

# **ACCOUNTING PROCEDURE**

- **GOVERNMENT SERVANTS ARE BINDED BY**
- **LAWS**
- **ACTS**
- **CODES**
- **RULES**
- **ORDERS**
- **INSTRUCTIONS, GUIDELINES.**

# **ACCOUNTING PROCEDURE**

- **RULES ARE FOR OFFICE PROCEDURE**
- **CONSTITUTIONAL LAWS**
- **ACTS**
- **CODES**
- **FINANCIAL RULES( FINNCIAL CODES)**
- **RECEIPTS AND PAYMENTS RULES.**
- **TREASURY CODES**
- **DEPARTMENTAL MANUALS**

# **ACCOUNT CODES**

- **Accounts Code comprises**
- **the Comptroller and Auditor General's Rules issued**
- **in the new Account Code (Updated upto 8/2014) together with 'Local Rulings' relating to local variations in accounts procedure.(, Article 43 and the Note and Article 59. The rules and orders issued by the State Government on such subjects have been incorporated as "Local Rulings" under the relevant Articles).**

# ACCOUNT CODES

- **The Comptroller and Auditor General's Account Code divided into four volumes,**
- **Volume – I – General Principles and Methods of Accounts,**
- **Volume – II – Treasury Accounts,**
- **Volume – III – Departmental Accounts, and Volume – IV – Accounts kept in Accounts Offices.(Not incorporated in state account codes)**

# **ACCOUNT CODES**

- **Volume IV of Comptroller and Auditor General's Account Code is not included in the Andhra Pradesh Account Code, as it contains only instructions regarding the maintenance of Accounts in Accounts Offices**
- **. The Andhra Pradesh Account Code is, therefore issued in three Volumes,(Volume 1 2 3)**
- **which correspond to the first three of the Comptroller and Auditor General's Account Code.**

# **ACCOUNT CODE Volume 1**

- **Comprises Articles 1 to Article 85**
- **Comprises Chapter 1 to chapter 6**
- **Appendix 3**
- **Appendix 1 and 2 (Deleted)**

# **ACCOUNT CODE VOLUME II**

- **PART 1 TREASURY ACCOUNTS (ARTICLE 1-3)**
- **PART 2 CLASSIFICATION OF TRANSACTIONS IN TREASURY ACCOUNTS ARTICLE( 4-127**
- **GENERAL DIRECTIONS, ACCOUNTS OF DEPOSITS, ACCOUNTS OF RBI REMITTANCE,**
- **ACCOUNTS RETURN TO BE RENDERED BY TREASURIES, FORMS**

# **ACCOUNT CODE VOLUME III**

- **PUBLIC WORKS AND FOREST ACCOUNTS**
- **(ARTICLE 1- 297)**
- **GENERAL(1-9)**
- **CLASSIFICATION OF PUBLIC WORKS RECEIPT EXPENDITURE(10-78)**
- **ACCOUNTS KEPT AT PW OFFICES(79-90)**
- **STORE ACCOUNTS (91-104)**
- **TE AND REV(105-116)**
- **WORKS ACCOUNTS(117-154)**



# **ACCOUNT CODE VOLUME III**

- **MANUFACTURE ACCOUNTS(155-172)**
- **WORKSHOP ACCOUNTS(173-179)**
- **TRANSACTIONS WITH OTHER DIVISIONS  
DEPARTMENTS AND GOVERNMENTS(180-203)**
- **ACCOUNTS RETURN RENDERED BY PW  
OFFICERS(204-239)**
- **FOREST ACCOUNTS(240 TO 297)**
- **APPENDICES 3 AND FORMS**

# **ACCOUNT CODE Volume 1**

- **Chapter I (Article 1 to 6)**
- **Functions of the Comptroller and Auditor-General in relation to Accounts**
- **Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971**
- **Special Provisions Relating to Railways, Posts, Telecommunications and Defence Dept.**
- **Appropriation Accounts**

# ACCOUNT CODE Volume 1

- **Chapter 2 ( Article 7 to 20)**
- **General Outlines of the System of Accounts**
- **Consolidated Funds, Contingency Funds and Public Accounts of India and of the States**
- **Account of the Central and State Government with the Bank**
- **Transactions of other Governments in State Treasuries**
- **State transactions in Central Treasuries. General Outlines of the System of Accounts.**
- **Accounts between different Account Circles**
- **Annual Finance Accounts of the Central and State Governments**
- **General Principles and Methods of Accounts, Proforma Accounts**
- **Journal and Ledger**

# **ACCOUNT CODE Volume 1**

- **Chapter 3 ( Article 21 to 54)**
- **General, Period of accounts**
  
- **Cash basis of Accounts**
- **Currency of accounts**
- **Forms of Accounts**
- **Main Divisions of Accounts**
- **Sectors and Sub-sectors of Account**
- **Classification of Expenditure as 'Charged or as 'Voted'**
- **Major, Minor and Detailed Heads**
-

# **ACCOUNT CODE Volume 1**

- **Classification of transactions in Accounts**
- **General Limitations**
- **General Principles of Classification**
- **General Principles of Expenditure between “Capital and Revenue”**
- **Important General orders Governing Classifications**
- **Pay and Allowances (other than Traveling Allowances) of Government servants**
- **Travelling Expenses**
- **Expenditure on Public works**
- **Contribution made by or to Government**
- **Refunds of Revenue**
- **Classification of Transactions under “Civil Advance**

# ACCOUNT CODE Volume 1

- **Classification of Transactions under “Suspense”**
- **Exchange in respect of Transactions in England and the Missions Abroad**
- **Important special orders governing classification of certain individual Transitions Cost of acquisition of land**
- **Sale proceeds of Government Land Buildings.**
- **Municipal Rates Taxes**
- **Cost of Survey of India and other Scientific Parties accompanying a military expedition**
- **General Methods Accounting**
- **Accounting for transactions pertaining to more than one major heads of account.**
- **Recorded of capital expenditure in accounts.**

# **ACCOUNT CODE Volume 1**

- **Accounting for transactions relating to Schedule areas.**
- **Accounting for losses - Exhibition of recoveries in Government Accounts**
- **Accounting for Recoveries of Over Payments.**
- **Accounts of Government Commercial Departments or Undertakings**
- **Working expenses of commercial departments**
- **Transactions with other Government and Account Circles**
- **Rectification of misclassification**
- **Writes-off from Balanced heads to'**

# **ACCOUNT CODE Volume 1**

- **Chapter-4 (Article 55 to 71)**
- **Directions regulating Inter Departmental Transfers**
- **Adjustments between Governments**
- **Adjustments with Foreign Governments, outside bodies etc.**
- **Inter-Departmental Adjustments**



# **ACCOUNT CODE Volume 1**

- **Chapter 5**
- **Directions regulating the Exhibition of Recoveries of Expenditure in Government Accounts**
- **Introductory Recoveries from Private Persons or Bodies and Governments Outside India**
- **Recoveries by one Government from another.**
- **Classification of Recoveries made by one Department from another department of the same Government**
- **Receipts and Recoveries on Capital Account.**
- **Settlement of Doubts or Disputes**

# **ACCOUNT CODE Volume 1**

- **Chapter-6 ( Article 72 to 85)**
- **Directions Regulating the Exhibition of Losses in Government Accounts**
- **Receipts**
- **Buildings, Lands, Stores and equipment.**
- **Cash in Hand, whether in Treasuries or in Departmental Charge.**
- **Irregular or Unusual Payment**
- **Inevitable losses**
- **.**
- **Exhibition of Losses in Appropriation Accounts.**

# ACCOUNT CODE Volume 1

- Article 1.
- **Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971**
- **Article 149 of the Constitution, ( duties and exercise powers in relation to the accounts of the Union and of the States )**
- **Section 10 to 24 of the act.**

# ACCOUNT CODE Volume 1

- **Section 10. compiling the accounts of the Union and of each State and union.**
- **Section 11. from the accounts compiled by him or by the Government or any other person responsible in that behalf prepare in each year annual accounts(finance and Appropriation Accounts) laid before parliament or legislature.**
- **Section 12. provide information to state or union in relations to accounts and assistance as asked for**

# **ACCOUNT CODE Volume 1**

- **Section 13 to 17 19 20 23 24: relating to Audit (different wings viz civil commercial expenditure receipt companies local bodies corporations)**
- **Section 18: authority to inspect any office accounts ask records in this regards**
- **Section 21: power to delegates to officers by orders**
- **Section 22: power to make rules for accounts**

- **Article 2 Deleted**
- **3 Articles of the Constitution(150) to be kept in view in devising the form of Accounts**
- **Article 4:**
- **Special Provisions Relating to Railways, Posts, Telecommunications and Defence Department**
- **Article 5. Appropriation Accounts**

# **ACCOUNT CODE Volume 1**

- **Article 6: deleted**
- **Article 7: Consolidated Funds, Contingency Funds and Public Accounts of India and of the States**
- **Article 8. cash balances in the separate ‘Consolidated Funds or Contingency Funds and Public Accounts of India and of States’ are kept with the Bank**
- **Article 9: Account of the Central and State Government with the Bank**

# **ACCOUNT CODE Volume 1**

- **Article 10. Each office or branch of the Reserve Bank or the State Bank of India acting as agent of the Reserve Bank, shall keep a separate account of cash transactions undertaken by it on behalf of the State Government with in whose area it is situated.**
- **Article 11. Each branch Of the State Bank of India transacting Government business as agent of the Reserve Bank classifies the daily receipts and disbursements on behalf of Government in two groups, Central and State,**



# **ACCOUNT CODE Volume 1**

- **Article 12. Complete accounts of the Central Government and each of the State Government with the Bank shall be maintained by the Central Accounts Section of the Reserve Bank at Nagpur which shall also act as a General Clearing House for the adjustment of (i) all transactions between different State Governments and (ii) such transactions between the Central and State Governments as may be specified by the Central Government.**

# **ACCOUNT CODE Volume 1**

- **Article 13: Transactions of other Governments in State Treasuries**
- **Article 14: State transactions in Central Treasuries.**
- **Article 15: General Outlines of the System of Accounts.**
- **Accounts compiled by AG**

# **ACCOUNT CODE Volume 1**

- **Article 16: Article 16: Accounts between different Account Circles**
- **By sending advices to the Central Accounts Section of the Reserve Bank of India, Nagpur by the Accounts Officers concerned to the increase/decrease the balance of the Government concerned per contra decrease/increase of the other Government, with reference to the vouchers, Schedules or other particulars of Inter-Government transactions. These are initially treated generally as “Remittance transactions” by the Civil Accountants General.**
- **(ii) By actual cash settlement through cheques/demand draft being exchanged between the Accounts officers concerned, keeping initially the amounts under ‘Suspense’ pending clearance of the same on realization of proceeds of such cheques/drafts.**

# **ACCOUNT CODE VOLUME 2**

- **DEALS WITH TREASURY ACCOUNTS**
- **CONTAINS ARTICLE 1 TO 127**
- **CHAPTER I DEALS WITH INTRODUCTION(ARTICLE 1 TP 10)**
- **SPECIFIC PURPOSE, ROLE OF TREASURY AND CHECKS**
- **ACCOUNTS RENDERED TO AG OTHER GOVERNMENT.**

# CHAPTER 2( General direction)

- **ARTICLE 10 TO 26**
- **DIRECTIONS AS TO CLASSIFICATION TRANSACTIONS IN TREASURY.**
- **ARTICLE 16 18 21 23 24 26 DELETED DUE TO MODIFICATION IN ACCOUNTS.**
- **ARTICLE 11: Receipts and payments on account of the Reserve Bank originating in a State treasury or sub-treasury should be credited or debited to the head "8658. Suspense Accounts - Transactions on behalf of the Reserve Bank" in the State section of the treasury accounts. Such transactions occurring at the treasuries or sub-treasuries should be credited or debited to the head in the account of the Central Government.**

# GENERAL DIRECTIONS

- **ARTICLE 12** transactions with or behalf of departments which draw money from the treasury by cheques, should be entered in the treasury accounts in lump without detail as receipts or payments, as the case may be, of the department concerned.
- **ARTICLE 14:** Payments on account of compensation of lands for the Public Works Department made by Land Acquisition Officers not acting as Public Works Disbursers should be entered in the treasury account as debitable to the Public Works Department, the name of the division or office being specified in each case.
- **ARTICLE 15:** Earnest money deposits made by intending tenders of the Forests and Defence Departments, either direct through the Departmental Officers concerned, should be credited as "Security Deposits" and should not be carried to the credit of those departments

- **ARTICLE 17: A remittance, whether direct or through currency chests, between any two treasuries should be classified as follows in the treasury accounts:-**
- **(1) If both the treasuries are under a single Government as "Local Remittance" in the accounts of the Government .**
- **(2) If they are under different as a "Foreign**

- **ARTICLE 19: Remittances between two sub-treasuries in the same district or between a treasury and sub-treasury subordinate to it should be treated merely as "Transfers within the treasury". If however, the business of the remitting or receiving treasury is conducted by the Bank, the remittance should be classified as "Local Remittance".**
- **ARTICLE 25: When a payment is authorised to be made "by transfer" that is, by entry of the amount in the accounts and received under some head of receipt, the amount should be debited to the appropriate heads of payment by per contra credit to the receipt head concerned.**



# **CHAPTER 3**

## **ACCOUNTS KEPT AT DISTRICT TREASURIES**

- **ARTICLE 27 TO127**
- **ARTICLE 27: The directions contained in this chapter shall apply primarily to accounts kept at District treasuries. Except as specifically provided in this code and subject to such modifications as may be authorized by the Accountant-General, they shall also apply to accounts kept at sub-treasuries.**

- **Article 32 to 38, article 50 to 53 56 59 60 86 to 89 95 to 99 105 to 107 112 113 119 124 125 are deleted.**
- **ARTICLE 28: In the state of Andhra Pradesh where classified accounts are rendered by sub-treasuries to the head treasury and by the latter to the Accountant-General, the directions in this chapter shall have effect subject to such modifications as may be authorized by the Accountant-General, Andhra Pradesh, to suit the special arrangements obtaining in that state.**

- **ARTICLE 31:** Under the relevant rules or orders of the Government concerned, stock registers will be maintained for stamps, match excise banderols and opium in the custody of the Treasury Officer in such forms as may be prescribed by competent authority after consultation with the Accountant-General.
- **ARTICLE 42:**, the Bank renders two daily accounts of receipts and disbursements of Central and State Governments, the latter embracing transactions not only on behalf of the State in which the Bank is situated but also on behalf of other State. Such accounts, however, rendered in respect of Central treasuries and sub-treasuries consist of a single account for the Central Government, all transactions on behalf of any State Government being taken by the Bank against the balance of the Central Government.

- **ARTICLE 43:** The transactions reported by the Bank in the daily statement of receipts and payments should, after examination with the chalans and vouchers accompanying it, be posted into the cash book.
- **ARTICLE 44:** The net difference between the total receipts and the total payments as shown in the Bank's daily statement should be posted in a subsidiary register called the Register of Reserve Bank Deposits

- **ARTICLE 46: State transactions erroneously entered in the Bank's daily statement of transactions of the Central Government and vice versa, should be entered in the Register of Misclassifications by the Bank (Form T.A. 7).**
- **ARTICLE 49: The transactions of the Central Government in a State sub-treasury should be reported to the district treasury in separate daily sheets.**
- **ARTICLE 54: Any amount fund surplus or deficit in treasury balances should be brought to account at such in the cash book on the receipt or payment side, as the case may be.**

- **ARTICLE 55: As it is absolutely necessary that the figures given in the different receipts, accounts and returns exchanged with other departments should agree exactly with those shown in the treasury accounts,**
- **ARTICLE 57: moneys received from or on behalf of departmental officers who render separate cash accounts to the audit or Account Office should be recorded at once in a register in Form T .A. 10. In the same way, funds supplied to such departmental disbursing officers on cheques drawn against letters of credit or otherwise should be entered in a register in Form T.A. 11**

- **ARTICLE 58: Remittances by Forest Officers should be entered in a register in Form T.A. 12 which may also be used for the purpose of consolidated receipt furnished to Forest Divisional Offices. Funds supplied to Forest Disbursing Officers by means of cheques or otherwise should be entered in Register of Forest Cheques Paid, Form T.A. 13**

# DEPOSITS(62 TO 77)

- **ARTICLE 61:** In all the cases covered by the directions in this section, the Treasury Officer should arrange to have a monthly settlement of account with the Departmental Officer concerned in accordance with such procedure as may be prescribed by Government.
- **ARTICLE 62:** No item should be credited as a deposit save under formal order of competent authority. Further more, no sums should be credited in any deposit register which can be carried to any other head of account; for example, revenue paid to Govt. on account of a demand not yet due should at once be carried finally to the proper revenue head, and should not be placed in deposit.
- **ARTICLE 63:** The amount of a lapsed deposit refunded under the rules Government should appear in the treasury accounts as a miscellaneous refund and not as a payment of deposit.



- **ARTICLE 90: In every treasury from which revenue advances are made, one or more plus and minus memoranda (Form T.A. 46) should be kept, in which the advance should be debited and all recoveries credited.**

# **ACCOUNT CODE VOLUME 3 (DEPARTMENTAL ACCOUNTS)**

- **GENERAL**
- **ARTICLE NO (FROM 1 - 9-A).**
- **PART II –PUBLIC WORKS AND ACCOUNTS**
- **CHAPTER II**
- **Classification of Public Works Receipts and Expenditure.....**
- **ARTICLE NO (FROM 10 - 78).**

- CHAPTER III
- **Accounts to be kept in Public Works Offices**
- **Section 1 – Cash Accounts...**
- **.ARTICLE NO (FROM 79 - 90).**
- **Section 2 – Store Accounts.....**
- **ARTICLE NO (FROM 91 - 104).**
- **Section 3 – Transfer Entries..**
- **...ARTICLE NO (FROM 105 – 111).**
- **Section 4 – Revenue Receipts.**
- **..ARTICLE NO (FROM 112 - 116).**
- **Section 5 – Works Accounts.....**
- **.ARTICLE NO (FROM 117 - 154).**
- **Section 6 – Manufacture Accounts.**
- **ARTICLE NO (FROM 155 - 163).**

- **Section 7 – Accounts of Deposits and Suspense Transactions.. ARTICLE NO (FROM 164 - 172).**
- **Section 8 – Workshop Accounts..**
- **. ARTICLE NO (FROM 173 - 179).**
- **Section 9 - Transactions with other Divisions, Departments and Governments**
- **ARTICLE NO (FROM 180 - 189).**
- **Section 10 - Accounts of Cemetery Endowments.**
- **ARTICLE NO (FROM 190 - 194).**
- **Section 11 - Other Directions.**
- **. ARTICLE NO (FROM 195 - 203).**

- **CHAPTER IV**
- **Accounts Returns Rendered by Public Works Officers.....**
- **ARTICLE NO (FROM 204 - 239).**

- **PART III – FOREST ACCOUNTS**
- **CHAPTER V**
- **Classification of Forest Receipts and Expenditure.**
- **ARTICLE NO (FROM 240 - 255).**
- **CHAPTER VI**
- **Accounts to be kept in Forest Offices**
- **ARTICLE NO (FROM 256 - 279).**
- **CHAPTER VII**
- **Accounts Returns Rendered by Forest Department Officers..**
- **ARTICLE NO (FROM 280 - 297).**

- **YOUR QUESTIONS**

• **THANK YOU**