

DEAR (Ro)

FOR OFFICIAL USE ONLY
NOT TO BE REMOVED FROM OFFICE



**GOVERNMENT OF THE PEOPLE'S REPUBLIC
OF BANGLADESH**

ACCOUNT CODE

Issued by the Comptroller & Auditor General of Bangladesh

Preface to the Updated Account Code

The Account code in four volumes was first published on 23 December 1938. After the Partition of British India, the Code was reprinted in Pakistan with revisions as a consequence of the partition. In Bangladesh, the Code was reprinted in March 1983 with the substitution of the word, "Pakistan", by the word, "Bangladesh".

Following liberation, fundamental changes occurred in the accounting system and financial administration. Accounting functions, previously performed by the Treasury under the district administration, were taken over by accounts offices under the administrative control of the Controller General of Accounts. This post was created in the place of the erstwhile Accountant General under a scheme of separation of audit from accounting functions. Simultaneously twenty posts of Chief Accounts Officers were created to perform accounting functions for the Ministries.

On the other hand, receipts, payments and accounting functions were extended up to the Thana level. Regional, District and Thana Accounts Officers are now responsible for maintaining government accounts under the jurisdiction of the Controller General of Accounts instead of the District Treasury Officer. As a result of these reforms, the procedure of recording receipts and expenditure, keeping and compiling of accounts, preparing of accounting returns and statements and the process of accounting flows between different accounting and financial authorities have changed. However, all these reforms and changes had been brought about by issue of circulars, letters and memoranda; the Account Code was neither updated nor revised by inserting and consolidating the piecemeal reforms carried out through circulars and memoranda. The Account Code thus became to some extent outdated.

The Government set up a Committee on Reforms in Budgeting and Expenditure Control (CORBEC) in 1991 to examine the budgeting and accounting system. In accordance with the recommendations of the Committee, an ODA-aided Project entitled 'Reforms in Budgeting and Expenditure Control', generally known as the RIBEC Project, made a diagnostic study and recommended that existing rules and regulations should be replaced by a hierarchical structure of new financial regulations and departmental manuals of procedures. Accordingly, replacement of accounting and financial rules and regulations were included in the Terms of Reference of the second phase of the ODA-aided Project.

As a preliminary step to revision and replacement of the existing structure of the rules and regulations, the RIBEC Project took up the task of updating the Account Code. All the circulars and memoranda issued till now and the consequential changes taking place over the years have been taken into consideration and necessary provisions have been incorporated and consolidated in the four volumes in relevant places. Provisions in the Code which have become obsolete and inoperative have been deleted. For example, the provisions regarding provincial governments are no longer relevant and have been omitted in this edition. This edition of the updated Account Code thus represents the accounting rules and regulations operative as of to-day. Whatever provisions have been included in the Edition are covered by and based on circulars and memoranda issued by the appropriate authorities and consequential changes following therefrom. It may be clarified that no revision, rationalisation or simplification has been made. It is, however, intended that this process will be initiated at a later stage.

It is expected that the updated Account Code will be an authentic, comprehensive and self-contained document of practical use and serve as an useful and handy guide to all persons dealing with Government accounting. This will especially be of immense utility to accounts offices in Thana, District and region who have no immediate access to the office of the Controller General of Accounts.

In order to facilitate preservation and continuous updating, this edition has been printed and bound in a permanent loose leaf binder format. Every accounts office will receive a copy which should be maintained as a permanent record of the office. The Code as printed in the new format will be for official use of all officers and staff of the office and should not become the personal copy of anybody. Each office will keep the Code always up-to-date by inserting replacement pages as and when amendments take place. A Rules & Regulations Unit has been set up in the office of the Comptroller and Auditor General which will maintain the Account Code up-to-date, get approved amendments printed as replacement pages and circulate them to all the relevant offices. The offices receiving replacement pages must forthwith replace the pages in the loose leaf binder.

Suggestions on the updated Account Code are welcome and will be given due consideration in the next phase of revision, rationalisation, simplification and reorganisation of all accounting and financial rules and procedures of the Government.

M. Hafizuddin Khan,
Comptroller and Auditor General
of Bangladesh.

Dhaka :

September 19, 1996.

ACCOUNT CODE VOLUME I

TABLE OF CONTENTS

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS	6
Definitions	6
CHAPTER 1. - FUNCTIONS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) AND THE CONTROLLER GENERAL OF ACCOUNTS (CGA) IN RELATION TO ACCOUNTS.	7
Powers of the Comptroller and Auditor General under the Constitution and the Comptroller and Auditor General (Additional Functions) Act, 1974.	7
APPROPRIATION ACCOUNTS.	7
CHAPTER 2 - GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS	8
Public Accounts.	8
Account of the Government with the Bank.	8
General Outlines of the system of Accounts.	9
Accounts between the Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways.	11
Annual Finance Accounts of the Government.	11
Proforma Accounts.	12
Journal and Ledger.	12
CHAPTER 3 - GENERAL PRINCIPLES AND METHODS OF ACCOUNTS.	13
General.	13
Period of Accounts.	13
Cash basis of Accounts.	13

Currency in which Accounts are Kept.	13
Form of Accounts.	13
Main Divisions of Accounts.	13
Major, Minor and Detailed heads.	14
Classification of Expenditure as "charged" and "other expenditure".	14
Classification of transactions in Accounts.	16
General limitations.	16
General Principle of Classification	16
Important General Orders Governing Classification.	16
Pay and Allowances of Government Servants.	16
Travelling Allowances.	17
Expenditure on Civil Works.	17
Contributions made by or to the Government.	18
Refunds of Revenue.	18
Classification of transactions under "Advances Repayable".	19
Classification of Transactions under "Suspense".	19
Cost of acquisition of land.	19
Sale-proceeds of Government land and buildings.	19
Municipal rates and taxes.	20
Cost of the Survey of Bangladesh and other scientific parties accompanying a military expedition.	20
General Methods of Accounting.	21

Accounting for transactions pertaining to more than one major head of account.	21
Record of Development Expenditure in accounts.	21
Accounting for losses.	21
Exhibition of recoveries in Government Accounts.	21
Accounting for recoveries of overpayments.	21
Accounts of commercial undertakings.	22
Working expenses of Commercial Departments.	22
Transactions between the Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways, and with foreign governments.	22
Rectification of misclassifications.	22
Write-off from balanced heads to "Government".	22
Accounts to work from balance to balance.	22
CHAPTER 4 - DIRECTIONS REGULATING INTER- DEPARTMENTAL TRANSFERS.	23
Introductory.	23
Adjustments with outside bodies.	23
Inter-departmental adjustments.	23
General.	25
ANNEXURE	25
CHAPTER 5 - DIRECTIONS REGULATING THE EXHIBITION OF RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS.	26
Introductory.	26
Recoveries from private persons or bodies and Governments outside Bangladesh.	26

Recoveries by one Department from another Department.	26
Receipts and Recoveries on Capital/ Development Heads of Account.	26
Settlement of doubts or disputes.	27
CHAPTER 6 - DIRECTIONS REGULATING THE EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS	28
Introductory.	28
Receipts.	28
Buildings, lands, stores and equipment.	28
Cash in hand.	28
Irregular or Unusual payments.	29
Inevitable Losses.	29
Exhibition of Losses in Appropriation Accounts.	29
APPENDIX 1	30
<i>(See ARTICLE 21.)</i>	30
List of Major and Minor Heads of Account of Receipts and Disbursements.	30
APPENDIX 2	31
Rules Regulating Adjustments of certain Categories of Charges and Receipts.	31
A.---INTRODUCTORY.	31
B.---Pay, Allowances, Pensions, etc.	31
<i>I. Incidence of Pay and Allowances, other than leave salaries.</i>	31
<i>Ii. Incidence of Leave Salaries.</i>	33
C---OTHER CHARGES.	33
<i>III. Incidence of the cost of Police functions on Railways</i>	

<i>including the cost of protecting Railway Bridges.</i>	33
<i>IV. Incidence of the cost of (1) Forest Surveys carried out by the Survey of Bangladesh and (2) Forest maps prepared by that Department.</i>	34
D---RECEIPTS.	34
<i>V. Incidence of Leave Salary and Pension Contribution in respect of Government servants lent to Foreign Overnment/Organisation.</i>	34
APPENDIX 3	35
Comptroller and Auditor General (Additional functions) Act (No. XXIV of 1974).	35

**ACCOUNT CODE
VOLUME 1**

Prescribed by the Comptroller and Auditor General, with the approval of the President, in exercise of the powers conferred by Article 131 of the Constitution of the People's Republic of Bangladesh.

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

Definitions

In this Volume, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:-

"Controller General of Accounts" means the Controller General of Accounts of Bangladesh.

"Comptroller and Auditor General" means the Comptroller and Auditor General of Bangladesh.

"Civil Accounts Officer" means the Controller General of Accounts and an Accounts Officer subordinate to the Controller General of Accounts and includes Thana Accounts Officer, District Accounts Officer, Regional Accounts Officer and Chief Accounts Officer.

"Government" means the Government of the People's Republic of Bangladesh.

"Non-Civil Accounts Officer" means either the Controller General of Defence Finance or the Financial Advisor & Chief Accounts Officer of the Railways and includes officers subordinate to them.

"Public Accounts" means the Consolidated Fund and the Public Account of the Republic as defined in Article 84 of the Constitution.

"Constitution" means the Constitution of the People's Republic of Bangladesh.

"Comptroller and Auditor General (Additional Functions) Act" means the Comptroller and Auditor General (Additional Functions) Act, 1974, as amended from time to time.

"The Bank" means Bangladesh Bank or any of its offices or branches and includes any Branch of Sonali Bank acting as agent of Bangladesh Bank in accordance with the provisions of the Bangladesh Bank Order, 1972.

"Initial Accounts" means a primary record of all financial transactions of the Government.

"Principal Accounting Officer" means the Secretary, the Additional Secretary-in-charge or the Joint Secretary-in-charge of a Ministry or a Division.

"Accounts Classification Code" means legal, functional and economic code prescribed by the Classification Chart in the Appendix 1 to this Account Code which came into force on first of July 1998 and replaces major, minor, detailed heads and heads of accounts where ever occurring.

CHAPTER I. - FUNCTIONS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) AND THE CONTROLLER GENERAL OF ACCOUNTS (CGA) IN RELATION TO ACCOUNTS.

Powers of the Comptroller and Auditor General under the Constitution and the Comptroller and Auditor General (Additional functions) Act, 1974.

1. The Comptroller and Auditor General derives his powers and duties from Part VIII of the Constitution and the Comptroller and Auditor General (Additional Functions) Act, 1974. The Comptroller and Auditor General (Additional Functions) Act is reproduced as Appendix 3. By exercise of the powers conferred on the Government by Section 3A of the Comptroller and Auditor General (Additional Functions) Act, Government has relieved the Comptroller and Auditor General of his responsibility of keeping accounts of the Government.

Responsibility of keeping accounts has been given to the following officers :

- (1) Controller General of Defence Finance - for Defence Services.
- (2) Financial Advisor and Chief Accounts Officer, Railways - for Railways.
- (3) Controller General of Accounts - for rest of the Government.

2. By virtue of the provisions of Article 131 of the Constitution, the Comptroller and Auditor General is empowered, with the approval of the President, to prescribe the form and manner in which Public Accounts shall be kept.

3. In addition to this Account Code, Railways, Defence Services, Public Works Department, Post Office, Telegraph and Telephone Board and Forest Department have their respective Departmental Account Code for their respective specific purposes. For the sake of practical convenience, the forms and manner of accounts including Appropriation Accounts of the Defence Services and the Railways may be determined by the respective accounting authorities. The provisions of the Constitution will be deemed to have been satisfied, if the forms and manner so prescribed are not questioned by the Comptroller and Auditor General.

APPROPRIATION ACCOUNTS.

4. Chief Accounts Officers will prepare Ministry/Division wise Appropriation Accounts their respective Ministries/Divisions and will send them under the signature of the respective Principal Accounting Officers to the Comptroller and Auditor General for audit and certification and will give a copy to the Controller General of Accounts. The Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways, will be responsible for preparation of Appropriation Accounts of Defence Services and Railways respectively under the signature of the respective Principal Accounting Officers and for submission to the Comptroller and Auditor General for audit and certification. The instructions relating to the preparation and submission of such accounts are included in the Audit Manual issued by the authority of the Comptroller and Auditor General. The object of these accounts is to relate expenditure brought into account during a financial year to the several items specified in the schedule of authorised expenditure authenticated under the Constitution.

After completing all audit formalities, the Comptroller and Auditor General submits his audit reports on the Appropriation Accounts to the President.

NOTE.-- Until Chief Accounts Offices build up internal capability, the Controller General of Accounts will continue to prepare and submit to the Comptroller and Auditor General Appropriation Accounts for all accounts offices under his jurisdiction.

CHAPTER 2 - GENERAL OUTLINES OF THE SYSTEM OF ACCOUNTS

Public Accounts.

5. Article 84 of the Constitution provides for the Consolidated Fund and the Public Account of the Republic. The Article is reproduced below:

“(1) All revenues received by the Government, all loans raised by the Government, and all moneys received by it in repayment of any loan, shall form part of one fund to be known as the Consolidated Fund.

(2) All other public moneys received by or on behalf of the Government shall be credited to the Public Account of the Republic”.

In this Code the Consolidated Fund and the Public Account of the Republic together will be referred to as Public Accounts. All receipts by the Government are paid or credited to and all disbursements of or on behalf of the Government are met from the Public Accounts. Article 85 of the Constitution provides for making the procedure to be followed for the payment into and the withdrawal from the Public Accounts and for custody of the Public Accounts. The Article is reproduced below:

“Article 85: The custody of public moneys, their payment into and the withdrawal from the Consolidated Fund or, as the case may be, the Public Account of the Republic and matters connected with or ancillary to the matters aforesaid, shall be regulated by Act of Parliament, and until provision in that behalf is so made, by rules made by the President”.

NOTE.-- Pending passage of an Act or making of rules by the President, the existing Treasury Rules with necessary modification are being followed.

6. Save as may be specifically provided in any case, cash balances in the Public Accounts are kept with the Bank.

Account of the Government with the Bank.

7. Government has an Agreement with Bangladesh Bank by virtue of which the general banking business of the Government (in which business is included the receipt, collection, payment and remittance of moneys on behalf of the Government) is carried on and transacted by the Bank in accordance with and subject to the provisions of the Agreement and of the Bangladesh Bank Order 1972 and in accordance with and subject to such Orders as may from time to time be given to the Bank by the Government. Government business is transacted in every office and branch of Bangladesh Bank and in designated branches of Sonali Bank acting as the agent of Bangladesh Bank. Article 20 of the Bangladesh Bank Order 1972 requires the Government to deposit free of interest all its cash balances with Bangladesh Bank and directs the Bank to accept moneys for account of the Government and to make payments and to carry out Government's exchange remittance and other banking operations including management of the public debt.

8. Statement of cash transactions undertaken by Bangladesh Bank on behalf of the Government together with all supporting vouchers etc. are transmitted by each office and branch of Bangladesh Bank daily to the Thana Accounts office, the District Accounts office, the Chief Accounts office and the Controller General of Accounts office, as the case may be.

9. Each branch of Sonali Bank transacting Government business as agent of Bangladesh Bank forwards daily a statement of transactions to the local Thana or District Accounts office along with all supporting vouchers. The totals of such transactions are also reported by Sonali Bank at the close of each day to the Public Accounts Department of Bangladesh Bank through the head office of Sonali Bank at Dhaka.

10. All transactions regarding Public Accounts taking place in the offices and branches of Bangladesh Bank and designated branches of Sonali Bank are consolidated in the Government Accounts Department of Bangladesh Bank. At the close of the accounts of each month, a statement of closing balance of the Government on the books of the Bank after taking into account all cash transactions in all the offices, branches and agencies of the Bank and the adjusting transactions in its own books is forwarded by the Head Office of Bangladesh Bank to the Controller General of Accounts.

General Outlines of the system of Accounts.

11. The general outlines of the system of accounts of the Government, briefly stated, are as follows:-

(a) All receipts in Bangladesh on behalf of the Government are paid into the Bank. Except as provided in clause (b) below, the initial accounts of such receipts are maintained by officers subordinate to the Controller General of Accounts, normally by the Thana or District Accounts Officer at the Thana or District Accounts Office, as the case may be.

(b) Receipts realised in the Post Offices, Telegraph & Telephone Board, Public Works, Housing and Settlement, Roads and Highways, Public Health Engineering, Forest and any other Department which may be authorised in this behalf are paid into the Bank in lump sum and are accounted for at the Thana or District Accounts Office, as the case may be, merely as receipts on behalf of such Departments. The detailed accounts of such receipts are kept by the Departmental Officers concerned. All Receipts realised in the Defence Services for which accounts are kept by the Controller General of Defence Finance are shown by Thana or District Accounts Office as receipts of the Controller General of Defence Finance who accounts for the receipts. Receipts of the Railways do not pass through Thana or District Accounts Office. Railways deal directly with Bangladesh Bank.

(c) Payments in Bangladesh on behalf of the Government are ordinarily made at the Bank; some Departmental Officers are, however, authorised to withdraw sums in lump from the Bank for making payments. In the former case, the initial accounts of payments are kept at the Thana, District or Chief Accounts Office except for Defence Services in which case initial accounts of payments are kept at offices subordinate to the Controller General of Defence Finance. In the latter case of lump sum withdrawal by Departmental Officers, initial accounts are maintained by the Departmental Officer concerned. Certain Departmental Officers are authorised to make payments by cheques. Initial accounts of such payments are kept by the Officers concerned.

The accounts referred to in this clause do not relate to the accounts maintained by Government servants in respect of expenditure incurred from permanent advances.

(d) Transactions originating in the District and Thana Accounts Offices for which initial accounts are maintained by District Accounts Officer/Thana Accounts Officer are compiled and classified by District Accounts Officer/Thana Accounts Officer under major, minor and detailed heads of receipts and disbursements. For facilitating compilation, Heads of Accounts are assigned to Chief Accounts Officer's offices as well as the office of the Controller General of Accounts.

Transactions, made by officers of certain Departments who are authorised to issue cheques for payments, and to pay into and withdraw from Public Accounts moneys direct and/or in lump sum, are not accounted for by District Accounts Officer/Thana Accounts Officer in detail in the classified form, but are shown in their accounts under the remittance head as a consolidated entry.

Monthly statement of classified accounts of transactions for which initial accounts are maintained by District Accounts Officer/Thana Accounts Officer are submitted by District Accounts Officer/Thana Accounts Officer to Regional Accounts Officer within a date specified by the Controller General of Accounts. Regional Accounts Officers consolidate the statements for all District Accounts Officer/Thana Accounts Officer under their respective jurisdiction and submit to each Chief Accounts Officer consolidated accounts of the assigned head.

District Accounts Officer/Thana Accounts Officer also prepares a statement of accounts for office of the Controller General of Accounts giving classified accounts of transactions under heads assigned to the Controller General of Accounts including transactions under heads remittance/suspense and a cash balance report of Bangladesh Bank deposits and submits to respective Regional Accounts Officers for consolidation and submission to the Controller General of Accounts.

Each Chief Accounts Officer furnishes to the Controller General of Accounts, by a date fixed by the Controller General of Accounts, a monthly statement of accounts of receipts and disbursements by major heads prepared on the basis of statements received from Regional Accounts Officers and transactions made direct in respect of Dhaka Presidency Accounts. Some Chief Accounts Officers receive from certain Departmental Officers, who are authorised to issue cheques for payments, and to pay into and withdraw from Public Accounts moneys direct and/or in lump sum, accounts of transactions made by them. These transactions are included by the Chief Accounts Officers in their monthly statement of accounts of receipts and payments by major heads furnished to the Controller General of Accounts. The consolidated net cash balance position under the head Bangladesh Bank deposits as received from District Accounts Officers/Thana Accounts Officers through Regional Accounts Officers is included in this statement of accounts.

On the basis of the statements of accounts received from Chief Accounts Officers and Regional Accounts Officers, and incorporating the transactions under exchange accounts, settlement accounts, accounts from Bangladesh Bank including small coins accounts, the Controller General of Accounts prepares the monthly accounts to which are added the monthly accounts of the Controller General of Defence Finance in respect of Defence Services and the Financial Advisor and Chief Accounts Officer, Railways, in respect of Railways. The combined monthly accounts of the Government are then submitted to the Finance Division by the Controller General of Accounts.

(e) Officers of the Civil Departments, who are authorised to issue cheques for payments, and to pay into and withdraw from the Public Accounts moneys direct and/or in lump sum, transmit to the respective Chief Accounts Officers, at the beginning of the next month, monthly accounts supported by the requisite schedules, vouchers etc. in respect of all transactions which took place during the previous month.

(f) From the accounts furnished by Thana Accounts Officer/District Accounts Officer and by Civil Departmental officers, classified abstracts and consolidated abstracts are compiled by each Chief Accounts office and the office of the Controller General of Accounts according to heads of accounts assigned to them showing monthly receipts and payments classified under the relevant major, minor and detailed heads. All the transactions appearing in the books of one Chief Accounts office but adjustable in the books of another Chief Accounts office are accounted for under the final head of account direct by the Chief Accounts office in whose book the transactions originally occur/appear with intimation to the concerned Chief Accounts office. The Chief Accounts Office to which the head relates incorporates the transactions in its consolidated abstract.

(g) In the office of the Controller General of Accounts, consolidated abstract is prepared for the major heads of accounts of revenue receipts and service payments. A separate consolidated abstract is also prepared in the office of the Controller General of Accounts for some of the transactions relating to Public Debt and the Public Account of the Republic, namely remittance and deposits, under each major head as well as under such minor and detailed heads as may be found necessary. For this purpose, these transactions relating to Public Account of the Republic and Public Debt are collected in a Detail Book.

(h) The final stage of compilation is the preparation of the Abstract of Major Head totals showing the receipts and disbursements by major heads during and up to the end of the month.

Cash balances shown under Bangladesh Bank Deposits by Thana Accounts Officer/District Accounts Officer and that section of Bangladesh Bank having direct transactions on Government account will be reconciled in the books of the Controller General of Accounts with statement of closing balances received from Bangladesh Bank.

(i) Accounts of Railways and Defence Services are compiled by the Financial Advisor and Chief Accounts Officer, Railways and the Controller General of Defence Finance respectively on the basis of the particulars of receipts and disbursements furnished by accounts officers under their respective jurisdiction. Monthly and cumulative statement of accounts are transmitted by the Financial Advisor and Chief Accounts Officer, Railways and the Controller General of Defence Finance to the Controller General of Accounts for consolidation of monthly accounts by the Controller General of Accounts.

Accounts between the Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways.

✓ 12. (1) Transactions under the Controller General of Accounts and transactions under the Controller General of Defence Finance which are adjustable in the accounts of each other are passed on month by month to each other for adjustment through Exchange Accounts. Such adjusting exchange accounts are operated by the offices of the Controller General of Accounts and the Controller General of Defence Finance :

✓ (2) Transactions involving Railways taking place between the Controller General of Accounts and the Financial Advisor and Chief Accounts Officer, Railways or between the Financial Advisor and Chief Accounts Officer, Railways and the Controller General of Defence Finance are adjusted through Settlement Accounts. The procedure is given in Chapter 10 of Account Code Volume IV.

Annual Finance Accounts of the Government.

13. The Annual Finance Accounts of the Government will be prepared by the Controller General of Accounts as soon as the June *supplementary* accounts are closed, in a form prescribed by the Comptroller and Auditor General with the approval of the President, and will be sent by the Controller General of Accounts to the Comptroller and Auditor General for audit and certification. The Accounts are submitted to the President by the Comptroller and Auditor General along with his audit certification.

Proforma Accounts.

14. The operations of some departments of Government sometimes include undertakings of a commercial or a quasi-commercial character, e.g., an industrial factory or a store. Even though these may be maintained almost entirely for the benefit of the Department, it is still necessary that the financial results of the undertaking should be expressed in the normal commercial form so that the cost of the service or undertaking may be accurately known. This implies the maintenance of suitable Capital, Manufacturing, Trading and Profit and Loss accounts and as the Government system of accounts, being on a purely cash basis, is unsuitable for such commercial accounts, these are usually kept on a *proforma* basis outside the general accounts of Government. The actual transactions entering these *proforma* accounts, except those adjusted on a liability basis, find a place primarily in the regular accounts and the commercial accounts are additional as well as separate. These *proforma* accounts are maintained by the Departmental authorities themselves in such form as may be agreed upon between the Comptroller and Auditor General and Government.

Certain *proforma* accounts relating to the Government residential buildings are required to be prepared by Civil Account offices. *Proforma* accounts are also sometimes required to be prepared for transactions which do not relate to commercial or quasi-commercial undertakings of Government; e.g., transactions of the Famine Relief Fund. The form in which any *Proforma* accounts are prepared in Accounts Offices is determined by the Comptroller and Auditor General in consultation with Government.

Journal and Ledger.

15. The accounts of Government are based in the main on the single entry system, and the double entry system is applied only in regard to maintenance of a set of technical accounts called the Journal and Ledger. The main purpose of the Journal and Ledger is to bring out by a scientific method the balances of accounts in regard to which the Government acts as a banker or remitter or borrower or lender. Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with the balances brought out in the double entry accounts.

CHAPTER 3 - GENERAL PRINCIPLES AND METHODS OF ACCOUNTS.

General.

Period of Accounts.

16. Annual accounts of the Government, which account offices are required to render, shall record transactions which take place during a financial year running from 1st July to 30th June.

NOTE--- The Government Accounts of a year may be kept open for a certain period in the following year for completion of the various accounting processes *Inter alia* in respect of the transactions of June, for the carrying out of certain inter- department adjustments, and for the closing of the accounts of several Provident Funds and Suspense heads. Adjustments may also be made after the close of the year owing to mispostings and misclassifications coming to notice after 30th June. An actual transaction taking place after 30th June should not, however, be treated as pertaining to the previous financial year even though the accounts for that year may be opened for the purpose mentioned above.

Cash basis of Accounts.

17. With the exception of such book adjustments as may be authorised by any rules included in this Code or by any general or special orders issued by the Government after consultation with the Comptroller and Auditor General, the transactions in Government accounts shall represent the actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by the Government during the same period.

Currency in which Accounts are kept.

18. The accounts of the Government kept in Bangladesh shall be maintained in Taka currency. Transactions in foreign currencies are converted into Taka and shown in Taka in the final accounts.

Form of Accounts.

Main Divisions of Accounts.

19. The two main divisions of Government accounts shall be:-

- Consolidated Fund, and
- Public Account of the Republic.

The Consolidated Fund is the normal income and receipts account. The Public Account of the Republic is used for transactions for funds which the Government in effect holds on trust, plus accounts which are temporary and should cancel to zero over time, such as suspense account.

20. Under the above mentioned two divisions, the transactions are grouped into sections which are further sub-divided into Major Heads of Account.

Legal, Functional and Economic Codes

21. The detailed classification of account used in Government accounts shall be such as is given in Classification Chart - *vide Appendix 1*.

The chart has been designed to reflect the organisational structure of the Government and the requirements for financial reports. The structure of the Classification Chart provides a coding system under which every accounting transaction is represented by a code consisting of 13 digits broken into a number of distinct components as under:

Component	Number of digits	Description
Level 1	1	Legal code.
Level 2	2	Ministry/ Department/Division.
	2	Major subdivision of Ministry/ Department/Division, Group of activities
Level 3	4	Operational Unit/Development Project
Level 4	2	Economic group.
	2	Economic detail within group.

The Classification Chart is divided into 3 main sections, namely,

Legal Code – This is included as the Level 1 code and indicates the legal authority for collecting revenues or for making payments.

Functional codes -- These are shown as Level 2 and Level 3 codes. They together represent the spending or collecting unit within the Government structure and identify the purpose for which expenditures have been incurred. They are organised according to the organisational hierarchy of the Government.

Economic codes – these describe the nature of the expenditure or receipt i.e. what goods or services were bought with Government funds or why moneys were paid to Government.

Every budget and accounting transaction must contain legal, functional and economic codes. Breakdown of the Classification in greater detail and its application to different types of expenditures and receipts are explained in the Classification Chart in Appendix 1.

In respect of all accounts, the prescribed classification should be followed strictly, exact uniformity being essential even in regard to nomenclature.

22. The introduction of any new code as well as the abolition or change of nomenclature of any of the existing code may be made by the Finance Division and the Controller General of Accounts, Controller General of Defence Finance and Financial Advisor and Chief Accounts Officer of Railways with the approval of the Comptroller and Auditor General.

Classification of expenditure as " charged" and " other expenditure "

23. Expenditure which under the provisions of the Constitution is charged upon the Consolidated Fund shall be shown in the accounts separately from other expenditure. Article 87 of the Constitution provides:

Major, Minor and Detailed heads.

21. The main unit of classification in the accounts shall be the major head which shall be divided into minor heads each of which, if necessary, shall have a number of subordinate heads generally known as detailed heads. In some cases, minor heads will be divided into sub-heads which again will be divided into detailed heads. The detailed classification of account heads used in Government accounts shall be such as is given in the List of Major and Minor Heads of Account of Receipts and Disbursements - *vide Appendix 1*.

In all accounts, the major and minor heads shall be arranged in the exact order shown in the List of Major and Minor Heads of Account.

In respect of all account heads, the prescribed classification should be followed strictly, exact uniformity being essential even in regard to nomenclature.

22. The introduction of any new major or minor head as well as the abolition or change of nomenclature of any of the existing heads shall require the approval of the Comptroller and Auditor General who will obtain the approval of the President, where necessary. The Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways in their respective jurisdiction shall have discretion to open all the prescribed detailed heads and, when necessary, to open a new one if a prescribed head is not suitable. They should, however, secure that the detailed heads are not multiplied unnecessarily and that only such heads are opened in the accounts as are really essential. The following principles should also be observed in this connection:-

- a) Head which is definitely prescribed in the List of Major and Minor heads of Account or any other list approved by the Comptroller and Auditor General as being subordinate to one minor head should not be placed under another,
- b) If a new head is opened for transactions formerly merged in another head, the new head should be placed next after the latter when new forms are printed, if it is not possible to do so earlier.

NOTE--- The detailed heads subordinate to a minor head of expenditure should be so arranged in accounts as to exhibit separately the expenditure under each unit of appropriation as prescribed from time to time by the Government.

Classification of expenditure as " charged" and " other expenditure ".

23. Expenditure which under the provisions of the Constitution is charged upon the Consolidated Fund shall be shown in the accounts separately from other expenditure. Article 87 of the Constitution provides:

"(1) There shall be laid before Parliament, in respect of each financial year, a statement of the estimated receipts and expenditure of the Government for that year, in this Part referred to as the annual financial statement.

(2) The annual financial statement shall show separately -

(a) the sums required to meet expenditure charged by or under this Constitution upon the Consolidated Fund; and

(b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund and shall distinguish expenditure on revenue account from other expenditure."

Article 88 of the Constitution specifies the expenditure to be charged upon the Consolidated Fund as follows:

“The following expenditure shall be charged upon the Consolidated Fund -

- (a) the remuneration payable to the President and other expenditure relating to his office;
- (b) the remuneration payable to -
 - (i) Speaker and Deputy Speaker;
 - (ii) the Judges of the Supreme Court;
 - (iii) the Comptroller and Auditor General;
 - (iv) the Election Commissioners;
 - (v) the members of the Public Service commission;
- (c) the administrative expenses of, including remuneration payable to, officers and servants of Parliament, the Supreme Court, the Comptroller and Auditor General, the Election Commission and the Public Service Commission;
- (d) all debt charges for which the Government is liable, including interest, sinking fund charges, the repayment or authorisation of capital, and other expenditure in connection with the raising of loans and the service and redemption of debt;
- (e) any sums required to satisfy a judgement, decree or award against the Republic by any court or tribunal; and
- (f) any other expenditure charged upon the Consolidated Fund by this Constitution or by Act of Parliament.”

The expressions “charged” and “other Expenditure” shall be appended to the heads concerned to distinguish the categories of expenditure according to the provisions of the Constitution.”

Classification of transactions in Accounts.

General limitations.



24. The Comptroller and Auditor General has the power to issue any general or special orders as to the classification code or codes under which any specified transaction or transactions of any specified class is or are to be included. All rules of classification laid down in the Account Code shall not only be subject to the observance of this condition but also be subject to the directions regarding inter-departmental transfers contained in Chapter 4 and to any other rules or orders which have been or may be issued to regulate adjustments between the Departments of the Government and between the Government and outside agencies. Rules regulating adjustments of certain important categories of charges and receipts are given in Appendix 2.

General Principle of Classification.

25. The general principles of classification of transactions in Government accounts have been laid down in the Classification Chart and should be followed strictly. As a general rule, the classification reflects the administrative and legal structure of the Government. The classification of transactions in Government accounts shall have reference to the Ministry/Division/Department in which the revenue or expenditure occurs.

Important general orders governing classification.

Pay and Allowances of Government Servants.

26. The classification of pay and allowances of Government servants shall be governed by the following rules:

(1) The pay and allowances of a Government servant holding a post substantively or in an officiating capacity should be taken against the Ministry/Division/Department/Operational Group/Operational unit, as the case may be and the post in which he is actually serving. This direction need not, however, be rigidly applied in the case of Ministerial Government servants acting in other posts in the same office establishment; nor shall it apply to cases governed by special directions issued by the Government.

(2) When a Government servant whose main duties and post fall under one Ministry/Division/Department/Operational Group/Operational unit is entrusted with additional or subsidiary duties coming under another Ministry/Division/Department/Operational Group/Operational unit, no portion of his pay and allowances shall be debited to the latter. This rule shall not apply to separate fixed allowances for additional duties, nor shall it apply to cases governed by special directions issued by the Government.

(3) The transit pay and transfer expenses of a Government servant proceeding to join an office, whether on first appointment or on transfer, either permanently or as a temporary measure, or on reversion from one Department to another, should, in the absence of special orders to the contrary, be debited to the office to which he is proceeding.

NOTE 1.--- The transit pay and travel expenses, both ways, of officers of Defence and Railways lent to Civil Departments or *vice versa* are debitible to the borrowing Department. This principle shall apply even in cases where the Government servant takes leave either before joining the borrowing Department or before re-joining the lending Department and shall hold good in respect of joining time admissible under the Service Rules applicable to him. Cases of permanent transfers between the Civil and the Defence or Railway Departments shall, however, be governed by the substantive rule in Clause (3) above. For purposes of this Note, officers of the Army Medical Corps in civil employment should be regarded in all cases as lent to the Civil Department.

NOTE 2.--- The transit pay and transfer expenses, both ways, of a Government servant transferred from the Government to a foreign Government/Organisation or to foreign service will be adjusted in such manner as may be laid down in the Appendix 2 or determined by the Government from time to time.

Travel/Transfer Expenses

27. The travel/transfer expenses of a Government servant shall be classified in the accounts in accordance with the following rules:-

Save as provided below and subject also to the Directions given by the Comptroller and Auditor General to regulate adjustment between different departments of the Government, the travel/transfer expenses of a Government servant on whatever duty he may be employed shall be debited to the Department from which he draws his pay.

In the following cases, the travel expenses of a Government servant may be borne by the department, outside body or fund on whose behalf the travel is undertaken: -

- (1) in cases where a Government servant is required to travel on duty connected with an outside body or fund;
- (2) when the Government considers it necessary to show separately the cost of a special Service; and
- (3) in cases covered by general or special orders of the Government authorising a deviation from the general rule.

Expenditure on Civil Works

28. Expenditure on Civil Works i.e., on Construction and Works shall be classified in accounts in accordance with the following principle:

Classification of transactions in Accounts.

General limitations.



24. The Comptroller and Auditor General has the power, subject to approval of the President, to issue any general or special orders as to the head of account under which any specified transaction or transactions of any specified class is or are to be included. All rules of classification laid down in this Code shall not only be subject to the observance of this condition but also be subject to the directions regarding inter-departmental transfers contained in Chapter 4 and to any other rules or orders which have been or may be issued to regulate adjustments between the Departments of the Government and between the Government and outside agencies. Rules regulating adjustments of certain important categories of charges and receipts are given in Appendix 2.

NOTE.-- Whenever provision made in the estimates of receipts and expenditure framed by the Government or in any order of appropriation does not conform to the recognised rules of classification prescribed in this Code, the corresponding receipts or expenditure should be brought to account against the particular major or minor head or other unit of appropriation under which the provision is made unless there be strong reasons for a contrary course, as for instance, when such accounting would be contrary to law. Government should, however, be advised to rectify the error in the estimates of the following year unless it agrees to give effect to the correct classification in the accounts of the current year in view of substantial amounts involved or where the misclassification affects the accounts of commercial departments or allocation between Capital and Revenue heads. This note does not, however, apply to Railways, in which case correct classification should be followed in accounts, irrespective of whether the provision in the budget has been made under the correct unit or not.

General Principle of Classification

25. As a general rule, the classification of transactions in Government Accounts shall have closer reference to the Department in which the revenue or expenditure occurs, than to the object of the revenue or expenditure, or the grounds upon which it is sanctioned, subject to exception provided in the Note to Article 28. For example, expenditure in the Public Works Department on buildings which are under its administrative control, but which are required by a non-commercial department shall be debited in the Public Works Accounts and not passed on for adjustment against the Department benefited by the expenditure.

Important General Orders Governing Classification.

Pay and Allowances of Government Servants.

26. The classification of pay and allowances of Government servants shall be governed by the following rules:

(1) The pay and allowances of a Government servant holding a post substantively or in an officiating capacity should be taken against the Department and the post in which he is actually serving. This direction need not, however, be rigidly applied in the case of Ministerial Government servants acting in other posts in the same office establishment; nor shall it apply to cases governed by special directions issued by the Government.

(2) When a Government servant whose main duties and post fall under one head of charge is entrusted with additional or subsidiary duties coming under another head, no portion of his pay and allowances shall be debited to the latter head. This rule shall not apply to separate fixed allowances for additional duties, nor shall it apply to cases governed by special directions issued by the Government.

(3) The transit pay and allowances of a Government servant proceeding to join an office, whether on first appointment or on transfer, either permanently or as a temporary measure, or on reversion from one department to another, should, in the absence of special orders to the contrary, be debited to the office to which he is proceeding.

NOTE 1.-- The transit pay and allowances, both ways, of officers of Defence and Railways lent to Civil Departments or *vice versa* are debitable to the borrowing Department. This principle shall apply even in cases where the Government servant takes leave either before joining the borrowing Department or before re-joining the lending Department and shall hold good in respect of joining time admissible under the Service Rules applicable to him. Cases of permanent transfers between the Civil and the Defence or Railway Departments shall, however, be governed by the substantive rule in Clause (3) above.

For purposes of this Note, officers of the Army Medical Corps in civil employment should be regarded in all cases as lent to the Civil Department.

NOTE 2.-- The transit pay and allowances, both ways, of a Government servant transferred from the Government to a foreign Government/Organisation or to foreign service will be adjusted in such manner as may be laid down in the Appendix 2 or determined by the Government from time to time.

Travelling Allowances.

27. The travelling allowance of a Government servant shall be classified in the accounts in accordance with the following rules:-

Save as provided below and subject also to the Directions given by the Comptroller and Auditor General to regulate adjustment between different departments of the Government, the travelling allowance of a Government servant on whatever duty he may be employed shall be debited to the same head as his pay.

In the following cases, the travelling allowance of a Government servant may be debited to a head different from that to which his pay is debited:-

- (1) in cases where a Government servant is required to travel on duty connected with an outside body or fund;
- (2) when the Government considers it necessary to show separately the cost of a special Service; and
- (3) in cases covered by general or special orders of the Government authorising a deviation from the general rule.

Expenditure on Civil Works.

28. Expenditure on Civil Works shall be classified in accounts in accordance with the following principle:-

Outlay on buildings and other works shall be debited in the accounts as expenditure of the Public Works Department if the administrative control of the works is vested in officers of the Public Works Department, and as expenditure of the Civil Department concerned if the administrative control of the works is transferred by a general or special order of Government from the Public Works Department to the Department using or requiring them. The term "administrative control" when applied to Civil Works implies *inter alia* the assumption of full responsibility for construction, up-keep and maintenance of buildings and other works and the provision of funds for the execution of these functions. This responsibility is not diminished, if the execution of the work is entrusted to a different agency. Thus works, the administration of which is not transferred from the Public Works Department, may by mutual arrangement be executed by the Military Engineer Services, or by any other Civil Department, but the charges in connection with them shall nevertheless be classified as Public Works expenditure. On the other hand, a Civil Department, to which the administration of a building has been transferred, may invoke the aid of the Public Works Department for technical advice or execution, but the charges relating thereto shall be debited to the Department concerned. The function of the Military Engineer Services in the former case and that of the Public Works Department in the latter is merely that of the contractor, and the administration and the control of the expenditure rests with the Public Works Department in the former case and with the administrative Department concerned in the latter. The agency by which the work is executed shall not thus be the deciding factor in determining the question of classification.

NOTE --- Where the buildings, etc. are under the administrative control of the Public Works Department, it is open to the Government to prescribe that expenditure on construction and repairs connected with these buildings, etc., up to a money limit fixed by the Government, shall be debited as expenditure of the Civil Department carrying out the works.

Government may by rule or order prescribe that works expenditure up to a money limit fixed by it shall be classified as expenditure on repairs and maintenance of the Department concerned.

Contributions made by or to the Government.

29. Contribution made by the Government to local bodies (Zila Parishad, Paurasabhas, etc.) and statutory public authorities shall be debited as expenditure most closely connected with the economic item under broad economic category "grant-in-aid". Contribution made to the Government by local bodies shall be shown as receipts of the Ministry/Division/Department to which it is closely connected.

NOTE 1 --- If the financial assistance given by the Government to a local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the economic category 'Grant-in-aid' of the Public Works Department irrespective of the object of the assistance.

NOTE 2 --- A contribution paid by a local body with the express object of meeting the whole or a part of the cost of construction, by the Public Works Department, of a specific work which is eventually to be the property of Government, should be credited to the economic item 'Public Works Deposit' under the broad economic category "Civil Deposits".

Refunds of Revenue.

30. Refunds of revenue shall, as a general rule, be taken in reduction of the revenue receipts under the classification code to which the receipts were originally booked.

Classification of transactions under " Advances Repayable ".

31. Moneys advanced for miscellaneous purposes, but are recoverable and sums overpaid on vouchers other than those for service payments shall be adjusted under the broad economic category "Advances Repayable" of Public Account of the Republic. Payments made on account of the Government expenditure should not be held under this category on the ground that further proceedings in audit are necessary for their final admission. This category shall cover items, which are from their inception debts due to the Government recoverable either in cash, or by adjustment or by deduction from pay and allowances. Pay and allowances of any kind in respect of an assignable period paid before they are due shall be debited to the same classification code as when paid after they are due, but advances of pay and transfer expenses made to a Government servant under orders of transfer may be debited to specific economic item "objection book advance" under the broad economic category "Advances repayable", or if the Government servant is transferred from the jurisdiction of one accounting authority to another, such advances should be passed on to the latter for adjustment.

Advances for law suits shall be finally debited against the Department concerned. Refunds of amounts remaining unspent out of these advances shall be dealt with as cash recoveries of service payments - *vide* Article 20 of Volume IV of this Code.

Classification of transactions under "Suspense".

32. Items of receipts and payments which cannot at once be taken to the appropriate classification code owing to lack of information as to their nature or for any other reason may be held temporarily under the broad economic category "suspense accounts" in Public Account of the Republic. A service receipt of which full particulars are not given must not be taken to "suspense accounts", but should be credited to the classification code under the Consolidated Fund to which it appears to belong, pending eventual transfer to the appropriate receipt code on receipt of detailed particulars. The charges under "suspense accounts" will consist not only of items for which full particulars have not been given which will enable the accounts office properly to classify them, but also charges written back on disallowance from the Exchanges Accounts or charges disallowed from the Inward Settlement Accounts, which are not susceptible of final adjustment against some other classification code.

NOTE.--- No sums shall ordinarily be credited to the Government by debit to suspense accounts, credit must follow and not precede actual realisation.

Cost of acquisition of land.

33. The cost of land taken up by acquisition shall be debited to the Department for which it is acquired. See also Notes 1 and 2 to Article 53.

Sale-proceeds of Government land and buildings.

34. Sale proceeds of assets shall be credited under the broad economic category, "sale of assets", of the respective Ministry/Division/Department.

Outlay on buildings and other works shall be debited in the accounts as expenditure of the Public Works Department if the administrative control of the works is vested in officers of the Public Works Department, and as expenditure of the Civil Department concerned if the administrative control of the works is transferred by a general or special order of Government from the Public Works Department to the Department using or requiring them. The term "administrative control" when applied to Civil Works implies *inter alia* the assumption of full responsibility for construction, up-keep and maintenance of buildings and other works and the provision of funds for the execution of these functions. This responsibility is not diminished, if the execution of the work is entrusted to a different agency. Thus works, the administration of which is not transferred from the Public Works Department, may by mutual arrangement be executed by the Military Engineer Services, or by any other Civil Department, but the charges in connection with them shall nevertheless be classified as Public Works expenditure. On the other hand, a Civil Department, to which the administration of a building has been transferred, may invoke the aid of the Public Works Department for technical advice or execution, but the charges relating thereto shall be debited to the Department concerned. The function of the Military Engineer Services in the former case and that of the Public Works Department in the latter is merely that of the contractor, and the administration and the control of the expenditure rests with the Public Works Department in the former case and with the administrative Department concerned in the latter. The agency by which the work is executed shall not thus be the deciding factor in determining the question of classification.

NOTE.— Where the buildings, etc. are under the administrative control of the Public Works Department, it is open to the Government to prescribe that expenditure on construction and repairs connected with these buildings, etc., up to a money limit fixed by the Government, shall be debited as expenditure of the Civil Department carrying out the works.

All works expenditure debitable to Civil Departments shall be classified under the minor head 'Works' subordinate to the relevant departmental major head unless Government by rule or order prescribes that such expenditure up to a money limit fixed by it shall be classified as contingent expenditure of the Department concerned.

Contributions made by or to the Government.

29. Contribution made by the Government to local bodies (District Council, Municipalities, etc.) or vice versa shall be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. A grant given for general purposes, such as a grant to make good a deficit or as compensation for revenue resumed, shall be classified under 175 - grant-in-aid, contribution.

NOTE 1.— If the financial assistance given by the Government to a local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the minor head 'Grant-in-aid' of the Public Works Major Head concerned irrespective of the object of the assistance.

NOTE2.— A contribution paid by a local body with the express object of meeting the whole or a part of the cost of construction, by the Public Works Department, of a specific work which is eventually to be the property of Government, should be credited in the Public Works accounts to the Major head 88--Departmental and Judicial Deposits, Minor Head- Public Works Deposit. The contribution should, for accounts purposes, be divided into two parts, the one representing a share of works expenditure and the other the usual percentage on that share to cover charges for Public Works establishment and tools and plant; and the expenditure as actually incurred, together with the percentages, should be debited against it.

Refunds of Revenue.

30. Refunds of revenue shall, as a general rule, be taken in reduction of the revenue receipts under the major head concerned.

Classification of transactions under " Advances Repayable ".

31. Moneys advanced for miscellaneous purpose under special authority and recoverable in cash and sums overpaid on vouchers other than those for service payments shall be adjusted under the Major Head 312--Advance not bearing interest, Minor Head-Advances repayable. Payments made on account of the Government expenditure should not be held under this head on the ground that further proceedings in audit are necessary for their final admission. This head shall cover items which are from their inception debts due to the Government recoverable either in cash or by deduction from pay and allowances. Pay and allowances of any kind in respect of an assignable period paid before they are due shall be debited to the same head as when paid after they are due, but advances of pay and travelling allowance made to a Government servant under orders of transfer may be debited to the minor head "Advances repayable" of major head - 312 or if the Government servant is transferred from the jurisdiction of one accounting authority to another (e.g. from the Controller General of Accounts to the Controller General of Defence Finance) such advances should be passed on to the latter for adjustment. Advances for compensation for land may be debited to minor head "Advances repayable" of major head - 312 and retained under that head until receipt of proper payment vouchers when the amount should be transferred to the debit of the department concerned.

Advances for law suits shall be finally debited against the Department concerned. Refunds of amounts remaining unspent out of these advances shall be dealt with as cash recoveries of service payments - *vide* Article 20 of Volume IV of this Code.

Classification of Transactions under "Suspense".

32. Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reason may be held temporarily under the Major head 94 - Suspense in case of receipts and 314 - Suspense in case of payments. A service receipt of which full particulars are not given must not be taken to the head "Suspense", but should be credited to the Minor Head "other receipts" under the revenue head to which it appears to belong or, if no adequate minor head has been prescribed, to the Major Head 65 - Miscellaneous non-Tax revenue, pending eventual transfer to the credit of the proper head on receipt of detailed particulars. The charges under the head "suspense" will consist not only of items for which full particulars have not been given which will enable the Accounts office properly to classify them, but also charges written back on disallowance from the Exchanges Accounts or charges disallowed from the Inward Settlement Accounts, which are not susceptible of final adjustment against some other head.

NOTE--- No sums shall ordinarily be credited to the Government by debit to a suspense head, credit must follow and not precede actual realisation.

Cost of acquisition of land.

33. The cost of land taken up by acquisition shall be debited to the Department for which it is acquired. See also Notes 1 and 2 to Article 53.

Sale proceeds of Government land and buildings.

34. Sale proceeds of land and buildings except by Defence Department shall be credited to Capital Revenue Major Head 67, 68 or 69, as the case may be. Sale proceeds of land and buildings of Defence Department shall be credited to Major Head 34 - Defence Receipts.

Municipal rates and taxes.

35. Municipal rates and taxes on Government buildings shall be adjusted as follows :-

(a) As a general rule, municipal rates and taxes on a non-residential building paid by, or passed on to, a Department other than the Defence Department, occupying the whole or part of the building shall be debited to the Department concerned under the specific items of the broad economic category "supplies and services". Where, however, the whole or part of the tax is paid by the Public Works Department or by a Civil Department as the Department in administrative control of the building, the payments may be debited to the specific item under the broad economic category – "repair and maintenance";

(b) Taxes on non-residential buildings occupied by Departments other than the Defence Department, if paid by a Department nominated by the Government in this behalf and not passed on to the occupying Departments, shall be debited to the maintenance estimate of the building concerned under the specific item under the broad economic category – "repair and maintenance" or to the specific item under the broad economic category "supplies and services" by the occupying Department.

(c) Taxes on residential buildings, if payable by the Government, whether the buildings are under the administrative control of the Public Works Department or any other Civil Department, shall be debited to the maintenance estimate of the building concerned under the specific item under the broad economic category – "repair and maintenance".

NOTE--- In cases, where the whole or any portion of the taxes, which by local rule or custom are ordinarily leviable from the tenant, is paid by a Department other than the Department in administrative control of the building, the charge may be treated as expenditure of the paying Department under the specific items of the broad economic category "supplies and services".

d) Taxes both on residential and non-residential buildings owned or occupied by the Defence Department shall be debited to the Defence Services estimate.

Cost of the Survey of Bangladesh and other scientific parties accompanying a military expedition.

36. The cost of the Survey of Bangladesh and other scientific parties which may accompany a military expedition shall be adjusted as follows:-

(i) All extra expenditure connected with a Survey of Bangladesh unit which would not have been incurred but for field operations shall be borne by the Defence Estimates, provided that the Survey of Bangladesh unit accompanied the expedition at the request of the Defence Department.

(ii) The cost of the pay, allowances, and other expenses of other scientific parties shall be borne by the respective Civil Departments concerned, while the expenditure incurred on special transport arrangements made by the Defence Services shall be debited to the Defence Estimates.

These rules, shall not, however, apply to the classification of the cost of units of the Survey of Bangladesh or of other scientific parties mobilised for service with the Army on general mobilisation. The whole cost of these units except (in the case of the Survey of Bangladesh) that of the initial supply of all technical equipment, material and stores, shall be debited to the Defence Estimates under special rules.

General Methods of Accounting.

Accounting for transactions pertaining to more than one Ministry/Division/Department.

37. For the sake of convenience or for other special reasons, receipt or charges pertaining to more than one Ministry/Division/Department may be booked in the first instance under one of the Ministry/Division/Department concerned, but the portion creditable or debitable to others involved should be transferred to them before the accounts of the year are closed.

Record of Development Expenditure in accounts.

38. All Development expenditures are debited to specific classification codes shown in the Classification Chart.

Accounting for losses.

39. Losses of Public money, stores or other property of the Government shall be accounted for in accordance with the rules in Chapter 6.

Exhibition of recoveries in Government Accounts.

40. The rules to regulate the exhibition of recoveries in Government accounts are contained in Chapter 5.

Accounting for recoveries of overpayments.

41. Recoveries of over payments shall be adjusted in the accounts in accordance with the procedure set out in Article 20 of Volume IV of this Code.

Municipal rates and taxes.

35. Municipal rates and taxes on Government buildings shall be adjusted as follows :-

(a) As a general rule, municipal rates and taxes on a non-residential building paid by, or passed on to, a Department other than the Defence Department, occupying the whole or part of the building shall be debited to the contingencies of the Department concerned. Where, however, the whole or part of the tax is paid by the Public Works Department or by a Civil Department as the Department in administrative control of the building, the payments may be debited to the maintenance estimate of the building concerned.

(b) Taxes on non-residential buildings occupied by Departments other than the Defence Department, if paid by a Department nominated by the Government in this behalf and not passed on to the occupying departments, shall be debited to the maintenance estimate of the building concerned or to the contingencies of the occupying Department.

(c) Taxes on residential buildings, if payable by the Government, whether the buildings are under the administrative control of the Public Works Department or any other Civil Department, shall be debited to the maintenance estimate of the building concerned.

NOTE.--- In cases, where the whole or any portion of the taxes, which by local rule or custom are ordinarily leviable from the tenant, is paid by a Department other than the Department in administrative control of the building, the charge may be treated as contingent expenditure of the paying Department.

(d) Taxes both on residential and non-residential buildings owned or occupied by the Defence Department shall be debited to the Defence Services estimate.

Cost of the Survey of Bangladesh and other scientific parties accompanying a military expedition.

36. The cost of the Survey of Bangladesh and other scientific parties which may accompany a military expedition shall be adjusted as follows:-

(i) All extra expenditure connected with a Survey of Bangladesh unit which would not have been incurred but for field operations shall be borne by the Defence Estimates, provided that the Survey of Bangladesh unit accompanied the expedition at the request of the Defence Department.

(ii) The cost of the pay, allowances, and contingencies of other scientific parties shall be borne by the respective Civil Departments concerned, while the expenditure incurred on special transport arrangements made by the Defence Services shall be debited to the Defence Estimates.

These rules, shall not, however, apply to the classification of the cost of units of the Survey of Bangladesh or of other scientific parties mobilised for service with the Army on general mobilisation. The whole cost of these units except (in the case of the Survey of Bangladesh) that of the initial supply of all technical equipment, material and stores, shall be debited to the Defence Estimates under special rules.

General Methods of Accounting.

Accounting for transactions pertaining to more than one major head of account.

37. For the sake of convenience or for other special reasons, receipt or charges pertaining to more than one head of account may be booked in the first instance under one of the heads concerned, but the portion creditable or debitable to other head or heads involved should be transferred from the former head to the latter before the accounts of the year are closed. A few cases are cited below :-

- (1) Interest paid by the Government on domestic debt and foreign debt may be taken initially under the major heads 177 and 178 respectively and necessary transfers from these heads may be made subsequently in respect of amounts debitable to Commercial Departments.
- (2) The establishment, tools and plant charges of Public Works Divisions are in the first place booked under a single major head subject to final apportionment among the several major heads concerned, if any.
- (3) The audit charges relating to the audit of the transactions of the Post, T&T, Railways are recorded initially under major head 103 - Audit and are transferred subsequently to the accounts of the respective Departments.

Record of Development Expenditure in accounts.

38. All Development expenditures are debited to major heads 201 to 300 as shown in Section 5. - Development Expenditure of the List of Major and Minor heads (Appendix 1 of this Code).

Accounting for losses.

39. Losses of Public money, stores or other property of the Government shall be accounted for in accordance with the rules in Chapter 6.

Exhibition of recoveries in Government Accounts.

40. The rules to regulate the exhibition of recoveries in Government accounts are contained in Chapter 5.

Accounting for recoveries of overpayments.

41. Recoveries of over payments shall be adjusted in the accounts in accordance with the procedure set out in Article 20 of Volume IV of this Code.

Accounts of commercial undertakings.

42. Where any undertakings of the Government are conducted on commercial lines, the essential formalities of commercial accounts should, if the Government so desires, be strictly observed. In such cases, separate commercial accounts of the undertakings shall be kept outside the regular Government account. Gross receipts and expenditure of commercial undertakings shall be accounted for under the appropriate major and minor heads in the same way as ordinary receipts and expenditure of the Government. The heads of accounts should, as far as possible, be common to the Government accounts and the General Ledger maintained at the undertaking should be selected with due regard to the principles of Governmental and commercial accounting so that the monthly classified account of income and expenditure of the undertaking may be prepared readily from the General Ledger maintained at the undertaking.

Working expenses of Commercial Departments.

43. As a general rule all expenditure pertaining to a Department should be recorded on the expenditure side of the account. In the case of recognised Commercial Departments, however, it is permissible to take "Working Expenses" on the receipts side as deduction from gross receipts.

Transactions between the Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways, and with foreign governments.

44. The methods by which transactions between the Controller General of Accounts, the Controller General of Defence Finance and the Financial Advisor and Chief Accounts Officer, Railways and transactions with foreign Governments are settled shall be as described in the relevant Chapter of Volume IV of the Code.

Rectification of misclassifications.

45. The procedure to be followed in rectifying misclassifications in accounts shall be as prescribed in Chapter 12 of Volume IV of this Code.

Write-off from balanced heads to "Government".

46. Ordinarily all amounts due to the Government which are found to be irrecoverable shall be written-off from the Advances/Public Account head of account concerned to an expenditure head as a loss to Government. Similarly, any amount due to Government remaining unclaimed for such time as may be prescribed by the Government may be credited as revenue of the Government by debit to the Advances or Public Account head concerned. No amounts should be written off from a Head of Account which closes to balance in the Government account without a specific order of Comptroller and Auditor General and then only on the ground that the error is one of book-keeping only.

Accounts to work from balance to balance.

47. The accounts of the Government shall work from balance to balance. The closing balance shown in the accounts of each month including remittances in transit shall work up to the general cash balance of the Government held by the Bangladesh Bank at the end of that month.

CHAPTER 4 - DIRECTIONS REGULATING INTER- DEPARTMENTAL TRANSFERS.

Introductory.

48. The Directions in this Chapter shall regulate the conditions under which a Department of the Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts of the Government.

Adjustments with outside bodies.

49. Payments shall be required in all cases where a Department of the Government renders service or makes supplies to a non-Government body or institution or to a separate fund constituted as such inside or outside the Public Accounts, unless the Government by general or special order gives directions to the contrary. Relief in respect of payment for services or supplies given to any body or fund, should ordinarily be given through a grant-in-aid rather than by remission of dues.

Inter-departmental adjustments.

50. For purposes of inter-Departmental payments, the Departments of the Government shall be divided into Service Departments and Commercial Departments according to the following principles:-

A. - *Service Departments.* - These are constituted for the discharge of those functions which either
(a) are inseparable from and form part of the idea of Government, or (b) are necessary to, and form part of, the general conduct of the business of the Government

Examples of the first class are:-

Departments of Police, Education, Health and Family Welfare, Forest, Defence.

Examples of the second class are:-

Departments of Survey; Printing, Stationery, Forms and Publication; Public Works; Supply and Inspection.

B. - *Commercial Departments or Undertakings.* - These are maintained mainly for the purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions which are not necessarily Governmental functions. They are required to work to a financial result determined through accounts maintained on commercial principles.

NOTE. --- Government has the power in respect of these Directions to decide whether a particular Department or particular activities of a Department shall be regarded as a Commercial Department or undertaking. A list of Departments and undertakings at present recognised by the Government as commercial is given in the annexure to this Chapter.

51. Save as expressly provided in this Chapter, a Service Department shall not make charges against another Department for services or supplies which fall within the class of duties for which the former Department is constituted.

The following exceptions to the rule in this Article have been authorised:-

(a) The Forest Department may charge any other Department for vegetable, animal or mineral products extracted from a forest area.

(b) The cost of additional Police Guards supplied to a project, while under construction, may be debited to the project concerned.

52. A Commercial Department or undertaking shall ordinarily charge and be charged for any supplies and services made to or rendered to, or by other Departments of the Government.

This Direction may be applied to particular units or particular activities of any Department even though the Department as a whole may not be a Commercial Department. Such a unit or activity shall ordinarily charge for its services or its supplies to, and may likewise be charged by, either the Department of which it forms part or any other Department.

NOTE 1.--- Save as otherwise provided in this Chapter, services rendered by a service Department falling under clause A(a) of Article 50 in the normal discharge of its functions shall not be regarded as services rendered for the purposes of this Article.

NOTE 2.--- The supply of residential accommodation by one Department to the employees of another shall not for the purposes of the Directions in this Chapter be held to constitute a service rendered. In all such cases the rent charged for residential accommodation will be recoverable under the rules for the time being in force from the persons actually using such accommodation.

53. Where one Department makes payment or renders service as an agent of another Department of the Government, the principal Department may, subject to such monetary limit as may be fixed by the Government in this behalf, be debited with the expenditure incurred on its behalf by the agent Department.

NOTE 1.---The cost of land acquired by a Civil Department on behalf of the Public Works Department is debitable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when land is taken up by two or more Service Departments conjointly, the cost is wholly debitable to the Department for which the major portion of expenditure was incurred, unless there are special reasons to the contrary.

NOTE 2.--- When a special officer is employed for the acquisition of land for any Department, the expenditure on pay, allowances, etc., of the special officer and his establishment and any expenditure on contingencies, is debitable to that Department as part of the cost of land. When the land is taken up by a Civil Officer, not specially employed for the work, only special charges incurred in connection with the acquisition of the land on establishment, contingencies, etc., shall be borne by the Department for which the land is acquired.

54. Without prejudice to the general principle contained in Article 51, the Defence Services shall, in respect of inter-Departmental transactions, charge and be charged for services rendered and supplies made to or by other Departments, unless in particular cases or classes of cases, Government in consultation with the Comptroller and Auditor General, have decided that the inter-Departmental adjustment would be unsuitable and undesirable.

NOTE 1.--- The Defence Services shall not be required to pay rent for office accommodation supplied by Public Works Department in its buildings in any station in Bangladesh nor shall rent be charged for buildings of the Defence Services in any station in Bangladesh occupied by Government Departments.

55. A branch of a Service Department performing duties supplementary to the main function of the Department and intended to render particular services on payment, may levy charges in respect of the work for which it has been constituted.

Examples are Jail manufacture; survey map publishing; stationery, printing, forms and publications.

56. A branch of a Department constituted for the subsidiary service of that Department, employed to render similar service to another Department, may charge that other Department, e.g. Workshop of a Department, Dockyards.

57. A regularly organised store branch of a Department should ordinarily charge any other Department for supplies made; but petty and casual supplies of stores may, if the supplying Department consents, be made without payment.

58. Notwithstanding anything contained in the Directions in this Chapter, Government may, for special reasons which shall be recorded and communicated to the Controller General of Accounts, the Controller General of Defence Finance or the Financial Advisor and Chief Accounts Officer, Railways, as the case may be, permit inter-Departmental adjustment in any case where such adjustment may be considered necessary in the interest of economy or of Departmental control of expenditure.

General.

59. Where under the directions in this Chapter, payment is required to be made by one Department of the Government to another, such payment may, if the case so requires or if otherwise deemed necessary, include adequate charge for supervision or other indirect expenditure connected with the service or supply for which payment is made.

60. Payments of amounts due by one Department of the Government to another shall ordinarily be made by book transfer except when such transfers do not suit the methods of accounts or of business adopted by the receiving Department.

61. Any question of doubt or dispute arising in connection with the interpretation of the Directions in this Chapter will be decided by the Comptroller and Auditor General with the approval of the President.

ANNEXURE

List of Departments and undertakings recognised as commercial (vide Note under Article 50)

(This list does not purport to be exhaustive and may be modified by the Government in consultation with the Controller General of Accounts)

1. Bangladesh Telegraph and Telephone Board.
2. Bangladesh Post Office.
3. Light Ships and Light Houses.
4. Department of Stationery, Printing, Forms and Publications.
5. Railways.
6. Government Flour Mills.
7. Department of Food (State Trading in Food).
8. Commercial Service of Radio Bangladesh and Bangladesh Television.
9. Military Farms.
10. Ordnance Factories.

CHAPTER 5 - DIRECTIONS REGULATING THE EXHIBITION OF RECOVERIES OF EXPENDITURE IN GOVERNMENT ACCOUNTS.

Introductory.

62. The Directions in this Chapter shall regulate the exhibition of recoveries of expenditure in Government accounts.

In these Directions the term 'recovery' means repayment by another Government Department or an outside body or person, of expenditure initially borne by a Government Department and recorded as such in its accounts.

Recoveries from private persons or bodies and Governments outside Bangladesh.

63. Recoveries from private persons or bodies (including Local Funds and Government outside Bangladesh) should, as a general rule, be treated as revenue and not as deduction from expenditure. Exceptions are

- (i) When a Government undertakes a service merely as an agent of a private body, so that the entire cost of service is recovered from that body, the net cost to Government being *nil*, the recoveries may be taken in reduction of expenditure.
- (ii) Recoveries of expenditure on works in progress and transactions of stock and other suspense accounts:-

The technical estimates take cognisance of all anticipated receipts from sale proceeds of materials, plant, etc., received from the old structure, while the receipts under "stock and suspense" are by their very nature inseparable from the expenditure recorded under the main head. The recoveries falling under these two categories should therefore be treated as reduction of gross expenditure.

Recoveries by one Department from another Department.

64. As between different Departments of the Government, the recoveries should be treated as deduction from the gross expenditure except such recoveries as are made by a Commercial Department, which should be treated as receipts of that Department.

NOTE 1.-- The term "recoveries by a Commercial Department" for the purpose of this Direction shall apply to recoveries in respect of services rendered to other Departments in pursuance of the proper functions for which the Department is constituted, that is to say, in the case of Postal Department or T&T Board, recoveries shall be treated as receipts only when they are made in respect of Postal, Telephone and Telegraph services rendered to other Departments. Where, however, a Commercial Department acts as an agent of another Department for the discharge of functions not germane to the essential purpose of the Department, the recoveries shall be taken in reduction of expenditure.

NOTE 2.-- Recoveries made from another Department, if not effected within the accounts of the year in which the expenditure was incurred, should be treated as revenue and not as deduction from expenditure, unless the latter course is authorised by provision in the budget estimates.

Receipts and Recoveries on Capital/ Development Heads of Account.

65. Notwithstanding anything to the contrary that may be provided by or under the Directions in this Chapter, receipts and recoveries on Capital/Development heads of accounts in so far as they represent recoveries of expenditure previously debited to a Capital/Development major head shall be taken in reduction of expenditure under the major head concerned except where under the rules of allocation applicable to a particular Department, such receipts have to be taken to revenue.

Settlement of doubts or disputes.

66. In case of doubt or dispute, the question whether any particular recovery is classifiable as revenue or as deduction from expenditure under the Directions in this Chapter will be decided by the Comptroller and Auditor General, with the approval of the President.

**CHAPTER 6 - DIRECTIONS REGULATING THE EXHIBITION OF LOSSES IN
GOVERNMENT ACCOUNTS**

Introductory.

67. The Directions in this Chapter shall regulate the exhibition and adjustment of losses in Government Accounts.

Receipts.

68. (1) If a claim be relinquished, the value of the claim shall not be recorded on the expenditure side as a specific loss.

(2) If money due to the Government has actually reached a Government servant and is then embezzled, stolen or lost, even though it may not have reached the Bank and thus have passed into the Public Accounts, it should be brought into the Public Accounts as a receipt and then shown on the expenditure side by record under a separate head as a loss.

NOTE 1.--- The term "Government servant" used in clause (2) of this Article includes persons who, though not technically borne on a regular Government Establishment, are duly authorised to receive money on behalf of the Government

NOTE 2.--- Where losses of public money are wholly or partially met by non-issue of pay or pension and the Account Department authorisedly applies the unissued amount to meet the public claim, the resultant balance of the claim alone should be treated as a loss, the emoluments due being debited to the pertinent head of account as if they had been drawn and used by the Government servant concerned in paying the public claim.

Buildings, lands, stores and equipment.

69. Losses or deficiencies need not be recorded under a separate head in the accounts, though they should be written off any value or commercial account that may be maintained. If transactions under these categories are recorded under Suspense heads in the Government accounts, losses or deficiencies relating thereto must be written off the Suspense heads also.

Cash in hand.

70. All losses or deficiencies should be recorded under separate heads in the accounts.

NOTE 1.--- The acceptance of counterfeit coins or notes shall be regarded as a loss of cash.

NOTE 2.--- Any recovery made in the course of the year in which the losses are brought to account shall be shown by deduction from the head under which the loss is recorded. Any recovery made after the accounts of the year are closed shall be shown as an item of receipt.

Irregular or Unusual payments.

71. Irregular or unusual payments should be recorded in the accounts with general reference to the ordinary rules of classification according to the nature of the expenditure; for example, an overpayment of pay shall be debited to the head "pay". Similarly an excess payment for bricks manufactured shall be debited to the work for which the bricks are used. It is only when special heads exist in the accounts for recording such charges, as compensations for damages, irrecoverable temporary loans written off and the like, that unusual or extraordinary payments shall be separately recorded.

Inevitable Losses.

72. Where losses are an inevitable feature of the working of a particular Department, the major head of account under which the expenditure of that Department is recorded shall contain separate descriptive heads under which such losses may be recorded.

Exhibition of Losses in Appropriation Accounts.

73. The rules relating to the exhibition of losses in the Appropriation Accounts are contained in the instructions issued by the Comptroller and Auditor General for the preparation of those Accounts.

APPENDIX 1

(See ARTICLE 21)

Classification Chart

Classification Chart separately printed and published from time to time will be applicable.

APPENDIX 2

(See ARTICLE 24.)

Rules Regulating Adjustments of certain Categories of Charges and Receipts.

A.---INTRODUCTORY.

The Rules regulating the incidence of pay, leave, passage and pension etc., charges of Government servants as well as of certain other charges and receipts between Departments of the Government which are set out in this Appendix are binding on all Departments.

B.---Pay, Allowances, Pensions, etc.

I. Incidence of Pay and Allowances, other than leave salaries.

1. When the services of a Government servant in one Department is placed under or lent to another Department, the transit pay and allowances including travelling allowances while he is joining and leaving the new service shall be borne by the Department under whom he is placed or to whom he is lent.
2. Defence Personnel holding a civil post will draw pay in accordance with the terms and conditions of his appointment/deputation to the civil post concerned.
3. Terms and conditions of employment of Defence Services Personnel in aid of civil power and arrangements with regard to determining the financial liability of the civil authorities and adjustment of extra expenditure incurred by the Defence Services on requisitioning of troops in aid of civil power will be governed by Joint Services Instructions issued from time to time. The Instructions in force from January 1, 1984 are given below:-

Joint Services Instructions - Employment of Defence Services Personnel in aid of Civil Power.

It has been decided by the Government that the terms and conditions of employment of Defence Services Personnel in aid of civil power and arrangements with regard to determining the financial liability of the civil authorities and adjustment of extra expenditure incurred by the defence services on requisitioning of troops in aid of civil power will be as follows:

- (i) The commitments involving employment of troops etc. in aid of civil power are normally:
 - (a) Maintenance of law and order.
 - (b) Fighting natural calamities, i.e. floods, fires, earthquakes, famines, cyclones, locusts, wild animals, epidemic and other calamities in which the assistance of services is required by the civil authorities.
 - (c) Anti-smuggling measures.
 - (d) Maintenance of essential services during strikes.
 - (e) Assistance sought by civil authorities in any other cases.
- (ii) The financial liability of the civil authorities will be limited to meeting the cost of the items described below:

APPENDIX 1

(See ARTICLE 21.)

List of Major and Minor Heads of Account of Receipts and Disbursements.

List separately printed and published from time to time will be applicable.

APPENDIX 2

(See ARTICLE 24.)

Rules Regulating Adjustments of certain Categories of Charges and Receipts.

A.---INTRODUCTORY.

The Rules regulating the incidence of pay, leave, passage and pension etc., charges of Government servants as well as of certain other charges and receipts between Departments of the Government which are set out in this Appendix are binding on all Departments.

B.---Pay, Allowances, Pensions, etc.

I. Incidence of Pay and Allowances, other than leave salaries.

1. When the services of a Government servant in one Department is placed under or lent to another Department, the transit pay and allowances including travelling allowances while he is joining and leaving the new service shall be borne by the Department under whom he is placed or to whom he is lent.
2. Defence Personnel holding a civil post will draw pay in accordance with the terms and conditions of his appointment/deputation to the civil post concerned.
3. Terms and conditions of employment of Defence Services Personnel in aid of civil power and arrangements with regard to determining the financial liability of the civil authorities and adjustment of extra expenditure incurred by the Defence Services on requisitioning of troops in aid of civil power will be governed by Joint Services Instructions issued from time to time. The Instructions in force from January 1, 1984 are given below:-

Joint Services Instructions - Employment of Defence Services Personnel in aid of Civil Power.

It has been decided by the Government that the terms and conditions of employment of Defence Services Personnel in aid of civil power and arrangements with regard to determining the financial liability of the civil authorities and adjustment of extra expenditure incurred by the defence services on requisitioning of troops in aid of civil power will be as follows:

- (i) The commitments involving employment of troops etc. in aid of civil power are normally:
 - (a) Maintenance of law and order.
 - (b) Fighting natural calamities, i.e. floods, fires, earthquakes, famines, cyclones, locusts, wild animals, epidemic and other calamities in which the assistance of services is required by the civil authorities.
 - (c) Anti-smuggling measures.
 - (d) Maintenance of essential services during strikes.
 - (e) Assistance sought by civil authorities in any other cases.
- (ii) The financial liability of the civil authorities will be limited to meeting the cost of the items described below:

- (a) Wear and tear/hire charges for military vehicles, aircraft, vessels, equipment etc. (including MAF equipment).
- (b) Cost of expendable stores.
- (c) Daily allowance payable to services officers of the normal rates and to personnel @ Taka 5.00 (five) per head per day in addition to free ration or an allowance in lieu, as the case may be, for the duration of their employment on assignments arising out of aid of civil power.
- (d) The allowance of Taka 5.00 (five) per head per day as admissible to services personnel on Martial Law duty will not be admissible to such personnel simultaneously.

(iii) All bills, vouchers, etc. pertaining to extra expenditure specified above together with a statement showing item-wise summary of the expenditure, duly countersigned by the Deputy Commissioner will be forwarded by the station/units /formations/installations concerned to the respective Services Headquarters for settlement with the Ministry/Divisions of the Government.

(iv) Adjustment of accounts in all cases will be made through book debit in accordance with the existing procedure. The claims duly accepted by the concerned civil authorities etc. will be forwarded to the respective services accounts authorities for raising necessary debit. The recoveries effected from the civil authorities will be treated as deduction from the expenditure and accounted for as “deduct recovery” under the relevant heads of accounts of the Defence Services Estimates.

(v) Every assistance will be rendered by Accounts Authorities to formations/installations in the matter of costing stores as well as working out wear and tear/hire charges for vehicles/aircrafts/vessels/equipments etc.

(vi) The responsibility for raising claims of extra expenditure is primarily that of the formations/installations. It will therefore, be ensured that all the outstanding claims are prepared accordingly on the Government Department concerned as laid down in paragraph 1 (iii) above. Daily allowances will be paid to the individuals concerned immediately on completion of their duty, by the stations/units/formations/installations with whom they are serving out of their imprest money. The debit should later on be raised separately against the civil department concerned for financial adjustment.

These financial arrangements would not apply to the cases of construction projects, etc. undertaken by services on behalf of the civil administration, which would be dealt with under arrangements mutually agreed upon in each case.

4. When soldiers are sent under Defence Service escort from one station to another to stand trial on a criminal charge, they will travel like any other party of soldiers on duty, under a warrant furnished by Defence Service authorities, the charge being met from Defence Services Estimates. When a soldier is conducted by a Police escort, the charge will be civil; the warrant issued in such cases should include the accused as he is a soldier proceeding to a certain place under the orders of his Military superior and therefore on duty.

5. Civilian Government servants, who belong to the Army in Bangladesh Reserve of Officers, when called up for training, receive the following emoluments:-

- (i) when proceeding to carry out their training direct from their civil appointments, the pay and allowances which they would have drawn in their civil appointments but for the training, for the whole period of absence on such training inclusive of the time spent in transit to and from;
- (ii) when proceeding to carry out their training while on leave, the civil leave pay and allowances which they would have drawn but for the training;

- (iii) when proceeding to carry out their training on the expiry of leave out of Bangladesh taken from their civil appointments but before rejoining their civil appointments for duty, joining time civil pay from the date of disembarkation in Bangladesh to the date preceding that on which their training commenced and the period spent in journeying to the place of their civil appointments; and
- (iv) Defence Service pay and allowances for the period of actual training.

The emoluments drawn under (i) to (iii) are debitable to Civil Estimates and that under (iv) to the Defence Services Estimates.

If it is necessary to provide a substitute in place of such an officer undergoing training, the additional cost will be a charge on Civil Estimates.

NOTE.-- This rule is also applicable in regard to the allocation of the Civil pay of a Government servant, who is a member of a Bangladesh Naval Volunteers Reserve or Bangladesh Navy Reserve when called up for training.

6. Reservists of Army employed under the Government will, when called up for periodic military training, receive Defence Services pay and allowances. They will also receive the excess, if any, of their Civil pay over their Defence Services pay provided that this concession is specifically sanctioned by the Government. Except where the Civil pay of the reservists is met from the Defence Services Estimates, the extra expenditure involved will not constitute a charge against the Defence Services Estimates.

7. The pay and allowances including travelling allowances of a Government servant summoned to give evidence in his official capacity in a Civil or Criminal Court in a case in which the Government is a party are, during the period of his absence, debited to the Department of the Government under which he is employed. Actual expenses under the rules of the Court, if admissible, are, however, payable by the Court and debited to Court contingencies.

II. Incidence of Leave Salaries.

When a Government servant is transferred to service under a Department other than that under which he was first employed, the leave salary drawn by him during any leave taken after the date of transfer should be debited to the borrowing Department irrespective of whether the leave was earned in borrowing or lending Department.

C---OTHER CHARGES.

III. Incidence of the cost of Police functions on Railways including the cost of protecting Railway Bridges.

Police functions in Railways are divided into three categories:-

- (a) Crime - for which Civil Government is entirely responsible and the expenses of which Government has to pay.
- (b) Order - for which Civil Government is responsible but the expenses of which Railways have to pay; and
- (c) Railway Nirapatta Bahini (RNB) - for which Railways bear both responsibility and cost.

1. Special requisitions on the Police by Railways for (c) must be paid for by the latter; special requisitions for (a) beyond what Civil Government considers necessary should also be debited to Railways. But Railways cannot be called upon to pay for special measures under (a) which Civil Government considers necessary.

- (a) Wear and tear/hire charges for military vehicles, aircraft, vessels, equipment etc. (including MAF equipment).
- (b) Cost of expendable stores.
- (c) Daily allowance payable to services officers of the normal rates and to personnel @ Taka 5.00 (five) per head per day in addition to free ration or an allowance in lieu, as the case may be, for the duration of their employment on assignments arising out of aid of civil power.
- (d) The allowance of Taka 5.00 (five) per head per day as admissible to services personnel on Martial Law duty will not be admissible to such personnel simultaneously.

(iii) All bills, vouchers, etc. pertaining to extra expenditure specified above together with a statement showing item-wise summary of the expenditure, duly countersigned by the Deputy Commissioner will be forwarded by the station/units /formations/installations concerned to the respective Services Headquarters for settlement with the Ministry/Divisions of the Government.

(iv) Adjustment of accounts in all cases will be made through book debit in accordance with the existing procedure. The claims duly accepted by the concerned civil authorities etc. will be forwarded to the respective services accounts authorities for raising necessary debit. The recoveries effected from the civil authorities will be treated as deduction from the expenditure and accounted for as “deduct recovery” under the relevant heads of accounts of the Defence Services Estimates.

(v) Every assistance will be rendered by Accounts Authorities to formations/installations in the matter of costing stores as well as working out wear and tear/hire charges for vehicles/aircrafts/vessels/equipments etc.

(vi) The responsibility for raising claims of extra expenditure is primarily that of the formations/installations. It will therefore, be ensured that all the outstanding claims are prepared accordingly on the Government Department concerned as laid down in paragraph 1 (iii) above. Daily allowances will be paid to the individuals concerned immediately on completion of their duty, by the stations/units/formations/installations with whom they are serving out of their imprest money. The debit should later on be raised separately against the civil department concerned for financial adjustment.

These financial arrangements would not apply to the cases of construction projects, etc. undertaken by services on behalf of the civil administration, which would be dealt with under arrangements mutually agreed upon in each case.

4. When soldiers are sent under Defence Service escort from one station to another to stand trial on a criminal charge, they will travel like any other party of soldiers on duty, under a warrant furnished by Defence Service authorities, the charge being met from Defence Services Estimates. When a soldier is conducted by a Police escort, the charge will be civil; the warrant issued in such cases should include the accused as he is a soldier proceeding to a certain place under the orders of his Military superior and therefore on duty.

5. Civilian Government servants, who belong to the Army in Bangladesh Reserve of Officers, when called up for training, receive the following emoluments:-

- (i) when proceeding to carry out their training direct from their civil appointments, the pay and allowances which they would have drawn in their civil appointments but for the training, for the whole period of absence on such training inclusive of the time spent in transit to and from;
- (ii) when proceeding to carry out their training while on leave, the civil leave pay and allowances which they would have drawn but for the training;

(iii) when proceeding to carry out their training on the expiry of leave out of Bangladesh taken from their civil appointments but before rejoining their civil appointments for duty, joining time civil pay from the date of disembarkation in Bangladesh to the date preceding that on which their training commenced and the period spent in journeying to the place of their civil appointments; and

(iv) Defence Service pay and allowances for the period of actual training.

The emoluments drawn under (i) to (iii) are debitable to Civil Estimates and that under (iv) to the Defence Services Estimates.

If it is necessary to provide a substitute in place of such an officer undergoing training, the additional cost will be a charge on Civil Estimates.

NOTE.-- This rule is also applicable in regard to the allocation of the Civil pay of a Government servant, who is a member of a Bangladesh Naval Volunteers Reserve or Bangladesh Navy Reserve when called up for training.

6. Reservists of Army employed under the Government will, when called up for periodic military training, receive Defence Services pay and allowances. They will also receive the excess, if any, of their Civil pay over their Defence Services pay provided that this concession is specifically sanctioned by the Government. Except where the Civil pay of the reservists is met from the Defence Services Estimates, the extra expenditure involved will not constitute a charge against the Defence Services Estimates.

7. The pay and allowances including travelling allowances of a Government servant summoned to give evidence in his official capacity in a Civil or Criminal Court in a case in which the Government is a party are, during the period of his absence, debited to the Department of the Government under which he is employed. Actual expenses under the rules of the Court, if admissible, are, however, payable by the Court and debited to Court contingencies.

II. Incidence of Leave Salaries.

When a Government servant is transferred to service under a Department other than that under which he was first employed, the leave salary drawn by him during any leave taken after the date of transfer should be debited to the borrowing Department irrespective of whether the leave was earned in borrowing or lending Department.

C---OTHER CHARGES.

III. Incidence of the cost of Police functions on Railways including the cost of protecting Railway Bridges.

Police functions in Railways are divided into three categories:-

- (a) Crime - for which Civil Government is entirely responsible and the expenses of which Government has to pay.
- (b) Order - for which Civil Government is responsible but the expenses of which Railways have to pay; and
- (c) Railway Nirapatta Bahini (RNB) - for which Railways bear both responsibility and cost.

1. Special requisitions on the Police by Railways for (c) must be paid for by the latter; special requisitions for (a) beyond what Civil Government considers necessary should also be debited to Railways. But Railways cannot be called upon to pay for special measures under (a) which Civil Government considers necessary.

2. The following rules regulate the incidence of cost of protecting Railway bridges:-

(1) Railway bridges, in common with Railway goods and premises, will ordinarily be protected by watchmen in the employ of Railways.

(2) In the event of the replacement of these watchmen by military or police guards:-

(a) When the services of the military or police guards are placed at the disposal of Railways at the request of the Railway Administration, the cost of the guards will fall upon the Railways.

(b) If the substitution is made on general grounds of State policy and the service is taken over by the Police, Defence Services or other public service Department as part of their regular duties, the charges will be debited to Police, Defence Services or the Public Department concerned, as the case may be.

IV. Incidence of the cost of (1) Forest Surveys carried out by the Survey of Bangladesh and (2) Forest maps prepared by that Department.

The rules governing the incidence of the cost of (1) Forest Surveys carried out by the Survey of Bangladesh and (2) Forest maps prepared by that Department are given in Chapter IX of the Survey of Bangladesh Handbook of Topography.

D---RECEIPTS.

V. Incidence of Leave Salary and Pension Contribution in respect of Government servants lent to Foreign Government/Organisation.

Contribution towards leave salary and pensions by Government servants lent to foreign government/organisation will be regulated by Rules 100 to 106 of Bangladesh Service Rules Part I.

APPENDIX 3

(See ARTICLE 1.)

Comptroller and Auditor General (Additional functions) Act (No. XXIV of 1974).

An Act to prescribe certain additional functions of the Comptroller and Auditor-General.

Whereas clause (3) of article 128 of the Constitution of the People's Republic of Bangladesh provides that Parliament may by law require the Comptroller and Auditor-General to exercise such functions, in addition to those in Clause (1) of that Article, as such law may prescribe;

It is hereby enacted as follows:

1. Short title and commencement:

- (1) This Act may be called the Comptroller and Auditor-General (Additional Functions) Act, 1974.
- (2) It shall be deemed to have come into force on the 16th day of the December, 1971.

2. Definitions: In this Act, unless there is anything repugnant in the subject or context:-

- (a) "accounts", in relation to a commercial undertaking of the Government, includes subsidiary accounts;
- (b) "appropriation accounts" means accounts relating to expenditure brought into account during a financial year to the several items specified in the Appropriation Act;
- (c) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;
- (cc) "Public enterprise" means a company or firm, whether incorporated or registered or not, in which the Government has at least fifty percent share or interest;
- (d) "Statutory public authority" means any authority, corporation or body the activities or the principal activities of which are authorised by any Act, Ordinance, Order or instrument having the force of law in Bangladesh.

3. Keeping of Government accounts:

- (1) Subject to the provisions of sub-section (2), the Auditor-General shall be responsible for the keeping of the accounts of the Government.
- (2) The Auditor-General shall not be responsible for the keeping of
 - (a) initial accounts that may be required to be kept in the Treasuries; and
 - (b) initial and subsidiary accounts of stocks and stores, manufacturing, trading and profit and loss accounts that may be required to be kept in any Ministry, Division or office of the Government.

3A. **Expenditure:** The Government may, subject to such condition as may be specified therein, direct that all or any of the provisions of this Act shall not apply in respect of such Ministry, Division or office of the Government as it may specify.

4. Preparation of Appropriation and Finance Accounts: The Auditor-General shall, from the accounts kept by him and by other persons responsible for keeping Public Accounts, prepare annually Appropriation Accounts and Finance Accounts showing disbursements or, as the case may be, the annual Receipts and Disbursements for the purposes of the Government, distinguished under the respective heads thereof, and shall submit these accounts to the President on such dates as he may, with the concurrence of the President, determine.

5. Audit of Accounts of Statutory Public Authorities, etc.:

(1) Notwithstanding any thing contained in any other law for the time being in force, or in any memorandum or articles of association or in any deed, the Auditor-General may audit the accounts of any Statutory Public Authority, Public Enterprise or Local Authority and shall submit his report on such Audit to the President for laying it before Parliament.

(2) For the purpose of any audit under sub-section (1), the Auditor-General or any person authorised by him in that behalf shall have access to all records, books, vouchers, documents, cash stamps, securities, stores or other property of the Statutory Public authority, Public Enterprise or Local Authority concerned.

6. Preparation of Commercial Accounts: The Auditor-General shall prepare annually, after audit, Commercial Accounts on the basis of Manufacturing, Trading and Profit and Loss Accounts, Balance Sheets and any other Accounts that are kept by the Ministries, Divisions and offices of the Government, Statutory Public Authorities, Public Enterprises and Local Authorities.

7. Preparation of General Financial Statement: The Auditor-General shall prepare annually in such form as he may, with the concurrence of the President, determine, and submit to the President, a General Financial Statement incorporating a summary of the Accounts of the Government, Statutory Public Authorities, Public Enterprises and Local Authorities for the last proceeding year and the particulars of their balances and outstanding liabilities and containing such other information as to their financial position as the President may direct to be included in the statement.

8. Inspection of certain offices, etc.: The Auditor-General may:-

(a) Inspect any office of the Government which is responsible for the keeping of any account; and

(b) require that any book or other document relating to transactions to which his duty in respect of audit extend shall be sent to such place as he may appoint for inspection by him.

9. Information etc. to be given by the Auditor-General to the Government: The Auditor-General shall, so far as the Accounts for the keeping of which he is responsible enable him so to do, give the Government such information and assistance in the preparation of its Annual Financial Statement as it may ask for.

10. Information to be given by the Government to the Auditor-General: The Government shall give the Auditor-General such information as he may require for the preparation of any account or report which it is his duty to prepare.

11. Making of rules: The Auditor-General may make rules and give directions in respect of all matters pertaining to audit of any accounts he is required to audit.

12. Repeal and savings:

(1) The Audit and Accounts Order, 1952 (G.G.O. No. 9A of 1952), and the Comptroller and Auditor-General (Additional Functions) Ordinance, 1973 (Ordinance No. XXX of 1973), hereinafter referred to as the said Ordinance, are hereby repealed.

(2) Notwithstanding such repeal, any thing done or any action taken, including any order made or direction given under the said Ordinance shall be deemed to have been done, taken, made or given, as the case may be, under the corresponding provisions of this Act.

S. M. RAHMAN

Secretary