encl. 1

I beg to forward herewith for
the approval of Government a draft
standing order to the P.W.D. Code,
requiring Executive Engineers to
obtain receipts in duplicate for
sales of stock on credit, and to
furnish one copy of the receipt
to this office in support of the
issue.

2. The standing order is based
on para 8(a) of the enclosure to
circular from the Accountant General
P.W.D. No. 14 of 1886, which requires
an Examiner to see that sufficient
documentary evidence exists to
support recovery in the case of
stock sales.

h/

C.
20/10

20/10/88

Acct 82 P.M.D. Cin. No. 14 of 1888

188

RTMENT.

more fully the necessity
for duplicate receipts.

11194
Miles 10558

M. P. M.

20/10/88

W. M.

20.10.88

W.

To W.

No. 2515 of 1.11.88

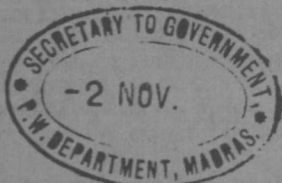
Encl.

2.11.88
Reg 18/10/88

Encl.

The reason why duplicate
receipts are necessary, is, that one
copy has to be furnished to this
office in support of the debit in
the Executive Engineer's accounts
and the other has to be returned
to purchasers who expect and demand
their original receipts, to be
returned at once when they pay for
their purchases.

No. 3535 of 6.10.88



h. M.

C.

M. P. M.

20/11/88

No. 3535 of 6.10.88

The issue of the
Standing Order is
approved.

W. M.

11.58