

Orissa Panchayat Samiti Accounting Procedures Rule

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PANCHAYATI RAJ DEPARTMENT

NOTIFICATION

The 6th February 2002

S. R. O. No. 198/2002—Whereas the draft of the Orissa Panchayat Samiti Accounting Procedure Rules, 2000 was published as required by sub-section 1] of Section 57 of the Orissa Panchayat Samiti Act, 1959 (Orissa Act 7 of 1960) in the extraordinary issue No. 813 of the *Orissa Gazette*, dated the 1st June 2000, under the notification of the Government of Orissa in the Panchayati Raj Department No. 7125-PR. dated the 18th May 2000 as S.R.O. NO. 449/2000 inviting objections and suggestions from all persons likely to be affected thereby till the expiry of a period of thirty days from the date of publication of the said notification in the *Orissa Gazette*;

And whereas objections and suggestions received in this regard have duly been considered by the State Government.

Now, therefore, in exercise of the power conferred by Section 57 of the said Act, the State Government do hereby make the following rules, namely:—

1. (1) These rules "may be called" the Orissa Panchayat Samiti Accounting Procedure Rules, 2002.

(2) They shall come into force on the date of their publication in the *Orissa Gazette*.

2. (1) In these rules unless the context otherwise requires:—

(a) "Act" means the Orissa Panchayat Samiti Act, 1959;

(b) "Accountant General" means the Accountant General, Orissa;

(c) "Assistant Engineer" means the officer appointed as such for and execution of works in the Panchayat Samiti under his jurisdiction and includes Assistant Project Director (Technical);

(d) "Auditor" means the Examiner of Local Fund Audit and the officer appointed to assist him under the Orissa Local Fund Audit Act, 1948 and also includes any other person authorised by Government to take up audit of the accounts of the Panchayat Samiti for a specific period or posted in the Panchayat Samiti for pre audit work;

(e) "Bill" means a statement of claims against the Panchayat Samiti containing specification of the nature and amount of the claim either in gross or by items and includes such statement presented in the form of receipt.

NOTE—A bill becomes a voucher when it is duly received and stamped "paid" (f) "Block" means the Block constituted under Section 15 of the Act;

(g) "Chairman/Vice-Chairman" means Chairman/Vice-chairman elected under sub-section (3) of Section 16 of the Act;

(h) "Executive Engineer" means the officer appointed as such, for execution and management of all works in the Panchayat Samiti under his jurisdiction and includes Additional Project Director (Technical);

(i) "Fund" means the Panchayat-Samiti Fund; (j) "Government" means the Government of Orissa; (k) "Head of Office" means the Block Development Officer; and

(1) "Sub-Collector" means the Officer appointed as such for revenue administration of subdivision.

(2) All other words and expressions used in these rules but not defined shall have the same meaning as respectively assigned to them in the Act.

3. (1) the purposes to which the fund may be applied include all objects expressly declared obligatory or discretionary under the Act or rules made thereunder and in general everything incidental to the administration for the said purposes and fund shall be applicable thereto within the Block subject to these rules and such further rules or special orders as the Government may make or issue and shall be applicable to such purposes outside the Panchayat Samiti if the expenditure is authorised by the Act or specially sanctioned by the Government.

(2) The Block Development Officer shall, subject to the control of Government, remain in charge of the fund shall subject to these rules administer the same in accordance with the decision of the Samiti.

4. The payment of any sum out of the fund may be made by the block Development Officer subject to prior provision in this case of:—

(a) refund of taxes, surcharge of fees under the Act or any law;

(b) repayment of moneys belonging to contractors, executants or other persons and held in deposit, and moneys collected or credited to the Panchayat Samiti fund by mistake; and

(c) sum payable under a decree or order of the civil court passed against the Panchayat Samiti or under a compromise of any suit or legal proceeding or claim:

Provided that the Block Development Officer shall forthwith communicate the case of payment to Panchayat Samiti which shall take such action as may in the circumstance be deemed necessary or expedient to cover any of such expenditure not covered by a budget grant.

5. (1) Sanction shall be issued by different Departments of Government detailing the amounts to be drawn during a financial year.

(2) The Block Development Officer shall draw and tender the money under sub-rule (1) for credit into personal Ledger Account within prescribed time limit and get the Treasury Pass Book up-to-date periodically (at least once a month). No change shall be made in the prescribed list of major, minor sub and detailed Budget account heads without approval of Government and the same head shall be used in all accounts maintained by the Samiti.

(3) Funds/Grants sanctioned by Government or any Authority authorised by Government with specific direction to lodge the money in a bank shall be lodged in a Bank approved by Government.

(4) A register in Form No. 1 shall be maintained to show the details of grants received and drawn.

6. (1) All moneys received on account of the fund shall be paid in full to the Treasury/Bank as often as can be conveniently managed and shall be included in the Panchayat Samiti Fund and shall on no account be appropriated towards expenditure of the **Sarajti** other than the purpose for which it has been received.

(2) For moneys received by the Samiti other than taxes, receipts shall be given in Form No. II. The total amount received shall be written in words both on the receipt itself and on the counter foil.

NOTE I— The forms shall be bound in books containing 100 forms each and they shall be consecutively machine numbered before the book is brought into use.

NOTE II— At places where the cash business of the treasury is conducted through Banks, cheques/ Bank drafts drawn on local branch of a scheduled bank may be accepted in payment of Samiti dues if the cheques inclusive of the collection of charges have been crossed by the drawer. Until, however, a cheque has been cleared, the Samiti cannot admit that payment has been received and

consequently final receipt shall not be granted when a cheque is tendered. A receipt for the actual cheque only may be given in the first instance, the formal receipt shall be granted after the cheque has been cleared and the amount deposited in the fund.

(3) If a Samiti levys any tax or fee under the Act and the rules made thereunder, it shall use the receipt books in form No. HI.

⁷- With remittances, the pass Book of the Samiti shall be sent to the treasury.

Upon receipt of money by the treasury both sides of the Pass Book shall be written upto date by the treasury. The entries shall be initialled by the Treasury Officer and the book returned to the Samiti Office.

8. No amount shall be drawn from this fund unless it is necessary for immediate disbursement, supported by a resolution of the Samiti to incur the expenditure.

9. (1) Every Officer incurring expenditure shall be guided by the following principles: —

(i) The officer sanctioning expenditure shall ensure strict economy at every step and shall avoid extravagance in expenditure.

(ii) The expenditure shall not be more than what the occasion reasonably demands.

(iii) No authority shall exercise its power of sanctioning expenditure or pass an order which will be directly or indirectly advantageous to himself.

(iv) Moneys out of the fund shall not be utilised for the benefit of a particular person or section of the community unless: —

(a) the amount of expenditure involved is insignificant, or

(b) a claim for the amount could be enforced in court of law, or

(c) the expenditure is in pursuance of a recognised policy of the Government of India/State Government,

(v) The amount of allowances granted to meet expenditure of a particular type shall be so regulated that the allowances are not on the whole a source of profit to the recipients.

10. (1) Funds placed at the disposal of the Samiti by the Government by way of grant for schemes under any head shall be utilised for the approved schemes under that head. Funds shall not be diverted from one scheme to another scheme without approval of Government nor shall the pattern of schemes be altered without the approval of Government. No continuing scheme shall be left in an incomplete stage.

(2) Direction shall not be given by any authority other than the Administrative Department for incurring expenditure from the Fund for a purpose for which fund has not been constituted.

11. In order to ensure that the allotments appropriated in the budget are not exceeded, an Allotment Register in Form No. IV shall be maintained. In this register separate page* shall be set apart for each detailed head. Whenever a bill is submitted to the Block Development Officer for passing, it shall be submitted along with this register after noting expenditure covered by the bill in the register.

12. (1) The cash and account branches of each Panchayat Samiti shall be kept distinct from each other under the charge of a cashier and accountant respectively.

(2) In no case the same person shall compile the Samiti accounts and superintend the collection of taxes, rates and other Samiti income.

13. All books of accounts and registers shall be substantially bound and paged before being brought into use, and no account shall be prepared on loose sheets or in loosely bound volumes.

14. All corrections and alterations in accounts shall be neatly made in red ink and attested by the initials of the Block Development Officer. Similarly any alteration and correction in a voucher shall be duly authenticated by the payee. Erasures shall on no account be permitted in registers, statements, vouchers or accounts of any description.

15. Claim against a Samiti shall ordinarily be discharged by cheques drawn upon the , Treasury/Bank. Claim upto a sum of Rs. 500 (Five hundred) may be discharged by making payment in shape of cash-

16. (1) Every bill or other claim for payment shall be Presented to the Block Development Officer who shall verify the same and if satisfied that such bill or other claim is in order he shall endorse on them a payment order which shall, be on the following line, namely: —
pay Rs..... (in words)(Rupees..).....only:

Provided that the payment order shall be signed by the Block Development Officer where the amount does not exceed rupees twenty-five thousand and by both the Block Development Officer and the Chairman of the Samiti (in the absence of the Chairman, by the vice-Chairperson of the Samiti), where the amount is in excess of the said amount.

Provided further that the Block Development Officer or the Chairman, as the case may be, shall sign the payment order within seven days of receipt of the bill.

(2) Where the Collector is satisfied that countersignature by the Chairman in any case or group of cases has been unnecessarily delayed, he may direct the Block Development Officer to get the bill/bills signed by the Project Director, DRD A /Sub-Collector and pass the bill or claim for payment irrespective of the amount involved.

Stamped

17. (1) The Block Development Officer shall ensure that every bill in respect of which receipts. payment is made is duly stamped by the payee with revenue stamp of required value and signed by the person to whom the money is due and to whom it has actually been paid.

(2) Cash memoranda which do not contain an acknowledgement of the receipt of money from persons named therein are not receipts within the meaning of sub-section 2 of Section 23 of the Indian Stamp Act, 1999(11 of 1899.) Mere writing of the purchaser's name and address on a cash memorandum for delivery purposes does not transform it into an acknowledgement to the purchaser that the money has been paid. Cash memoranda will not therefore, be recorded as sub-vouchers in audit unless they contain an acknowledgement of the receipt of money from the person named therein with stamps of admissible value.

Bill Register

18. (1) All claims which are preferred and accepted shall be paid at the earliest possible date. Every bill presented shall be entered in the register of bills in Form No. V.

(2) At the close of the year the unpaid amounts shall be shown in the column 'Balance' and the reason for non-payment noted in the remarks column of the register. The balance outstanding on 31st March shall be carried forward in detail to the register of bills for the next year.

(3) AH orders for supplies and for works including those for which formal agreements have been made shall be entered in an order book in Form No. VI or VII. This will ensure a complete record of the liabilities in cases where the bills may not have been presented.

(4) All work and supply orders shall be serially marked and a copy shall be kept in a separate guard file. Reference to payments shall be noted on the orders as and when bills are passed for payment and duly attested by the Block Development Officer to avoid double claims.

19. (1) AD or Jer directing the payment of any claim made in a bill shall be valid only for a period of six months and shall be renewed if payment is to be made thereafter mentioning reason of renewal.

(2) No claim against the Panchayat Samiti shall be admitted for payments where a bill is presented after a period of more than one year, from the date on which the claim become due without the order of the Chairman of the Samiti and verification of previous payment.

20. All bills and vouchers that have been paid shall be numbered consecutively for each month in order of payment and shall be stamped "Paid" and pasted in a guard file. Sub-vouchers to bills must be cancelled in such a manner that they cannot be used subsequently.

21. The Block Development Officer may sanction advance from permanent advance Cash Book to meet petty contingent charges before drawing bills for the amount. Permanent advance Cash Book shall be maintained in Form No. VIII. The recoupment shall always be for the

total expenditure from the last recoupment to-date so that the balance in hand after recoupment will always be the full amount of the permanent advance.

22. Cheque books to be used for drawal by Panchayat Samiti on a treasury shall be supplied by the officer in charge of the treasury only on receipt of requisition in printed form, which is available in each cheque book and never more than one cheque book shall be supplied on a single requisition. The requisition must be signed by the Block Development Officer. Each book shall bear a number which shall be repeated upon each cheque contained in it, together with the consecutive number of the cheque and the drawing officer shall notify to the treasury upon which he draws, the number of the cheque book which he from time to time brings into use.

23. The cheque book shall be kept under lock and key in the personal custody of the drawing officer, who when relieved shall take a receipt for the correct number of blank cheques made over to the Relieving Officer.

24. On receipt of a cheque book from the Treasury/Bank the Block Development Officer shall examine it carefully and shall count the number of forms contained in each and record a certificate of count on the fly-leaf. Shortage of forms or any other defects noticed shall be reported to the Treasury/Bank.

25. The cheque book in use may be made over to the accountant whenever required but it shall be returned before the office is closed for the day. The Block Development Officer shall satisfy himself periodically that all unused cheques are in the book and that none has been surreptitiously extracted.

26. No cheque shall be signed unless required for immediate delivery to the person to whom the money is to be paid nor until the bill, which it will discharge, has been presented in a complete form examined and passed for payment in accordance with rule 19 and stamped paid by cheque bearing number..... The number and date of cheque drawn should be recorded by the Drawing Officer.

27. The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil and the counterfoil shall be initialled by the authorised person or persons who sign cheques. All cheques drawn by the Samiti on Treasuries shall have written across them in words at right angles to the type a sum little in excess of that for which they are granted, thus "under thirty rupees" will mean that the cheque is for a sum not less than Rs. 20 but less than Rs. 30

28. Cheques of the Samiti shall be signed by the Block Development Officer.

29. When a signed cheque is cancelled, it shall be effaced or stamped "cancelled" by the Block Development Officer and shall be destroyed if it is in the drawer's possession* The fact of cancellation shall be noted in red ink under the initial of the Block Development Officer upon the counterfoil and also across the passing orders which has been effaced upon the voucher. If the cheque to be cancelled is not in the drawer's possession, he must promptly address the Treasury Officer or the Bank, as the case may be, to stop payment of the cheque and on ascertaining that the payment has been stopped, shall write back the entry in his cash book by exhibiting the amount of the cheque as a minus figure on the payment side of the cash book. A counter reference shall be given in the cash book against the original to the second entry of the cheque. A cheque remaining unpaid for any cause for twelve months after the month of its issue or after expiry of the financial year in which it was drawn shall be cancelled and the amount written back in a similar manner. Block Development Officer shall get the cheques so cancelled checked by

Treasury/Bank annually in the month of April. After getting the cheques checked by Treasury/Banks the same shall be destroyed.

30. Cheques once issued are valid for three months after the month of issue:

Provided that cheques drawn during a financial year shall cease to be valid after 31st March of that financial year. If the validity of a cheque expires owing to its not being presented at the Treasury for payment within the above mentioned period, it may be received back by the drawer who shall then destroy it and draw a new cheque in lieu thereof. The fact of destruction and the number and date of the old cheque that is destroyed shall be entered on the counterfoil of the new one. The fact of the new cheque having been issued, shall be entered on the date of issue in red ink in the cash book, but not in the column for payment, a note being made at the same time against the original entry in the cash book.

31. (1) If a cheque drawn is reported as lost the Block Development Officer shall send an intimation [by registered post, with AD] to the bank concerned to that effect and advise the Bank to stop payment if the cheque alleged to have been lost is presented thereafter and such intimation shall be sent within a day or two from the date on which information regarding loss of cheque comes to knowledge of Block Development Officer and acknowledgement regarding receipt of intimation is to be obtained from the Bank. A written confirmation about the bank having recorded the 'stop order' shall also be obtained from it. In cases where the currency of the cheque alleged to have been lost has already expired at the time when the request for recording 'stop order' by the bank is made, no acknowledgement of the 'step order' by the Bank other than Postal acknowledgement due is necessary. At the same time the Block Development Officer shall intimate the Treasury Officer concerned and obtain from him a certificate in the following form.

"Certified that cheque No.....dated..... for Rs.....

reported by the Block Development Officer to have been drawn on this treasury in favour of..... have not been paid and shall not be paid if presented thereafter".

(2) The Block Development Officer shall, on receipt of the duly signed certificate, enter the fact of loss, cancellation and issue of a fresh cheque against the original entry in the cash book and in the relevant counterfoil of the original cheque.

(3) The party requesting for a fresh cheque in lieu of a lost one shall execute an indemnity bond in Form No. IX.

(4) In case of a Government Department or a bank the execution of indemnity bond is not necessary but a fresh cheque shall be issued in its favour only on receipt of a certificate that it has not received the cheque alleged to have been lost or having received it has been lost and that it will be returned to the drawer if found later.

(5) On completion of requirements, stated in the foregoing paragraphs, the Block Development Officer may issue a fresh cheque in lieu of lost one under intimation to the drawal office:

32. The cash book of the Samiti shall be maintained by the Accountant in Form No. X. It shall be a substantially bound volume containing a sufficient number of pages to cover at least one year's transactions:

Provided that in the Samiti where transactions are heavy, two or more volumes may be maintained for recording transactions of one year. Each volume shall be carefully page numbered consecutively in print before being brought into use.

33. As soon as the **Pass** Book/Statement of account is received from the Treasury/Bank, the Accountant/Auditor of the Samiti shall compare and verify the entries in it with the duplicate chsHans and with the cash book to ensure that all remittances have been duly brought to account in the treasury/bank.

34. The entries in receipt side of the cash book shall be made from the details of bills, cheques and bank drafts drawn on the Treasury/Bank and Misc. receipt issued by Block Development Officers acknowledging receipt of the cash towards dues of the Panchayat Samiti. The entries in the payment side of the cash book shall be made from the details of the vouchers passed for payment and of the cheques and bank draft issued.

35. All cash transactions shall be entered in the cash book

36. (1) The Cashier shall make entries in the cash book with reference supporting documents and registers. The Accountant/Auditor shall check the recording of opening balance, entries in the receipt and payment side, closing balance and analysis of closing balance on the basis of supporting documents and registers. The Accountant/Auditor shall check admissibility of bills as per provisions of relevant rules and Government instructions.

(2) The Block Development Officer shall attest each entry in the receipt side and payment side after being satisfied about correctness of the entry with reference to supporting documents and registers.

(3) The Block Development Officer shall personally satisfy himself that—

(a) closing balance of the transaction of the previous day has been correctly carried forward as opening balance on the day of transaction,

(b) all cheques and bank drafts signed by him for drawal are presented into the treasury/bank and amount received is correctly accounted for in the P. L. Account/panchayat Samiti/other relevant cash book,

(c) payment from the Fund in shape of cheque, bank drafts and in cash is correctly noted in the cash book,

(d) closing balance is worked out correctly. The cash in hand, cash in shape of deposit and amount of advance is correctly worked out to determine closing balance,

(e) at the end of each month the Block Development Officer shall verify cash balance in the chest with the balance in the cash book and record signed and dated certificate to the following effect:

**CERTIFIED THAT THE CASH BALANCE HAS BEEN CHECKED AND FOUND
TO BE AS UNDER**

In case there is any difference between the physical cash balance and the balance as per cash book the same shall be explained:

Provided that the Chairman may also verify the cash balance wherever he desires.

37. (1) All cash of the Panchayat Samiti shall be kept in an iron chest under a double lock arrangement. Both the keys of the same lock shall not be kept in one person's custody and the keys of one lock shall be kept apart from the keys of the other lock and always in different person's custody. The chest shall never be opened unless both the custodians of the keys are present, the Block Development Officer shall be the custodian of one of the lock, the custodian of the second lock, being the cashier. Duplicate set of the keys shall be deposited in the Treasury in a sealed cover.

(2) The Panchayat Samiti may prescribe the limit up to which money may be held in the Samiti chest, subject to a maximum of Rs. 10,000:

provided that in case the Samitis whose headquarters are situated at a place where no Treasury or Sub-treasury exists, money may be held in the chest, subject to a maximum of Rs. 20,000.

38. The following procedure shall be followed for fetching or carrying money from/to Transaction. Treasury/Bank :—

(a) For total amount up to Rs. 5,000, the Peon may be allowed to carry the amount.

(b) For amount exceeding Rs. 5,000 and up to Rs. 25,000 the Peon should be accompanied by a ministerial officer who may be the Cashier or any other employee.

(c) For amount exceeding Rs. 25,000 and up to Rs. 1-00 lakh the Cashier may be authorised to receive the amount and he shall be accompanied by a Peon and two Class-III employees.

(d) For amount exceeding Rs. 1-00 lakh and up to Rs. 5-00 lakhs the Cashier may be authorised to receive the amount and he shall be accompanied by a peon, two Class-III employees and Block Development Officer himself.

(e) For amount exceeding Rs. 5-00 lakhs special arrangement as envisaged in Orissa Treasury Code, Volume-I shall be made for safe carrying of Government money.

NOTE—The vehicle available in the Block or a hired vehicle should invariably be provided for fetching or carrying of money from Bank to office or vice versa for amount exceeding Rs. 25,000.

39. (1) Whenever any loss of money, stores or other properties by embezzlement, theft, fire or otherwise is noticed, the Block Development Officer shall forthwith report the facts to the Examiner of Local Fund Accounts, Orissa and Collector of the district and to the Administrative Department. The Block Development Officer shall lodge F. I. R. in Police-station regarding loss and keep Chairman informed about it. He shall, after making a full enquiry with respect to such loss, submit to the said officers a complete report showing the total sum of money or the value of stores or other property lost, the manner in which such loss occurred and the steps taken by him to recover the money, stores or other properties lost and to punish the offender, if any.

(2) Collector of the district receiving a report under sub-rule (1) shall forward it forthwith to Government with his remarks, if any. He shall also submit a detailed report, after completing such departmental investigation as may be necessary or expedient, on the causes or circumstances which led to defalcation or loss, the steps taken to prevent its re-occurrence and the disciplinary or any other action proposed as against the person(s) responsible.

(3) No mon'jy, stores or other property lost by embezzlement, theft, fire or otherwise shall be written off from the accounts except with the sanction of the Government.

Provided that the Samiti shall be competent to sanction the write off of loss of money or the value of stores or property not exceeding Rs. 500 subject to the following condition:—

(a) That the loss does not disclose a defect of system the amendment of which requires the order of Government and (b) that there has not been any gross negligence on the part of any individual officer or officers which might possibly call for disciplinary action or in respect of which action could be taken under Section 9 of the Orissa Local Fund Audit Act, 1948 (Orissa Act V of 1948).

40. Advances to Contractors and Executants under any scheme is prohibited. Exceptions are however permitted in rural employment and poverty alleviation programmes as per specific scheme guidelines approved by Government.

41. When an advance is drawn under rule 40, following procedure shall be followed, namely: —

(a) No advance shall be given if previous advance for the same work/supply is outstanding;

(b) A second advance for any work shall not be granted until the first advance has been accounted for;

(c) Money shall not be advanced unless there is reason to believe that the work for which money is required will be completed and paid for within the same financial year;

(d) Officer granting advance shall be held responsible for any over payment, which may occur in consequence; (e) The advance granted for one purpose shall not be diverted to other purposes;

(f) Advance shall be regularly and promptly adjusted;

(g) Any unspent balance of an advance shall be immediately refunded; and

(h) Payment of advances shall not be exhibited as final expenditure in the cash book.

42. (1) Payment of advances in first instance shall be entered in the Cash Book Recovery as a red entry in the inner column of expenditure side of the cash book. But such items of advances, shall not be added to the other items of expenditure and shall form no part of the total expenditure. All advances shall be noted in the Register of Advances in Form No. XI.

(2) Recovery of advances when made from the bill of the contractor/executant Or other individual's bill shall be passed by the Block Development Officer in the same manner as other bills are passed. The pass order shall run thus—

Passed for Rs.....Pay Rs....., _____Rs.....by credit to—

(i) Work concerned (cost of material advance, secured advance) Rs.

in cash/cheque and adjust

(ii) Miscellaneous deposit (Security deposit, etc.) Rs.....

iii) Other works (for recoveries in respect of other works) Rs.

Amount adjusted shall be exhibited in the cash book if advance is adjusted by way of refund of cash, such recovery shall be exhibited in the inner column of receipt side of the cash book in red ink but the same shall not be added to the other items of receipts and shall form no part of the total receipts.

(3) Payment of advance and recovery of advance shall be watched through register of advances, cash book and register of works.

43. At the close of every quarter a list in Form No. XII shall be prepared for outstanding advances. The correctness of the list shall be provided in the following manner.—

balance at the end of previous quarters,

add advance granted during the quarter,

deduct, advances adjusted or recovered during the quarters,

balance outstanding at the end of the quarter.

The register of advance shall be annually checked by the Block Development Officer and attested with signature and date.

44. All sums of money received by way of Security Deposit from contractors/ executants or others and all sums received which are not the property of the Samiti and have been placed with the Samiti authorities for a temporary period only, shall be entered on the credit side of the Deposit Ledger in Form XIII. Such receipts when in cash shall be recorded in the cash book. The cash so received shall be paid into the Treasury/Bank. All other forms of security, such as Government paper bonds and the like shall be recorded in a register in Form No. XIV. When the security is refunded the depositor shall give receipt acknowledging refund of security.

45. (1) A register of Government and other securities held by Samiti as its property shall be maintained in Form No. XV. This will show all investments belonging to the Samiti, the purpose for which each is held and orders of Government, if any, being quoted against each. No investment shall be written off this register unless disposed of absolutely by sale of otherwise

(2) The securities of the Samiti shall be under the custody of the Block Development Officer and shall be verified by the auditor at the time of audit,

(3) The above register will also show the interest due and the realizations on account of it from time to time. Care shall be taken to ensure that the amounts due are realised on due dates and that there are no outstanding Investments exempted from income-tax shall be indicated in the remarks column of the register together with the authority therefor.

(4) None of these investments, other than those made out of the general balance shall be disposed of except for the specific purpose for which they are made, if any, investments are made under the orders of Government they shall not be disposed of without the sanction of Government. No portion of the general balance of the Samiti can be invested without the special sanction of the Government who will decide as to the necessity for investment in each instance with reference to the general Principal that such investments are permissible in the following cases only:

; (a) When it is Proposed to create sinking funds for the repayment of debts; (h) When some large project is in contemplation for which it may be desirable gradually

to save and invest a part of the proceeds of ordinary taxation.

(c) When no large project is in contemplation but the Samiti has no particular to which it can be immediately applied.

46- The Panchayat Samiti shall not contract loan except with the approval of Government. The transactions in regard to any loan contracted by a Samiti shall be recorded in Form No. XVI.

47. (1) An appropriation register shall be kept in Form No. XVII to watch the appropriation of funds raised by loan to the purposes for which the loan has been taken-

(2) The expenditure shall be posted monthly from the appropriate register and without the sanction of Government previously obtained, the balance shall not be appropriated even temporarily to any object other than that for which the loan was raised.

48. Loans granted to the Panchayat Samiti by the State Government shall be the first charge on the fund and the Panchayat Samiti shall make payment in instalments and interest, if any, regularly on the due dates failing which the State Government may adjust the amount due, out of the grant-in-aid payable to it or take other suitable steps to recover the money.

49. A proper record of all immovable properties in the possession of the Samiti shall be kept in Form XVIII.

50. (1) If any plot of land shown in the register is sold or is otherwise transferred from the possession of the Samiti the entry for it shall be struck off and the facts in connection with the transfer shall be recorded in the column for remarks under the initials of Block Development Officer.

(2) The register shall be usually checked and attested with his signature and date by Block Development Officer and

51. Separate register, in Form No. XIX, shall be maintained to show the details of each source from which periodical Samiti revenue is derived for which there is a fixed monthly quarterly, half-yearly or annually demand.

NOTE -Each source of miscellaneous revenue, when not managed Khas, shall ordinarily be leased by auction to the highest bidder after due publication of the auction by Block Development Officer who shall execute the agreement with the lessee for important leases and the agreement shall be registered. For petty leases Block Development Officer should mention on the receipt the terms and conditions of the lease and shall keep a duplicate of it. If the highest bid be not accepted, the reasons for non-acceptance shall be reduced to writing and accepted by the Chairman.

52. When all the accounts, arrears as well as current, have been posted *and* checked by the Block Development Officer, column 10 of the register shall be ticked and signed by him.

Payments

53. The Payments made in satisfaction of the demand shall be posted in column 17 daily.

The entries shall be made by the cashier and checked by the Accountant/ Auditor from the challans and when all the receipts have been posted they shall be totalled-

Security

54. The security deposit which shall be one-fourth of the annual rent, shall be taken in deposit. In satisfaction of the demand for the last three months of the year in which the lease expires,

and shall be transferred by adjustment from 'Deposit' or 'Rent' and entered in the register by adjustment in column 17. Such credits in the register may be made in red ink to distinguish them from cash payments made during the same month.

Refund

55. If any part of the deposit has been taken as a fine for non-fulfilment of contract,

the balance may be taken in part satisfaction of the demand during the last three months of the year and if on the 31st March the deposit or balance shall be more than what is required to cover the demand, the balance shall be refunded in cash to the lessee. But in no case, can any sum be removed from deposit and transferred to another.

Stamps

⁵⁶⁻ Each Samiti shall keep proper accounts of stamps in Form No. XX and stationery in Form No. XXI and balances shall be periodically verified by the Block Development Officer.

57. Panchayat Samiti shall render such accounts and Samiti such returns to the State Government and other offices as have been prescribed in these rules or may be provided in the conditions relating to the grants.

58. The Panchayat Samiti shall send to the State Government a review of expenditure in respect of various schemes for which grant-in-aid has been received during a financial year in the month of April every year.

59. In cases where conditions are attached to the utilisation of a grant specifying the particular object of expenditure or the time within which the money must be spent, it shall be the responsibility of the Panchayat Samiti to see that the money is well spent and the Block Development Officer shall secure and furnish the utilisation certificates in fulfilment of these conditions.

60. For every motor vehicle belonging to the Panchayat Samiti a log book on Form No. XXII shall be maintained. The instructions issued by Government from time to time shall be followed with regard to the use of vehicle.

61. The blank receipt books must be kept under lock and key in the personal custody of the Block Development Officer.

62. Before a receipt book is brought into use, the number of folios contained therein shall be counted and the result recorded in a conspicuous place in the receipt book over the signature of the Block Development Officer. Counterfoil of used receipt books, shall be kept in his personal custody. The account of the receipt and issue of receipt books will be separately maintained in the stock register.

63. All Cheques and drafts received shall be noted in a register on Form No. XXIII.

64. All deposits which if possible, shall be noted in a register on Form No. XXIV. 65. The Block Development Officer and the store-keeper shall be responsible for the custody of stores and their safety for which necessary arrangement shall be made by the Block Development Officer to keep them in efficient and good condition protecting them from loss, damage and deterioration. When the stores have become useless or obsolete, or are rendered surplus and cannot be put to any profitable use a survey report shall be prepared by the Block Development Officer and submitted for sanction of write off. The Officers entrusted with the custody of cash or stores shall furnish such security as prescribed for the Officers for the State Government by the State Government.

66. Store shall include all items of expendable and issuable nature as also dead stock of non-consumable nature purchased or acquired for use in the service of the Panchayat Samiti.

67. (i) Purchase of stores must be made in the most economical manner in accordance of the requirements. Stores shall not be purchased in small quantities. At the same time care shall be taken not to purchase stores much in excess of actual requirements. All stores received shall be examined, counted, measured or weighed while taking delivery and a certificate having received them in full and in good condition shall be given on the firms Bill/Invoices by the official receiving stores. No bill shall be passed for payment without such certificate. On the body of the bill, reference to measurement book number and page and reference to page and item of stock register shall be mentioned.

68. (1) district shall have a Tender Committee/Purchase Committee consisting of of stores. the following members: —

- (1) Collector .. Chairman
- (2) Executive Officer, Zilla Parishad .. Member-Convenor
- (3) Executive Engineer, Zilla Parishad .. Member
- (4) Executive Engineer of R. & B. .. Member
- (5) Executive Engineer, Rural Works .. Member

Organisation.

- (6) General Manager, District Industries .. Member Centre.
 - (7) Two Block Development Officers to be .. Member
- nominated by the Collector of the district.
- (8) Any other Officer having technical .. Member
- expertise may be co-opted.

(2) (a) Executive Officer of the Zilla Parishad shall invite tenders annually for purchase of materials and committee constituted under sub-rule (1) shall take a decision indicating the supply and the rate in respect of each item of materials for each Block separately including transportation charges. As and when the Block Development Officer requires such materials, he shall place orders directly to such supplier at the rate determined by the Tender Committee. Normally the rate approved by the Tender Committee shall be valid for one year. If considered necessary, the Committee can invite fresh tenders before expiry of one year.

(B) Block Development Officer shall purchase store materials as per material procurement plan. No purchase order shall be placed for materials of any category unless 90% of the total materials available in the previous quarter is fully utilised and bills adjusted.

(c) Any purchase exceeding rupees two lakhs shall require prior approval of Collector.

Purchase of

(3) (a) The Block Development officer shall assess the requirement of forms and stationery for one financial year. First he will try to get the forms and stationery from the Director of printing, Stationery & Publication. If the Director, Printing, Stationery & Publication cannot provide forms and stationery such articles may be purchased from firms approved by Director of Supplies & Disposal, Government of India or the Director, Export Promotion & Marketing, Government of Orissa and from the Co-operative Agencies duly registered under Orissa Co-operative Societies Act.

(b) In making purchases of forms, stationery and office furniture from sources other than specified in sub-clause (a) above sealed tenders shall be invited for purchases exceeding Rs. 250 and not exceeding Rs. 20,000 by giving wide publicity in the notice board of own office including Ore ma Panchayat Offices. In case of purchase of forms, stationery and office furniture exceeding, Rs. 20,000 sealed tenders shall be invited by giving wide publicity through the local dailies.

(c) For standardized articles of stores and stock like medicines, instrument, fertilizers, implements, live stock and other materials of technical nature, purchases shall be made from or through the concerned Government Department.

69. A physical verification of stores shall be carried out at least once in each six months -by the Block Development Officer/Additional Block Development Officer and in token of his having done so, he shall record a certificate and make note of any other fact regarding excess shortage, unusual depreciation of stores, etc.

70 Stores shall be issued on jobs or works pertaining to the Samiti only on the indents of officials concerned, and in no case, any private sale or other kind of business shall be carried out of these stores.

71. A stock book shall be maintained in Form No. XXV-A separate page shall be allotted to each article and entries made as and when articles are received of issued and balances struck out.

72. (1) Every Panchayat Samiti shall maintain a list of registered contractors, who shall be eligible for submitting tenders to the Panchayat Samiti for any work to be executed, by the Panchayat Samiti.

(2) Any person desirous of registering himself as a Panchayat Samiti contractor, shall apply to the Block Development Officer in writing, stating his qualification and previous experience along with a certificate of solvency from a competent Revenue Officer for not less than rupees one lakh. The Block Development Officer, after making enquiries shall, place such application before the Panchayat Samiti for obtaining approval of the Samiti to enlist the applicant as a contractor. The order of the Samiti on such application shall be communicated to the applicant.

(3) an applicant having a diploma or degree in Civil Engineering—

(a) need not produce a certificate of solvency and may be registered on application; and

(b) may be exempted from payment of earnest money and one per cent initial security deposit.

(4) The Panchayat Samiti may delete any one's name from the list of contractors if the work of the contractor is found to be unsatisfactory and such fact shall be communicated to the person concerned.

(5) Every Panchayat Samiti shall maintain a Register of Village Committee leaders/ executives who are empanelled for execution of works in the Panchayat Samiti.

73. Government may direct execution of any work or works of the Panchayat Samiti—

(a) through contractor;

(b) departmentally without engaging contractors; or

(c) through any other specified agency.

74. (1) All procedures for inviting and accepting tender and execution of agreement invitation & as adopted in the Public Works Department of State Government shall be followed in the acceptance cases where works are executed through contractors. The Contractors shall use Forms XXVI to XXVIII while submitting tenders.

(2) All tenders received in respect of a work shall be placed before the Panchayat Samiti for their consideration and acceptance-

(3) (a) When no contractor comes forward to submit tender for any work, the Block Development Officer shall place the matter before the Panchayat Samiti. The Panchayat Samiti, after taking the matter into consideration, may direct the Block Development Officer to get the work executed departmentally.

(b) The lowest responsive tenderer from among the persons who have submitted tenders, shall be entrusted with execution of the work:

Provided that when the tender rate is less than the estimated cost, the committee reserves the right to award the work to the contractor whose rate is within 5% excess of the estimated cost after being satisfied that the rate quoted by the other contractors are not workable.

(c) In case the tender finally accepted is not the lowest of the tenders received, the Panchayat Samiti shall record the reason for accepting the tender other than the lowest one.

(d) On finalisation of tender, order will be issued in Form No. XXIX for execution of agreement. The agreement shall be executed in Form No. XXX

(e) When the work is executed through an agency other than contractor the agreement shall be executed in Form No. XXXI.

/ 75. No work shall be commenced or liability incurred in connection with any until—

(a) panchayat Samiti has approved the execution of the work;

(b) to meet the expenditure during the same year;

(c) Administrative approval has been obtained from the competent authority; and

(d) Technical sanction has been obtained from the competent authority :

Provided that when fund is received from Government or any other authority authorised by Government, for execution of specified work/works, Panchayat Samiti shall execute the work/works in accordance with the terms and conditions imposed by Government or the authority so authorised by Government;

Provided further that in case of an emergency arising out of damages caused by drought, fire, cyclone and such other natural calamities, works may be executed on the specific orders of the Chairman of the Samiti, who shall report the action so taken to the Samiti at the next meeting.

76. (1) The extent of powers to accord technical approval to plan and [estimate relating to all works executed under these rules shall be as specified in the table below ; —

TABLE I

Designation of Technical Officer	Financial Limit
Junior Engineer	Upto Rs. 2 lakhs Assistant Engineer
Executive Engineer	
Superintending Engineer, panchayati Raj Department	Chief Engineer
	Above Rs. 2 lakhs
Upto Rs. 5 lakhs	Above Rs. 5 lakhs
Upto Rs. 10 lakhs	Above Rs. 10 lakhs
Upto Rs. 50 lakhs	Above Rs. 50 lakhs

(2) In case of cross drainage works, other than hume pipe culverts, before plans and estimates are prepared by Junior Engineer or Assistant Engineer, the design shall be approved by the Executive Engineer.

/3) The extent of powers to accord administrative approval to plan and estimate relating to all works executed under these rules shall be as specified in the table below: —

TABLE -II

Authority
Block Development Officer Chairman of Panchayat Samiti
Collector- of the district
Extent of power
Upto Rs. 5 lakhs Above Rs. 5 lakhs
Upto Rs. 10 lakhs Above Rs. 10 lakhs

(4) A register of estimates shall be maintained in Form No. XXXTI so also a register in form No. XXXIII shall be maintained to keep the records of administrative approval accordingly.

77. (1) Plan and estimates for all works shall be prepared by Engineering staff of the Panchayat Samiti for obtaining technical sanction of competent authority.

(2) The estimate for a work will consist of a report, a design wherever necessary, a specification and a detailed statement of measurements, quantity and rates quantity of materials and their rates and cost, with an abstract showing the total estimated cost of each item. In case of repairs or maintenance, details of existing structures shall be indicated.

(3) Provision shall be made for recovery of 3 per cent of estimated cost of the work towards departmental charges in respect of works for which funds have been received from departments other than panchayati Raj Department:

Provided that no departmental charges shall be recovered in respect of works for which other departments have provided funds in the Budget of the Panchayati Raj Department.

(4) The Junior Engineer of the Panchayat Samiti shall give a certificate as under—

"Certified that I have personally visited the spot and prepared the estimate using the sanctioned Schedule of rates and providing for the most economical and safe way of executing the work."

(5) Every estimate shall be scrutinised and technically sanctioned by the appropriate authority and copy of the estimate so sanctioned shall be sent to the next higher technical Authority. Higher technical Authority shall examine the estimates received from subordinate office and issue necessary instructions for rectification of defects, if any.

(6) The Block Development Officer shall see that sanctioned cost is not exceeded for execution of a work. He shall take step to get the estimate revised before incurring any expenditure in excess of sanctioned cost. The excess within 10% of the sanctioned estimate

maybe approved by the authority who Sanctioned the estimate provided the total cost does not exceed his power of sanction.

78. For the purpose of administrative approval and technical sanction, a group of works which forms one project shall be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works shall not be avoided by the fact that cost of each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto.

79. (1) Every officer in charge of a work shall ensure that work is carried out according to approved estimate. While executing works instructions given in Chapter 9 of the Orissa General Financial Rules, Volume-I shall be followed unless they are inconsistent with these rules.

(2) The Assistant Engineer shall supervise not less than 10% of the total number of works, the estimates of which have been prepared by the Junior Engineer working under his technical control.

80. (1) Measurement of works done or supplies made, shall be kept on record in the printed measurement books in Form No. XXXIV. These shall be maintained by the Engineering Staff of Panchayat Samiti. For speedy execution of the work and adjustment of the advances, measurement of works done departmentally or by the contractors/executants shall be recorded at the end of each month for preparation of running account bills. When the work is completed, final measurements shall be recorded immediately after completion and check measurement shall be recorded without delay. All the measurement books shall be made available for inspection and check during local audit. In no case shall the final bills be prepared and paid before the work is completed. The completion certificate in Form No. XXXV shall be signed by the Block Development Officer and attached to the final Bill.

(2) All measurement books shall be numbered serially in a register which shall also show the names of officers to whom the books are issued and the date of issue and the date of return so that eventual return to the Block Development Officer may be watched. Books no longer in use, though not completely written up, should be promptly returned to the Block Development Officer. The procedure regarding maintenance and preservation of measurement books obtaining in Public Works Department shall be followed.

81. (1) All works shall be measured by Junior Engineer. In the event of the post of Junior Engineer lying vacant in a Block, the Assistant Engineer will undertake measurement of all works in the Blocks or the Collector may authorise any other Junior Engineer to discharge the functions of the Junior Engineer of the concerned Block.

(2) In a Block where the Assistant Engineer is not posted, the Officer shall check-measure all the works in respect of which the accorded technical sanction.

(3) In a Block where the Assistant Engineer is posted, the Assistant Engineer shall check-measure all the works in respect of which Junior Engineer has accorded technical sanction.

(4) The Collector may authorise Assistant Engineer of other Department to check-measure works in respect of which Junior Engineer has accorded technical sanction when the post of Assistant Engineer remains vacant.

(5) The Assistant Engineer shall check-measure every work in respect of which he has accorded technical sanction. The Executive Engineer shall check-measure at least 10% of works, the estimates of which have been technically sanctioned by the Assistant Engineer.

(6) The Executive Engineer shall also check-measure not less than 10% of every work, the estimate of which has been technically sanctioned by him.

(7) The Chairman of the Panchayat Samiti shall have power to ask for re-check of the works already check-measured before the payment of the final bill. In such case, the technical

authority next higher to the authority who had earlier done the check-measurement shall carry out the re-check and in case of work check-measured by the Block Development Officer, the Executive Engineer shall do the re-check:

Provided that a work shall not be split up so as to avoid check-measurement by the Assistant Engineer or the Executive Engineer, as the case may be.

/ 82. (1) In carrying out work departmentally, by contract and through any other /specified mode, the Schedule of rates to be applicable for works of the Panchayat Samiti shall be determined by Government by a general or special order.

(2) In case it is felt necessary to allow rates over and above the Schedule of rates, the Collector concerned, may allow such rates over and above Schedule of rates as deemed expedient, through such procedure as fixed by Government.

(3) All such rates allowed by the Collector shall have effect only for the financial year or such period within the financial year as fixed by him. Such rates may be renewed by the Collector from time to time.

83. Application for extension of time for the completion of the work on the ground of unavoidable hindrances shall be submitted to the Block Development Officer within 30 days of such hindrances in work. If the execution of work has been delayed due to reasons attributed to the Department, extension of time not exceeding the original contractual period may be allowed by the Block Development Officer. If the extension of time required exceeds the original contractual period, approval of the Collector for extension of time may be obtained. If the reasons of delay are attributable to the contractor after allowing an opportunity of being heard the contract shall be closed, with levy of penalty not exceeding 10% of the agreement value.

84. (1) Any increase/decrease over/below the Schedule of quantities appended to the tender during execution shall be carefully investigated into by the Junior Engineer with a view to determine the financial implication of such variation on the relative position of lowest tender. If due to wide variation during execution, the relative position of the lowest tender stands changed subsequently, the work may ordinarily be closed and the balance work executed under a separate contract following the usual procedure.

(2) For rescinding the contract, a notice may be issued to the contractor intimating the date on which measurements of work done by him are to be recorded in his presence. On the date so fixed measurement shall be recorded in the presence of the contractor or in his absence, in the presence of witnesses and the final bill relating to works done is to be finalised on the basis of measurements so recorded.

(3) In case of works which are executed through agency other than contractors, the procedure enumerated in sub-rule (1) shall be followed for rescinding the work orders if the works are not executed as per agreement.

85. (1) Payments for all works done by contract/agreement shall be made on the basis of measurements recorded in Measurement Books. A muster-roll in form No. XXXVI shall be prepared for works done by daily labour. Form No. XXXVII or XXXVIII, as the case may be shall be, used for payment to contractors/executants. The rules regarding the preparation and check of these documents as prescribed in Chapter X of the Central Public Works Account Code shall be followed.

(2) The provisions of Appendix 8 to the Orissa General Financial Rules Volume I shall be applicable for enforcement of contracts/agreement for works.

86. After payments of grant-in-aid/allotment to the Samitis, it will be the responsibility of the Samiti to appropriate funds from out of the total grant and keep a suspense account for purchase of materials for execution of works. No additional funds can be placed with the Samitis for this purpose. Materials as per requirement during the next three months shall be assessed and Purchases effected accordingly by payment from this suspense account. The materials issued to

different works shall be adjusted at the end of each fortnight, i.e. twice a month by debit to the works concerned and credit to suspense account without waiting for recovery from the executants and contractor. Recoveries shall be watched, through the contractor's ledger and Register of works and when recovered, shall be credited to the works concerned in the manner prescribed in sub-rule (2) of rule 42 of these rules.

87. In respect of works and schemes, the contribution required from the people to the extent fixed by Government by orders issued from time to time shall be realised from the people or from the Panchayats, as the case may be, for execution or implementation of such works or schemes.

88. The procedure for preparation non-official members shall be as follows :
and encashment of travelling allowance, bills of

(a) The members of Samiti including the Chairman and Vice-Chairman shall furnish particulars of tour made in a month by the 5th of the subsequent month to the Block Development Officer.

(b) Travelling allowance bills for the members of Samiti shall be prepared in the office of the Samiti under the supervision of the Block Development Officer in form No. XXXIX and the Block Development Officer shall send the bills to the members of the Samiti for signature and return to the Block Development Officer.

(c) Bills of the members including the Vice-Chairman of the Samiti shall be countersigned by the Chairman of the Samiti before encashment and the Chairman of the Samiti shall countersign higher order travelling allowance bills.

(d) Every member shall furnish the necessary certificate on the bill.

(e) The Block Development Officer shall pass the bill for payment after it has been received by him from the members including the Chairman and Vice-Chairman after signature.

89. The provisions of Orissa Local Fund Audit Act, 1948 shall apply in regard to the Audit of Samiti Fund.

90. The Chairman of a Samiti may stop any Payment by the Block Development Officer for reasons to be recorded in writing and place the matter before the Samiti or the Standing Committee concerned.

91. The Chairman of the Samiti shall not authorise any payment in contravention of the provisions of the Act, rules or orders issued in this regard.

92. If any question arises as to the interpretation of these rules, the same shall be referred to Government for decision.

93. The Government may, from time to time, issue such administrative instructions, as occasion may require for:—

(i) smooth implementation of these rules, and

(ii) removal of any doubt or difficulties arising out of implementation of these rules.

94. The Orissa Zilla Parishad and Panchayat Samiti Accounting Procedure Rules, 1961, are hereby repealed.

Provided that notwithstanding such repeal anything done or any action taken under the rules so repealed shall be deemed to have been done or taken under corresponding provision* of these rules.