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Cabinet Division

NOTIFICATION

Dacca, the 19th April, 1978.

No. S.R.O. 90-L/78.—In exercise of the powers conferred by section 21 of the Rajshahi Division Development Board Ordinance, 1976 (Ord. LXXX of 1976), the Government is pleased to make the following rules, namely:—

THE RAJSHAHI DIVISION DEVELOPMENT BOARD FINANCIAL RULES,
1978.

1. **Short title.**—These rules may be called the Rajshahi Division Development Board Financial Rules, 1978.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context,—

- (a) "Accountant-General (Civil)" means the Head of the Office of Audit and Accounts (Civil) subordinate to the Auditor-General who keeps the accounts of the Republic and exercises audit functions in relation to these accounts on behalf of the Auditor-General, and the term "Audit Officers" shall include the staff of the Accountant-General and of the Auditor-General, as the case may be;
- (b) "appropriation" means the assignment of funds at the disposal of the assigned authority to meet specified expenditure;
- (c) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;

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- (d) "Controlling Officer" means the Chairman or the Head of a Wing or any other officer empowered by the Board to control income and expenditure of the Board and its Fund;
- (e) "Drawing and Disbursing Officer" means an officer of the Board who has been authorised to draw bills to make payment for services rendered or supplies made, to the Board;
- (f) "Fund" means the Rajshahi Division Development Board Fund ;
- (g) "Member (Finance)" means the member to whom all matters relating to finance is allocated by the Board ;
- (h) "Head of the Wing" means any authority declared to be such by the Board ;
- (i) "Ordinance" means the Rajshahi Division Development Board Ordinance, 1976 (Ord. LXXX of 1976) ;
- (j) "re-appropriation" means the transfer of funds from one unit of appropriation to another such unit;
- (k) "Wing" means an administrative division of the Board declared as such by the Board and headed by a full-time member.

3. **Operation of the Board Fund.**—(1) All moneys in the Fund shall be kept with any of the bank or banks specified in the Schedule to the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. No. 26 of 1972), operating at Rajshahi in an account styled as "The Rajshahi Division Development Board Fund" or in the "PL Account" with Rajshahi Treasury and shall be operated under joint signatures of the Chairman and the Member (Finance).

(2) In the absence on leave other than casual leave of the Chairman, the (Member) Secretary of the Board shall sign the cheques in his place and, in case of the Member (Finance) being away on leave other than casual leave, any member authorised by the Board shall sign the cheques jointly with the Chairman.

(3) No cheques shall be issued unless it is required for immediate payment and no payment shall be made by the bank except upon a cheque.

(4) Release of funds sanctioned for a scheme or project shall not be made at a time but shall be made in instalments based on immediate requirements.

(5) The cheque books supplied by the bank or banks against formal requisitions shall be kept under lock and key in the personal custody of the Member (Finance). A certificate of the count of the pages of the cheque books shall invariably be recorded on the cover-leaf of such books.

(6) The Chairman and the Member (Finance) shall jointly and severally be responsible for operation of the Fund. The responsibility for maintenance of accounts thereof shall lie with the Member (Finance).

(7) The Board shall maintain closing balance at the minimum of taka two lakhs on any particular day of the year making allowances for expenditure for meeting any expenditure in case of emergencies.

4. **Replenishment of the Fund.**—(1) The Board shall furnish expenditure report in such manner and on such dates as may be directed by the Government.

(2) The Board shall submit by such date and in such manner, before the close of the financial year, as may be directed by the Government, a consolidated statement showing therein the expenditure incurred on the schemes or projects during the previous financial year less the actual reimbursement, if any, against advances made previously so that the necessary arrangements for replenishment of the Fund can be made by the Government.

(3) The Board shall prepare its annual development programme by such date and in such manner as may be directed by the Government.

5. **Board budget.**—(1) Save as hereinafter provided, the Board shall, before the expiry of the financial year, prepare estimates of receipts and expenditure in respect of the next financial year and submit the estimates to the Government for approval.

(2) The budget of the Board shall consist of two parts, namely:—

(a) management budget, and

(b) development budget.

(3) The responsibility for the preparation of the statement of the estimated receipts and expenditure of the Board in respect of a financial year as well as any supplementary estimates or demands for extra grants shall lie with the Member (Finance). All other members and officers and other employees of the Board shall assist him in the preparation of the budget estimates.

(4) The Member (Finance) shall prepare the budget estimate of receipts and expenditure in respect of the ensuing financial year on or before the 31st March every year or on such date as may be directed by the Chairman and place it before the Board in the first week of April. The Board shall, after necessary scrutiny, submit the same to the Government on or before the 15th April or on such date as may be directed by the Government.

(5) The budget estimate shall be accompanied by an explanatory memorandum clearly explaining the variations in the figures and repetition or omission of any special item.

(6) No one shall incur any capital expenditure or enter into any liability involving expenditure from the Fund until the expenditure has been sanctioned by an order of the Board even though there is budget provision for such expenditure.

(7) The budget grant, when duly approved, shall be communicated by the Government to the Board in the shape of lump sum, known as primary units

of appropriations as shown in the budget estimates approved by the Government. On receipt of the same, expenditure may be effected in the following manner—

(a) the whole or part of the appropriation for a primary unit within a grant may be placed at the disposal of a Controlling Officer or Drawing and Disbursing Officer. If required, the primary unit may be divided into a number of secondary units and the appropriation for any of these units, wholly or in part may be placed at his disposal;

(b) the appropriation for a unit can be increased or decreased only by a formal order of re-appropriation authorising a transfer of funds from one unit to another.

(8) An appropriation or re-appropriation within the grant of a financial year can be authorised at any time before the expiry of that year. An appropriation is intended to cover all claims including the liabilities, if any of past years to be paid or adjusted during the financial year from the budget of that year.

(9) Re-appropriation can be made as and when necessary within the budget grant under the orders of the Chairman from one scheme or project to another included in the development budget and from one detailed sub-head to another included in the management budget subject to the condition that no re-appropriation is admissible in respect of pay heads, namely, pay of officers and pay of establishment. Such re-appropriation shall be made in the revised budget estimate.

(10) The Chairman shall be responsible for controlling the expenditure over the allotted funds and shall, in addition to any directions given by the Government from time to time, issue necessary instructions to the members, officers and other employees of the Board to control the expenditure in such manner as he may deem proper.

(11) All members shall also keep a close watch over the progress of expenditure and receipts under them. The Member (Finance) shall take special precaution in this respect and take proper measures for—

(a) introducing the system of internal audit of the relevant accounts to be conducted by him;

(b) verification of figures with the Audit Office by deputing an officer or other employee there from time to time;

(c) physical verification and inspection of the projects or schemes at regular intervals with a view to ensuring proper and full utilization of the Fund.

6. Maintenance of accounts.—(1) Save as hereinafter provided, the Board shall maintain its accounts in the same manner as the Government maintains its accounts. Various procedures as laid down by the Government in the Treasury Rules, Government Financial Rules and Account Codes shall be followed.

(2) The Board shall maintain and keep the following records and documents, namely:—

- (a) Cash Book;
- (b) Cheque Book;
- (c) Payment Voucher;
- (d) Imprest Account (Permanent Advance);
- (e) Cash Abstract Register;
- (f) Monthly accounts of receipts and expenditure;
- (g) Annual Accounts;
- (h) Stock and Store Accounts;
- (i) Miscellaneous Receipts;
- (j) Provident Fund Accounts;
- (k) Public Works Charges;
- (l) Development Accounts;
- (m) Loan Register;
- (n) Register of Lands;
- (o) Register of Work Bills.

(3) In case of any difficulty in the practical application of the rules mentioned in sub-rule (1), the advice of Director-General, Local and Revenue Audit Department, shall be obtained.

(4) The accounts of the Fund shall be maintained in two parts, namely:—

- (a) Capital Account, and
- (b) Revenue Account.

(5) There shall be credited to the Capital Account—

- (a) such proportion of grants received from the Government as may be decided by the Board;
- (b) loans raised by the Board with the sanction of the Government or loans obtained from the Government;
- (c) sale-proceeds of any movable or immovable property of the Board;
- (d) any other receipts of miscellaneous nature pertaining to schemes or projects; and
- (e) any other sum which the Government may direct to be credited to the Capital Account.

(6) The money credited to the Capital Account shall be applied to—

- (a) expenditure on development, that is, preparation, execution and implementation of schemes or projects together with the expenses incidental thereto;

- (b) re-payment of loan, if any, previously obtained by the Board;
- (c) grant loans to private parties against approved schemes;
- (d) any other payment of a miscellaneous nature pertaining to schemes or projects of the Board.

(7) There shall be credited to the Revenue Account—

- (a) such portion of grants received from the Government as may be decided by the Board for meeting the expenses of management;
- (b) all interest received by the Board from the banks accrued on Fund;
- (c) all rents of lands and buildings, if any, of the Board;
- (d) rents of houses recovered from the officers and other employees of the Board for accommodation provided by the Board;
- (e) miscellaneous receipts relating to the management side;
- (f) all other sums which the Government may direct to be credited to the Revenue Account.

(8) The money credited to the Revenue Account shall be applied to—

- (a) pay of officers and other employees;
- (b) payment of allowances and honoraria to officers and other employees;
- (c) contingencies.

(9) A separate Cash Book shall be maintained for each of the two accounts mentioned in sub-rule (4). A Cash Book for Capital Account shall be maintained by the Accounts Officers in the Finance Wing and that for Revenue Account by the Drawing and Disbursing Officer under the overall supervision of the Member (Finance).

(10) The accounts classification of receipt and expenditure shall invariably follow the budget classification. Sanction for expenditure shall specifically mention the head or heads of account to which the expenditure is debitable. The officers responsible for the maintenance of accounts shall see that the expenditure has been properly and correctly classified.

7. **Sanction.**—(1) A sanction for an expenditure shall lapse if not acted upon within the financial year.

(2) All financial sanctions issued by the Finance Wing shall be communicated to the Accounts Officer direct with copies to other Wings. Sanction issued by other Wings should similarly be communicated to the Accounts Officer direct and copy endorsed to the Finance Wing.

8. **Payment of claims.**—(1) All personal claims of the officers and employees of the Board and those of outsiders for services rendered, supplies made and works executed for or on behalf of the Board shall be paid in cheques only. Cash payment may, however, be made when such claim does not exceed Taka 75 or in cases where bank facilities are absent.

(2) No cheque shall be drawn unless it is intended to be paid away.

(3) Payments due to contractors and suppliers may, if so desired by them, be made to their banker provided the party produces legally valid documents conferring authority on the bank to receive the payment.

(4) Payment to outsiders for supplies made, services rendered and works executed shall be made only when the claims have been submitted in proper forms and accepted by the Executing Wing. The claims shall be classified in details showing heads of accounts, units, quantity, and rate to enable proper identification of the expenditure.

(5) Claims of employees to arrears of pay and allowances or to increments or in respect of any other payment which have been allowed to remain in abeyance for a period exceeding one year shall not be paid except with the sanction of the Chairman.

(6) Claims against the Board which have become time-barred under the Limitation Act, 1908, shall ordinarily be refused and no such claims shall be paid without the sanction of the Board.

(7) All petty claims of officers and other employees of the Board of more than three years' old and all such claims for whose delayed submission an adequate explanation is not forthcoming shall be rejected. The time limit laid down in sub-rules (5) and (6) shall be calculated from the date on which the claims became payable. In the case of sanction granted with retrospective effect the claim does not become payable before it is sanctioned.

9. **Drawal and disbursement of payment and allowances, etc.**—(1) The responsibility for a good and efficient financial administration shall devolve on the Finance Wing. It shall ensure regular payment of all bills including those for pay and allowances of the officers and other employees.

(2) All bills shall be prepared in accordance with the instructions contained in these rules and signed by the Drawing and Disbursing Officer who shall then pass on the bill to the Finance Wing. The bills will be scrutinised in the Finance Wing and submitted to the Accounts Officer for signing pay order if there is no objection. Approval of the Member (Finance) shall be obtained before pay order is signed by the Accounts Officer.

10. **Receipt of money.**—(1) All transactions to which any officer of the Board is a party in his official capacity must be brought to account without delay. Under no circumstances money received as dues of the Board shall be kept out of account.

(2) Money received as dues of the Board or for deposit in the custody of the Board shall be credited to the bank account of the Fund at the earliest opportunity. It shall under no circumstances be utilised for current expenditure.

(2) No money shall be received from any one person without issuing a proper receipt which shall, *inter alia*, state the name of the person from whom the money is received, the amount both in figures and words and purposes for which it is received, the receipt shall be signed by a duly authorised officer who shall satisfy himself of the collection before signature.

11. **Forms and custody of receipt book.**—(1) The standard form of receipt book used in Government offices shall be adopted by the Board.

(2) The receipt book shall be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Board.

(3) The number of forms contained in each book shall be counted and certificate to that effect recorded in a conspicuous place in the books by the officer-in-charge of the books. The counterfoil of the used receipt book shall be kept in his personal custody.

12. **Voucher for payment.**—(1) Every payment including re-payment of money shall be supported by a voucher setting forth full and clear particulars of the claim. When it is not possible to support a payment by a voucher a certificate of payment signed by the Drawing and Disbursing Officer and endorsed by his superior officer shall always be placed on record. The particulars of the claim shall invariably be set forth in such certificates.

(2) Every voucher shall bear a pay order signed or initialled and dated by the Drawing and Disbursing Officer. The order should specify the amount payable both in words and figures.

(3) The voucher shall also bear or have attached to it an acknowledgement of the payment signed by the person by whom or on whose behalf the claim is made. This acknowledgement shall always be taken at the time of payment.

13. **General rules for payment against grants.**—(1) No expenditure shall be incurred without previously obtaining extra appropriation, in excess of the amount provided for expenditure under the heads concerned, and when an officer or other employee of the Board exceeds the annual appropriation, he may, under orders of the Board, be responsible for the excess.

(2) All liabilities incurred must be paid at once and under no circumstances may they be allowed to stand over to be paid from grant of another year. If possible, expenditure shall be postponed till the preparation of a new budget in which provision for payment of liabilities which could not be met in the previous year be made.

14. **Duties of the Drawing and Disbursing Officer and the Controlling Officer.**—(1) The Drawing and Disbursing Officer while incurring or authorising expenditure from the Fund shall be guided by the high principles of financial propriety so as to ensure that the expenditure is not *prima facie* more than the occasion demands. He shall also be responsible for the observances of all the relevant financial rules and regulations by his own office as well as by subordinate disbursing Officers.

(2) The Controlling Officer shall not only see that the expenditure is kept within the limits of the authorised appropriation but also that the fund

allotted to the Heads of Wings and subordinate officers, if any, are spent in the public interest and utilised for the purpose for which the money was provided. He shall be responsible for enforcing financial rules and regulations, orders and strict economy at every step.

(2) The Controlling Officer shall satisfy himself that adequate provision exists within the organisation for systematic internal checks calculated to prevent and detect financial errors and irregularities so as to guard against waste and loss of Board money and stores. He shall further make sure that the checks are effectively applied.

15. **Permanent advance.**—(1) The Board may sanction permanent advance for the head office of the Board as advised by the Member (Finance). The Chairman may sanction, on the advice of the Member (Finance), permanent advance for offices other than the head office, if any.

(2) The Board may also sanction, on the advice of the Member (Finance), a "Permanent advance" or "Imprest" of a fixed sum of Taka to other officers, namely, Assistant Engineer and Overseers to enable them to make certain classes of payments for such works as may be entrusted to them by the Executive Engineer or other officer, if any, of the Board.

(3) The holder of permanent advance or imprest shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for the total amount of the money in vouchers or in cash.

16. **Cash Book.**—(1) Save as hereinafter provided, the Board shall follow the Government system of account in maintaining its Cash Books.

(2) Every officer receiving money for disbursement shall maintain a Cash Book in the same form as that of the Government.

(3) All monetary transactions shall be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

(4) The Cash Book shall be closed and balanced each day and completely checked. The head of the office shall verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book, and initial it as correct.

(5) Any eraser or overwriting of an entry once made in the book is strictly prohibited. If a mistake is discovered, it shall be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red ink between the lines. The head of the office shall initial every such correction and invariably date his initials.

17. **Audit.**—(1) The accounts of the Board shall be audited by the Auditor-General in such manner as he deems fit.

(2) Final replies to the annual audit report or audit objections shall be submitted expeditiously but not exceeding a period of 3 months.

18. **Security deposit.**—(1) The employees of the Board, namely, Cashiers, Store-keepers and other employees entrusted with the custody of cash or stores shall be required to furnish security. The amount of security in each case shall be determined by the Chairman on the advice of the Member (Finance). The security so fixed shall be paid either in lump sum or by deduction from pay.

(2) As an alternative to cash payments, a fidelity bond of an Insurance Company approved by the Government for the full amount of the requisite security guaranteeing the Board against losses through dishonesty, negligence or disregard of the rules on the part of the employee may be accepted.

19. **Contract and tender.**—(1) Save as hereinafter provided, the principles followed by the Public Works Department in entering into contracts or agreements shall be adopted by the Board.

(2) The terms of a contract shall be precise and definite, and there shall be no room for ambiguity or misconstruction therein.

(3) As far as possible, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into.

(4) Standard forms of contracts shall be adopted wherever possible and the terms shall be laid down after proper scrutiny.

(5) The terms of contract once entered into shall not be materially varied without the previous consent of the competent financial authority, and the reasons for the variation shall be recorded.

(6) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the competent financial authority.

(7) Wherever practicable and advantageous, contracts shall be entered into only after tenders or quotations have been invited in the manner indicated below:—

- (a) tenders, which shall always be sealed, shall invariably be invited in the most open and public manner possible for the execution of work or the supply of stores worth Taka 2,500.00 or more. Orders of smaller amounts may ordinarily be placed by calling for quotations from a number of known and reliable firms;
- (b) no tender for the execution of works of any description shall be received unless accompanied by the deposit of cash as earnest money to the extent which has been notified as necessary by the officer concerned;
- (c) the amount of earnest money to be deposited shall be sufficiently large to serve as a security against loss in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case, may be.

- (d) usually the lowest tender shall be accepted unless there is some objection to the capability of the contractor, the security offered by him or his execution of former work and the like. In cases where the lowest tender or quotation is not accepted, reasons shall be recorded. Subject to the above, the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. Such an explanation may be called for by the superior authority if considered necessary.
- (8) In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (9) Even in cases where a formal written contract is not made, no order for supplies shall be placed without at least a written agreement as to price.
- (10) Provision shall be made in the contract for safeguarding the property of the Board entrusted to a contractor.
- (11) The Auditor-General shall have power to examine contracts and to bring before the Government and the Board any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.
- (12) In long-term agreements and contracts enduring or likely to endure for a period of more than five years, provision must be made for an unconditional power of revocation or cancellation of such contracts by the Board at any time on the expiry of six months' notice to that effect.
- (13) The Board shall constitute, with the prior approval of the Government, such number of Tender Committees for such functions as it may consider necessary.
- (14) No contract or agreement shall be entered into on behalf of the Board unless the contract or agreement has been approved by the Board.

20. Stores.—(1) Purchase of stores shall be made in the most economical manner in accordance with the requirements of the Board. Periodical indent for the purchase of stores shall be prepared and stores shall be purchased in accordance with such indents.

(2) All materials received shall be examined, inspected, counted, measured or weighed, as the case may be, when delivery is taken. They shall be taken in charge by an officer who shall see that the quantities are correct and their quality is good, and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the materials and recorded them in the appropriate Stock Register.

(3) In case of stores issued to a contractor the cost of which is recoverable from him, an acknowledgement stating the full particulars of the materials issued, including recovery rates, and the total value chargeable to the contractor shall be obtained from the contractor.

21. **Defalcations, losses, etc.**—(1) Any loss of money, revenue or receipts or other property held by, or on behalf of, the Board caused by defalcation or otherwise shall be immediately reported by the officer concerned to his immediate superior as well as to the Finance Wing. Such reports shall also be submitted as soon as suspicion arises that there has been a loss.

(2) The Finance Wing shall make such detailed enquiries as it may deem proper and report it to the Board.

(3) For any loss sustained by the Board through fraud or negligence on the part of any one he shall be held responsible for any loss arising from such fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

22. **Responsibility for accounts, returns, etc.**—Every officer whose duty it is to prepare and render any accounts or returns in respect of any Board money or stores of the Board shall be personally responsible for completeness and strict accuracy of such accounts or returns and their despatch within the time fixed by the Board.

23. **Disposal of Board's property.**—No property of the Board, movable or immovable, shall be sold or disposed of in any manner without the previous specific concurrence of the Finance Wing.

24. **Financial orders.**—All orders in so far as they embody orders or instructions of financial character or have important financial bearing, shall be made by, or with the approval of, the Finance Wing.

25. **Reference to Government in case of disagreement between the Board and the Member (Finance).**—In case of any disagreement between the Member (Finance) and the Board on the question of interpretation of these rules or on a point connected with the financial matters of the Board, the matter shall be referred to Government whose decision thereon shall be final.

No. S.R.O. 91-L/78.—In exercise of the powers conferred by section 21 of the Khulna Division Development Board Ordinance, 1976 (Ord. LXXV of 1976), the Government is pleased to make the following rules, namely:—

THE KHULNA DIVISION DEVELOPMENT BOARD FINANCIAL RULES, 1978

1. **Short title.**—These rules may be called the Khulna Division Development Board Financial Rules, 1978.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context,—

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- (b) "appropriation" means the assignment of funds at the disposal of the assigned authority to meet specified expenditure;
- (c) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;
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(2) In the absence on leave other than casual leave of the Chairman the (Member) Secretary of the Board shall sign the cheques in his place and, in case of the Member (Finance) being away on leave other than casual leave, any member authorised by the Board shall sign the cheques jointly with the Chairman.

(3) No cheques shall be issued unless it is required for immediate payment and no payment shall be made by the bank except upon a cheque.

(4) Release of funds sanctioned for a scheme or project shall not be made at a time but shall be made in instalments based on immediate requirements.

(5) The cheque books supplied by the bank or banks against formal requisitions shall be kept under lock and key in the personal custody of the Member (Finance). A certificate of the count of the pages of the cheque books shall invariably be recorded on the cover-leaf of such books.

(6) The Chairman or as the case may be, the Vice-Chairman and Member (Finance) shall jointly and severally be responsible for operation of the Fund. The responsibility for maintenance of accounts thereof shall lie with the Member (Finance).

(7) The Board shall maintain closing balance at the minimum of taka two lakhs on any particular day of the year making allowances for expenditure for meeting any expenditure in case of emergencies.

4. **Replenishment of the Fund.**—(1) The Board shall furnish expenditure report in such manner and on such dates as may be directed by the Government.

(2) The Board shall submit by such date and in such manner, before the close of the financial year, as may be directed by the Government, a consolidated statement showing therein the expenditure incurred on the schemes or projects during the previous financial year less the actual reimbursement, if any, against advances made previously so that the necessary arrangements for replenishment of the Fund can be made by the Government.

(3) The Board shall prepare its annual development programme by such date and in such manner as may be directed by the Government.

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(2) The budget of the Board shall consist of two parts, namely:—

(a) management budget, and

(b) development budget.

(3) The responsibility for the preparation of the statement of the estimated receipts and expenditure of the Board in respect of a financial year as well as any supplementary estimates or demands for extra grants shall lie with the Member (Finance). All other members and officers and other employees of the Board shall assist him in the preparation of the budget estimates.

(4) The Member (Finance) shall prepare the budget estimate of receipts and expenditure in respect of the ensuing financial year on or before the 31st March every year or on such date as may be directed by the Chairman and place it before the Board in the first week of April. The Board shall, after necessary scrutiny, submit the same to the Government on or before the 15th April or on such date as may be directed by the Government.

(5) The budget estimate shall be accompanied by an explanatory memorandum clearly explaining the variations in the figures and repetition or omission of any special item.

(6) No one shall incur any capital expenditure or enter into any liability involving expenditure from the Fund until the expenditure has been sanctioned by an order of the Board even though there is budget provision for such expenditure.

(7) The budget grant, when duly approved, shall be communicated by the Government to the Board in the shape of lump sum, known as primary units of appropriations as shown in the budget estimates approved by the Government. On receipt of the same, expenditure may be effected in the following manner—

- (a) the whole or part of the appropriation for a primary unit within a grant may be placed at the disposal of a Controlling Officer or Drawing and Disbursing Officer. If required, the primary unit may be divided into a number of secondary units and the appropriation for any of these units, wholly or in part may be placed at his disposal;
- (b) the appropriation for a unit can be increased or decreased only by a formal order of re-appropriation authorising a transfer of funds from one unit to another.

(8) An appropriation or re-appropriation within the grant of a financial year can be authorised at any time before the expiry of that year. An appropriation is intended to cover all claims including the liabilities, if any of past years to be paid or adjusted during the financial year from the budget of that year.

(9) Re-appropriation can be made as and when necessary within the budget grant under the orders of the Chairman from one scheme or project to another included in the development budget and from one detailed sub-head to another included in the management budget subject to the condition that no re-appropriation is admissible in respect of pay heads, namely, pay of officers and pay of establishment. Such re-appropriation shall be made in the revised budget estimate.

(10) The Chairman shall be responsible for controlling the expenditure over the allotted funds and shall, in addition to any directions given by the Government from time to time, issue necessary instructions to the members, officers and other employees of the Board to control the expenditure in such manner as he may deem proper.

(11) All members shall also keep a close watch over the progress of expenditure and receipts under them. The Member (Finance) shall take special precaution in this respect and take proper measures for—

- (a) introducing the system of internal audit of the relevant accounts to be conducted by him;
- (b) verification of figures with the Audit Office by deputing an officer or other employee there from time to time;
- (c) physical verification and inspection of the projects or schemes at regular intervals with a view to ensuring proper and full utilization of the Fund.

6. **Maintenance of accounts.**—(1) Save as hereinafter provided, the Board shall maintain its accounts in the same manner as the Government maintains its accounts. Various procedures as laid down by the Government in the Treasury Rules, Government Financial Rules and Account Codes shall be followed.

(7) The Board shall maintain and keep the following records and documents, namely:—

- (a) Cash Book;
- (b) Cheque Book;
- (c) Payment Voucher;
- (d) Imprest Account (Permanent Advance);
- (e) Cash Abstract Register;
- (f) Monthly accounts of receipts and expenditure;
- (g) Annual Accounts;
- (h) Stock and Store Accounts;
- (i) Miscellaneous Receipts;
- (j) Provident Fund Accounts;
- (k) Public Works Charges;
- (l) Development Accounts;
- (m) Loan Register;
- (n) Register of Lands;
- (o) Register of Work Bills.

(7) In case of any difficulty in the practical application of the rules mentioned in sub-rule (1), the advice of Director-General, Local and Revenue Audit Department, shall be obtained.

(4) The accounts of the Fund shall be maintained in two parts, namely:—

- (a) Capital Account, and
- (b) Revenue Account.

(5) There shall be credited to the Capital Account—

- (a) such proportion of grants received from the Government as may be decided by the Board;
- (b) loans raised by the Board with the sanction of the Government or loans obtained from the Government;
- (c) sale-proceeds of any movable or immovable property of the Board;
- (d) any other receipts of miscellaneous nature pertaining to schemes or projects; and
- (e) any other sum which the Government may direct to be credited to the Capital Account.

(6) The money credited to the Capital Account shall be applied to—

- (a) expenditure on development, that is, preparation, execution and implementation of schemes or projects together with the expenses incidental thereto;

- (b) re-payment of loan, if any, previously obtained by the Board;
- (c) grant loans to private parties against approved schemes;
- (d) any other payment of a miscellaneous nature pertaining to schemes or projects of the Board.

(7) There shall be credited to the Revenue Account—

- (a) such portion of grants received from the Government as may be decided by the Board for meeting the expenses of management;
- (b) all interest received by the Board from the banks accrued on Fund;
- (c) all rents of lands and buildings, if any, of the Board;
- (d) rents of houses recovered from the officers and other employees of the Board for accommodation provided by the Board;
- (e) miscellaneous receipts relating to the management side;
- (f) all other sums which the Government may direct to be credited to the Revenue Account.

(8) The money credited to the Revenue Account shall be applied to—

- (a) pay of officers and other employees;
- (b) payment of allowances and honoraria to officers and other employees;
- (c) contingencies.

(9) A separate Cash Book shall be maintained for each of the two accounts mentioned in sub-rule (4). A Cash Book for Capital Account shall be maintained by the Accounts Officers in the Finance Wing and that for Revenue Account by the Drawing and Disbursing Officer under the overall supervision of the Member (Finance).

(10) The accounts classification of receipt and expenditure shall invariably follow the budget classification. Sanction for expenditure shall specifically mention the head or heads of account to which the expenditure is debitable. The officers responsible for the maintenance of accounts shall see that the expenditure has been properly and correctly classified.

5. **Sanction.**—(1) A sanction for an expenditure shall lapse if not acted upon within the financial year.

(2) All financial sanctions issued by the Finance Wing shall be communicated to the Accounts Officer direct with copies to other Wings. Sanction issued by other Wings should similarly be communicated to the Accounts Officer direct and copy endorsed to the Finance Wing.

8. **Payment of claims.**—(1) All personal claims of the officers and employees of the Board and those of outsiders for services rendered, supplies made and works executed for or on behalf of the Board shall be paid in cheques only. Cash payment may, however, be made when such claim does not exceed Taka 75 or in cases where bank facilities are absent.

(2) No cheque shall be drawn unless it is intended to be paid away.

(3) Payments due to contractors and suppliers may, if so desired by them, be made to their banker provided the party produces legally valid documents conferring authority on the bank to receive the payment.

(4) Payment to outsiders for supplies made, services rendered and works executed shall be made only when the claims have been submitted in proper forms and accepted by the Executing Wing. The claims shall be classified in details showing heads of accounts, units, quantity, and rate to enable proper identification of the expenditure.

(5) Claims of employees to arrears of pay and allowances or to increments or in respect of any other payment which have been allowed to remain in abeyance for a period exceeding one year shall not be paid except with the sanction of the Chairman.

(6) Claims against the Board which have become time-barred under the Limitation Act, 1908, shall ordinarily be refused and no such claims shall be paid without the sanction of the Board.

(7) All petty claims of officers and other employees of the Board of more than three years old and all such claims for whose delayed submission an adequate explanation is not forthcoming shall be rejected. The time limit laid down in sub-rules (5) and (6) shall be calculated from the date on which the claims became payable. In the case of sanction granted with retrospective effect the claim does not become payable before it is sanctioned.

9. **Drawal and disbursement of payment and allowances, etc.**—(1) The responsibility for a good and efficient financial administration shall devolve on the Finance Wing. It shall ensure regular payment of all bills including those for pay and allowances of the officers and other employees.

(2) All bills shall be prepared in accordance with the instructions contained in these rules and signed by the Drawing and Disbursing Officer who shall then pass on the bill to the Finance Wing. The bills will be scrutinised in the Finance Wing and submitted to the Accounts Officer for signing pay order if there is no objection. Approval of the Member (Finance) shall be obtained before pay order is signed by the Accounts Officer.

10. **Receipt of money.**—(1) All transactions to which any officer of the Board is a party in his official capacity must be brought to account without delay. Under no circumstances money received as dues of the Board shall be kept out of account.

(2) Money received as dues of the Board or for deposit in the Custody of the Board shall be credited to the bank account of the Fund at the earliest opportunity. It shall under no circumstances be utilised for current expenditure.

(1) No money shall be received from any one person without issuing a proper receipt which shall, *inter alia*, state the name of the person from whom the money is received, the amount both in figures and words and purposes for which it is received, the receipt shall be signed by a duly authorised officer who shall satisfy himself of the collection before signature.

11. **Forms and custody of receipt book.**—(1) The standard form of receipt book used in Government offices shall be adopted by the Board.

(2) The receipt book shall be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Board.

(3) The number of forms contained in each book shall be counted and certificate to that effect recorded in a conspicuous place in the books by the officer-in-charge of the books. The counterfoil of the used receipt book shall be kept in his personal custody.

12. **Voucher for payment.**—(1) Every payment including re-payment of money shall be supported by a voucher setting forth full and clear particulars of the claim. When it is not possible to support a payment by a voucher a certificate of payment signed by the Drawing and Disbursing Officer and endorsed by his superior officer shall always be placed on record. The particulars of the claim shall invariably be set forth in such certificates.

(2) Every voucher shall bear a pay order signed or initialled and dated by the Drawing and Disbursing Officer. The order should specify the amount payable both in words and figures.

(3) The voucher shall also bear or have attached to it an acknowledgement of the payment signed by the person by whom or on whose behalf the claim is made. The acknowledgement shall always be taken at the time of payment.

13. **General rules for payment against grants.**—(1) No expenditure shall be incurred without previously obtaining extra appropriation, in excess of the amount provided for expenditure under the heads concerned, and when an officer or other employee of the Board exceeds the annual appropriation, he may, under orders of the Board, be responsible for the excess.

(2) All liabilities incurred must be paid at once and under no circumstances may they be allowed to stand over to be paid from grant of another year. If possible, expenditure shall be postponed till the preparation of a new budget in which provision for payment of liabilities which could not be met in the previous year be made.

14. **Duties of the Drawing and Disbursing Officer and the Controlling Officer.**—(1) The Drawing and Disbursing Officer while incurring or authorising expenditure from the Fund shall be guided by the high principles of financial propriety so as to ensure that the expenditure is not *prima facie* more than the occasion demands. He shall also be responsible for the observances of all the relevant financial rules and regulations by his own office as well as by subordinate disbursing Officers.

(2) The Controlling Officer shall not only see that the expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to the Heads of Wings and subordinate officers, if any, are spent in the public interest and utilised for the purpose for which the money was provided. He shall be responsible for enforcing financial rules and regulations, orders and strict economy at every step.

(3) The Controlling Officer shall satisfy himself that adequate provision exists within the organisation for systematic internal checks calculated to prevent and detect financial errors and irregularities so as to guard against waste and loss of Board money and stores. He shall further make sure that the checks are effectively applied.

15. **Permanent advance.**—(1) The Board may sanction permanent advance for the head office of the Board as advised by the Member (Finance). The Chairman may sanction, on the advice of the Member (Finance), permanent advance for offices other than the head office, if any.

(2) The Board may also sanction, on the advice of the Member (Finance), a "Permanent advance" or "Imprest" of a fixed sum of Taka to other officers, namely, Assistant Engineer and Overseers to enable them to make certain classes of payments for such works as may be entrusted to them by the Executive Engineer or other officer, if any, of the Board.

(3) The holder of permanent advance or imprest shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for the total amount of the money in vouchers or in cash.

16. **Cash Book.**—(1) Save as hereinafter provided, the Board shall follow the Government system of account in maintaining its Cash Books.

(2) Every officer receiving money for disbursement shall maintain a Cash Book in the same form as that of the Government.

(3) All monetary transactions shall be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

(4) The Cash Book shall be closed and balanced each day and completely checked. The head of the office shall verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book, and initial it as correct.

(5) Any eraser or overwriting of an entry once made in the book is strictly prohibited. If a mistake is discovered, it shall be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red ink between the lines. The head of the office shall initial every such correction and invariably date his initials.

17. **Audit.**—(1) The accounts of the Board shall be audited by the Auditor-General in such manner as he deems fit.

(2) Final replies to the annual audit report or audit objections shall be submitted expeditiously but not exceeding a period of 3 months.

18. **Security deposit.**—(1) The employees of the Board, namely, Cashiers, Store-keepers and other employees entrusted with the custody of cash or stores shall be required to furnish security. The amount of security in each case shall be determined by the Chairman on the advice of the Member (Finance). The security so fixed shall be paid either in lump sum or by deduction from pay.

(2) As an alternative to cash payments, a fidelity bond of an Insurance Company approved by the Government for the full amount of the requisite security guaranteeing the Board against losses through dishonesty, negligence or disregard of the rules on the part of the employee may be accepted.

19. **Contract and tender.**—(1) Save as hereinafter provided, the principles followed by the Public Works Department in entering into contracts or agreements shall be adopted by the Board.

(2) The terms of a contract shall be precise and definite, and there shall be no room for ambiguity or misconstruction therein.

(3) As far as possible, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into.

(4) Standard forms of contracts shall be adopted wherever possible and the terms shall be laid down after proper scrutiny.

(5) The terms of contract once entered into shall not be materially varied without the previous consent of the competent financial authority, and the reasons for the variation shall be recorded.

(6) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the competent financial authority.

(7) Wherever practicable and advantageous, contracts shall be entered into only after tenders or quotations have been invited in the manner indicated below:—

(a) tenders, which shall always be sealed, shall invariably be invited in the most open and public manner possible for the execution of work or the supply of stores worth Taka 2,500.00 or more. Orders of smaller amounts may ordinarily be placed by calling for quotations from a number of known and reliable firms ;

(b) no tender for the execution of works of any description shall be received unless accompanied by the deposit of cash as earnest money to the extent which has been notified as necessary by the officer concerned ;

(c) the amount of earnest money to be deposited shall be sufficiently large to serve as a security against loss in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case, may be.

(d) usually the lowest tender shall be accepted unless there is some objection to the capability of the contractor, the security offered by him or his execution of former work and the like. In cases where the lowest tender or quotation is not accepted, reasons shall be recorded. Subject to the above, the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. Such an explanation may be called for by the superior authority if considered necessary.

(8) In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.

(9) Even in cases where a formal written contract is not made, no order for supplies shall be placed without at least a written agreement as to price.

(10) Provision shall be made in the contract for safeguarding the property of the Board entrusted to a contractor.

(11) The Auditor-General shall have power to examine contracts and to bring before the Government and the Board any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.

(12) In long-term agreements and contracts enduring or likely to endure for a period of more than five years, provision must be made for an unconditional power of revocation or cancellation of such contracts by the Board at any time on the expiry of six months' notice to that effect.

(13) The Board shall constitute, with the prior approval of the Government, such number of Tender Committees for such functions as it may consider necessary.

(14) No contract or agreement shall be entered into on behalf of the Board unless the contract or agreement has been approved by the Board.

20. Stores.—(1) Purchase of stores shall be made in the most economical manner in accordance with the requirements of the Board. Periodical indent for the purchase of stores shall be prepared and stores shall be purchased in accordance with such indents.

(2) All materials received shall be examined, inspected, counted, measured or weighed, as the case may be, when delivery is taken. They shall be taken in charge by an officer who shall see that the quantities are correct and their quality is good, and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the materials and recorded them in the appropriate Stock Register.

(3) In case of stores issued to a contractor the cost of which is recoverable from him, an acknowledgement stating the full particulars of the materials issued, including recovery rates, and the total value chargeable to the contractor shall be obtained from the contractor.

21. **Defalcations, losses, etc.**—(1) Any loss of money, revenue or receipts or other property held by, or on behalf of, the Board caused by defalcation or otherwise shall be immediately reported by the officer concerned to his immediate superior as well as to the Finance Wing. Such reports shall also be submitted as soon as suspicion arises that there has been a loss.

(2) The Finance Wing shall make such detailed enquiries as it may deem proper and report it to the Board.

(3) For any loss sustained by the Board through fraud or negligence on the part of any one he shall be held responsible for any loss arising from such fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

22. **Responsibility for accounts, returns, etc.**—Every officer whose duty it is to prepare and render any accounts or returns in respect of any Board money or stores of the Board shall be personally responsible for completeness and strict accuracy of such accounts or returns and their despatch within the time fixed by the Board.

23. **Disposal of Board's property.**—No property of the Board, movable or immovable, shall be sold or disposed of in any manner without the previous specific concurrence of the Finance Wing.

24. **Financial orders.**—All orders in so far as they embody orders or instructions of financial character or have important financial bearing, shall be made by, or with the approval of the Finance Wing.

25. **Reference to Government in case of disagreement between the Board and the Member (Finance).** In case of any disagreement between the Member (Finance) and the Board on the question of interpretation of these rules or on a point connected with the financial matters of the Board, the matter shall be referred to Government whose decision thereon shall be final.

No. S.R.O. 92-L/78.—In exercise of the powers conferred by section 21 of the Chittagong Division Development Board Ordinance, 1976 (Ord. LXXX X of 1976), the Government is pleased to make the following rules, namely:—

THE CHITTAGONG DIVISION DEVELOPMENT BOARD FINANCIAL RULES, 1978.

1. **Short title.**—These rules may be called the Chittagong Division Development Board Financial Rules, 1978.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context,—

(a) "Accountant-General (Civil)" means the Head of the Office of Audit and Accounts (Civil) subordinate to the Auditor-General who keeps the accounts of the Republic and exercise audit functions in relation to these accounts on behalf of the Auditor-General, and the term "Audit Officers" shall include the staff of the Accountant-General and of the Auditor-General, as the case may be;

- (b) "appropriation" means the assignment of funds at the disposal of the assigned authority to meet specified expenditure;
- (c) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;
- (d) "Controlling Officer" means the Chairman or the Head of a Wing or any other officer empowered by the Board to control, income and expenditure of the Board and its Fund;
- (e) "Drawing and Disbursing Officer" means an officer of the Board who has been authorised to draw bills to make payment for services rendered or supplies made, to the Board;
- (f) "Fund" means the Chittagong Division Development Board Fund;
- (g) "Member (Finance)" means the member to whom all matters relating to finance is allocated by the Board;
- (h) "Head of the Wing" means any authority declared to be such by the Board;
- (i) "Ordinance" means the Chittagong Division Development Board Ordinance, 1976 (Ord. LXXXIX of 1976);
- (j) "re-appropriation" means the transfer of funds from one unit of appropriation to another such unit;
- (k) "Wing" means an administrative division of the Board declared as such by the Board and headed by a full-time member.

3. **Operation of the Board Fund.**—(1) All moneys in the Fund shall be kept with any of the bank or banks specified in the Schedule to the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. No. 26 of 1972), operating at Chittagong in an account styled as "The Chittagong Division Development Board Fund" or in the "PL Account" with Chittagong Treasury and shall be operated under joint signatures of the Chairman and the Member (Finance).

(2) In the absence on leave other than casual leave of the Chairman the (Member) Secretary of the Board shall sign the cheques in his place and, in case of the Member (Finance) being away on leave other than casual leave, any member authorised by the Board shall sign the cheques jointly with the Chairman.

(3) No cheques shall be issued unless it is required for immediate payment and no payment shall be made by the bank except upon a cheque.

(4) Release of funds sanctioned for a scheme or project shall not be made at a time but shall be made in instalments based on immediate requirements.

(5) The cheque books supplied by the bank or banks against formal requisitions shall be kept under lock and key in the personal custody of the Member (Finance). A certificate of the count of the pages of the cheque books shall invariably be recorded on the cover-leaf of such books.

(6) The Chairman and the Member (Finance) shall jointly and severally be responsible for operation of the Fund. The responsibility for maintenance of accounts thereof shall lie with the Member (Finance).

(7) The Board shall maintain closing balance at the minimum of taka two lakhs on any particular day of the year making allowances for expenditure for meeting any expenditure in case of emergencies.

4. **Replenishment of the Fund.**—(1) The Board shall furnish expenditure report in such manner and on such dates as may be directed by the Government.

(2) The Board shall submit by such date and in such manner, before the close of the financial year, as may be directed by the Government, a consolidated statement showing therein the expenditure incurred on the schemes or projects during the previous financial year less the actual reimbursement, if any, against advances made previously so that the necessary arrangements for replenishment of the Fund can be made by the Government.

(3) The Board shall prepare its annual development programme by such date and in such manner as may be directed by the Government.

5. **Board budget.**—(1) Save as hereinafter provided, the Board shall, before the expiry of the financial year, prepare estimates of receipts and expenditure in respect of the next financial year and submit the estimates to the Government for approval.

(2) The budget of the Board shall consist of two parts, namely:

(a) management budget, and

(b) development budget.

(3) The responsibility for the preparation of the statement of the estimated receipts and expenditure of the Board in respect of a financial year as well as any supplementary estimates or demands for extra grants shall lie with the Member (Finance). All other members and officers and other employees of the Board shall assist him in the preparation of the budget estimates.

(4) The Member (Finance) shall prepare the budget estimate of receipts and expenditure in respect of the ensuing financial year on or before the 31st March every year or on such date as may be directed by the Chairman and place it before the Board in the first week of April. The Board shall, after necessary scrutiny, submit the same to the Government on or before the 15th April or on such date as may be directed by the Government.

(5) The budget estimate shall be accompanied by an explanatory memorandum clearly explaining the variations in the figures and repetition or omission of any special item.

(6) No one shall incur any capital expenditure or enter into any liability involving expenditure from the Fund until the expenditure has been sanctioned by an order of the Board even though there is budget provision for such expenditure.

(7) The budget grant, when duly approved, shall be communicated by the Government to the Board in the shape of lump sum, known as primary units of appropriations as shown in the budget estimates approved by the Government. On receipt of the same, expenditure may be effected in the following manner—

(a) the whole or part of the appropriation for a primary unit within a grant may be placed at the disposal of a Controlling Officer or Drawing and Disbursing Officer. If required, the primary unit may be divided into a number of secondary units and the appropriation for any of these units, wholly or in part, may be placed at his disposal;

(b) the appropriation for a unit can be increased or decreased only by a formal order of re-appropriation authorising a transfer of funds from one unit to another.

(8) An appropriation or re-appropriation within the grant of a financial year can be authorised at any time before the expiry of that year. An appropriation is intended to cover all claims including the liabilities, if any of past years to be paid or adusted during the financial year from the budget of that year.

(9) Re-appropriation can be made as and when necessary within the budget grant under the orders of the Chairman from one scheme or project to another included in the development budget and from one detailed sub-head to another included in the management budget subject to the condition that no re-appropriation is admissible in respect of pay heads, namely, pay of officers and pay of establishment. Such re-appropriation shall be made in the revised budget estimate.

(10) The Chairman shall be responsible for controlling the expenditure over the allotted funds and shall, in addition to any directions given by the Government from time to time, issue necessary instructions to the members, officers and other employees of the Board to control the expenditure in such manner as he may deem proper.

(11) All members shall also keep a close watch over the progress of expenditure and receipts under them. The Member (Finance) shall take special precaution in this respect and take proper measures for—

(a) introducing the system of internal audit of the relevant accounts to be conducted by him;

(b) verification of figures with the Audit Office by deputing an officer or other employee there from time to time;

(c) physical verification and inspection of the projects or schemes at regular intervals with a view to ensuring proper and full utilization of the Fund.

6. Maintenance of accounts.—(1) Save as hereinafter provided, the Board shall maintain its accounts in the same manner as the Government maintains its accounts. Various procedures as laid down by the Government in the Treasury Rules, Government Financial Rules and Account Codes shall be followed.

(2) The Board shall maintain and keep the following records and documents, namely:—

- (a) Cash Book;
- (b) Cheque Book;
- (c) Payment Voucher;
- (d) Imprest Account (Permanent Advance);
- (e) Cash Abstract Register;
- (f) Monthly accounts of receipts and expenditure;
- (g) Annual Accounts;
- (h) Stock and Store Accounts;
- (i) Miscellaneous Receipts;
- (j) Provident Fund Accounts;
- (k) Public Works Charges;
- (l) Development Accounts;
- (m) Loan Register;
- (n) Register of Lands;
- (o) Register of Work Bills.

(3) In case of any difficulty in the practical application of the rules mentioned in sub-rule (1), the advice of Director-General, Local and Revenue Audit Department, shall be obtained.

(4) The accounts of the Fund shall be maintained in two parts, namely:—

- (a) Capital Account, and
- (b) Revenue Account.

(5) There shall be credited to the Capital Account—

- (a) such proportion of grants received from the Government as may be decided by the Board;
- (b) loans raised by the Board with the sanction of the Government or loans obtained from the Government;
- (c) sale-proceeds of any movable or immovable property of the Board;
- (d) any other receipts of miscellaneous nature pertaining to schemes or projects; and
- (e) any other sum which the Government may direct to be credited to the Capital Account.

- (6) The money credited to the Capital Account shall be applied to—
- (a) expenditure on development, that is, preparation, execution and implementation of schemes or projects together with the expenses incidental thereto;
 - (b) re-payment of loan, if any, previously obtained by the Board;
 - (c) grant loans to private parties against approved schemes;
 - (d) any other payment of a miscellaneous nature pertaining to schemes or projects of the Board.

(7) There shall be credited to the Revenue Account—

- (a) such portion of grants received from the Government as may be decided by the Board for meeting the expenses of management;
- (b) all interest received by the Board from the banks accrued on Fund;
- (c) all rents of lands and buildings, if any, of the Board;
- (d) rents of houses recovered from the officers and other employees of the Board for accommodation provided by the Board;
- (e) miscellaneous receipts relating to the management side;
- (f) all other sums which the Government may direct to be credited to the Revenue Account.

(8) The money credited to the Revenue Account shall be applied to—

- (a) pay of officers and other employees;
- (b) payment of allowances and honoraria to officers and other employees;
- (c) contingencies.

(9) A separate Cash Book shall be maintained for each of the two accounts mentioned in sub-rule (1). A Cash Book for Capital Account shall be maintained by the Accounts Officers in the Finance Wing and that for Revenue Account by the Drawing and Disbursing Officer under the overall supervision of the Member (Finance).

(10) The accounts classification of receipt and expenditure shall invariably follow the budget classification. Sanction for expenditure shall specifically mention the head or heads of account to which the expenditure is debitible. The officers responsible for the maintenance of accounts shall see that the expenditure has been properly and correctly classified.

5. **Sanction.**—(1) A sanction for an expenditure shall lapse if not acted upon within the financial year.

(2) All financial sanctions issued by the Finance Wing shall be communicated to the Accounts Officer direct with copies to other Wings. Sanction issued by other Wings should similarly be communicated to the Accounts Officer direct and copy endorsed to the Finance Wing.

8. **Payment of claims.**—(1) All personal claims of the officers and employees of the Board and those of outsiders for services rendered, supplies made and works executed for or on behalf of the Board shall be paid in cheques only. Cash payment may, however, be made when such claim does not exceed Taka 75 or in cases where bank facilities are absent.

(.) No cheque shall be drawn unless it is intended to be paid away.

(3) Payments due to contractors and suppliers may, if so desired by them, be made to their banker provided the party produces legally valid documents conferring authority on the bank to receive the payment.

(4) Payment to outsiders for supplies made, services rendered and works executed shall be made only when the claims have been submitted in proper forms and accepted by the Executing Wing. The claims shall be classified in details showing heads of accounts, units, quantity, and rate to enable proper identification of the expenditure.

(5) Claims of employees to arrears of pay and allowances or to increments or in respect of any other payment which have been allowed to remain in abeyance for a period exceeding one year shall not be paid except with the sanction of the Chairman.

(6) Claims against the Board which have become time barred under the Limitation Act, 1908, shall ordinarily be refused and no such claims shall be paid without the sanction of the Board.

(7) All petty claims of officers and other employees of the Board of more than three years' old and all such claims for whose delayed submission an adequate explanation is not forthcoming shall be rejected. The time limit laid down in sub-rules (5) and (6) shall be calculated from the date on which the claims became payable. In the case of sanction granted with retrospective effect the claim does not become payable before it is sanctioned.

9. **Drawal and disbursement of payment and allowances, etc.**—(1) The responsibility for a good and efficient financial administration shall devolve on the Finance Wing. It shall ensure regular payment of all bills including those for pay and allowances of the officers and other employees.

(2) All bills shall be prepared in accordance with the instructions contained in these rules and signed by the Drawing and Disbursing Officer who shall then pass on the bill to the Finance Wing. The bills will be scrutinised in the Finance Wing and submitted to the Accounts Officer for signing pay order if there is no objection. Approval of the Member (Finance) shall be obtained before pay order is signed by the Accounts Officer.

10. **Receipt of money.**—(1) All transactions to which any officer of the Board is a party in his official capacity must be brought to account without delay. Under no circumstances money received as dues of the Board shall be kept out of account.

(2) Money received as dues of the Board or for deposit in the custody of the Board shall be credited to the bank account of the Fund at the earliest opportunity. It shall under no circumstances be utilised for current expenditure.

(3) No money shall be received from any one person without issuing a proper receipt which shall *inter alia*, state the name of the person from whom the money is received, the amount both in figures and words and purposes for which it is received, the receipt shall be signed by a duly authorised officer who shall satisfy himself of the collection before signature.

11. **Forms and custody of receipt book.**—(1) The standard form of receipt book used in Government offices shall be adopted by the Board.

(2) The receipt book shall be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Board.

(3) The number of forms contained in each book shall be counted and certificate to that effect recorded in a conspicuous place in the books by the officer-in-charge of the books. The counterfoil of the used receipt book shall be kept in his personal custody.

12. **Voucher for payment.**—(1) Every payment including re-payment of money shall be supported by a voucher setting forth full and clear particulars of the claim. When it is not possible to support a payment by a voucher a certificate of payment signed by the Drawing and Disbursing Officer and endorsed by his superior officer shall always be placed on record. The particulars of the claim shall invariably be set forth in such certificates.

(2) Every voucher shall bear a pay order signed or initialled and dated by the Drawing and Disbursing Officer. The order should specify the amount payable both in words and figures.

(3) The voucher shall also bear or have attached to it an acknowledgement of the payment signed by the person by whom or on whose behalf the claim is made. This acknowledgement shall always be taken at the time of payment.

13. **General rules for payment against grants.**—(1) No expenditure shall be incurred without previously obtaining extra appropriation, in excess of the amount provided for expenditure under the heads concerned, and when an officer or other employee of the Board exceeds the annual appropriation, he may, under orders of the Board, be responsible for the excess.

(2) All liabilities incurred must be paid at once and under no circumstances may they be allowed to stand over to be paid from grant of another year. If possible, expenditure shall be postponed till the preparation of a new budget in which provision for payment of liabilities which could not be met in the previous year be made.

14. **Duties of the Drawing and Disbursing Officer and the Controlling Officer.**—(1) The Drawing and Disbursing Officer while incurring or authorising expenditure from the Fund shall be guided by the high principles of financial propriety so as to ensure that the expenditure is not *prima facie* more than the occasion demands. He shall also be responsible for the observances of all the relevant financial rules and regulations by his own office as well as by subordinate Disbursing Officers.

(2) The Controlling Officer shall not only see that the expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to the Heads of Wings and subordinate officers, if any, are spent in

the public interest and utilised for the purpose for which the money was provided. He shall be responsible for enforcing financial rules and regulations, orders and strict economy at every step.

(3) The Controlling Officer shall satisfy himself that adequate provision exists within the organisation for systematic internal checks calculated to prevent and detect financial errors and irregularities so as to guard against waste and loss of Board money and stores. He shall further make sure that the checks are effectively applied.

15. **Permanent advance.**—(1) The Board may sanction permanent advance for the head office of the Board as advised by the Member (Finance). The Chairman may sanction, on the advice of the Member (Finance), permanent advance for offices other than the head office, if any.

(2) The Board may also sanction, on the advice of the Member (Finance), a "Permanent advance" or "Imprest" of a fixed sum of Taka to other officers, namely, Assistant Engineer and Overseers to enable them to make certain classes of payments for such works as may be entrusted to them by the Executive Engineer or other officer, if any, of the Board.

(3) The holder of permanent advance or imprest shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for the total amount of the money in vouchers or in cash.

16. **Cash Book.**—(1) Save as hereinafter provided, the Board shall follow the Government system of account in maintaining its Cash Books.

(2) Every officer receiving money for disbursement shall maintain a Cash Book in the same form as that of the Government.

(3) All monetary transactions shall be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

(4) The Cash Book shall be closed and balanced each day and completely checked. The head of the office shall verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book, and initial it as correct.

(5) Any eraser or overwriting of an entry once made in the book is strictly prohibited. If a mistake is discovered, it shall be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red ink between the lines. The head of the office shall initial every such correction and invariably date his initials.

17. **Audit.**—(1) The accounts of the Board shall be audited by the Auditor-General in such manner as he deems fit.

(2) Final replies to the annual audit report or audit objections shall be submitted expeditiously but not exceeding a period of 3 months.

18. **Security deposit.**—(1) The employees of the Board, namely, Cashiers, Store-keepers and other employees entrusted with the custody of cash or stores shall be required to furnish security. The amount of security in each case shall be determined by the Chairman on the advice of the Member (Finance). The security so fixed shall be paid either in lump sum or by deduction from pay.

(2) As an alternative to cash payments, a fidelity bond of an Insurance Company approved by the Government for the full amount of the requisite security guaranteeing the Board against losses through dishonesty, negligence or disregard of the rules on the part of the employee may be accepted.

19. **Contract and tender.**—(1) Save as hereinafter provided, the principles followed by the Public Works Department in entering into contracts or agreements shall be adopted by the Board.

(2) The terms of a contract shall be precise and definite, and there shall be no room for ambiguity or misconstruction therein.

(3) As far as possible, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into.

(4) Standard forms of contracts shall be adopted wherever possible and the terms shall be laid down after proper scrutiny.

(5) The terms of contract once entered into shall not be materially varied without the previous consent of the competent financial authority, and the reasons for the variation shall be recorded.

(6) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the competent financial authority.

(7) Wherever practicable and advantageous, contracts shall be entered into only after tenders or quotations have been invited in the manner indicated below:—

(a) tenders, which shall always be sealed, shall invariably be invited in the most open and public manner possible for the execution of work or the supply of stores worth Taka 2,500.00 or more. Orders of smaller amounts may ordinarily be placed by calling for quotations from a number of known and reliable firms;

(b) no tender for the execution of works of any description shall be received unless accompanied by the deposit of cash as earnest money to the extent which has been notified as necessary by the officer concerned;

(c) the amount of earnest money to be deposited shall be sufficiently large to serve as a security against loss in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case, may be.

(d) usually the lowest tender shall be accepted unless there is some objection to the capability of the contractor, the security offered by him or his execution of former work and the like. In cases where the lowest tender or quotation is not accepted, reasons shall be recorded. Subject to the above, the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. Such an explanation may be called for by the superior authority if considered necessary.

(8) In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.

(9) Even in cases where a formal written contract is not made, no order for supplies shall be placed without at least a written agreement as to price.

(10) Provision shall be made in the contract for safeguarding the property of the Board entrusted to a contractor.

(11) The Auditor-General shall have power to examine contracts and to bring before the Government and the Board any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.

(12) In long-term agreements and contracts enduring or likely to endure for a period of more than five years, provision must be made for an unconditional power of revocation or cancellation of such contracts by the Board at any time on the expiry of six months' notice to that effect.

(13) The Board shall constitute, with the prior approval of the Government, such number of Tender Committees for such functions as it may consider necessary.

(14) No contract or agreement shall be entered into on behalf of the Board unless the contract or agreement has been approved by the Board.

20. **Stores.**—(1) Purchase of stores shall be made in the most economical manner in accordance with the requirements of the Board. Periodical indent for the purchase of stores shall be prepared and stores shall be purchased in accordance with such indents.

(2) All materials received shall be examined, inspected, counted, measured or weighed, as the case may be, when delivery is taken. They shall be taken in charge by an officer who shall see that the quantities are correct and their quality is good, and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the materials and recorded them in the appropriate Stock Register.

(3) In case of stores issued to a contractor the cost of which is recoverable from him, an acknowledgement stating the full particulars of the materials issued, including recovery rates, and the total value chargeable to the contractor shall be obtained from the contractor.

21. **Defalcations, losses, etc.**—(1) Any loss of money, revenue or receipts or other property held by, or on behalf of, the Board caused by defalcation or otherwise shall be immediately reported by the officer concerned to his immediate superior as well as to the Finance Wing. Such reports shall also be submitted as soon as suspicion arises that there has been a loss.

(2) The Finance Wing shall make such detailed enquiries as it may deem proper and report it to the Board.

(3) For any loss sustained by the Board through fraud or negligence on the part of any one he shall be held responsible for any loss arising from such fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

22. **Responsibility for accounts, returns, etc.**—Every officer whose duty it is to prepare and render any accounts or returns in respect of any Board money or stores of the Board shall be personally responsible for completeness and strict accuracy of such accounts or returns and their despatch within the time fixed by the Board.

23. **Disposal of Board's property.**—No property of the Board, movable or immovable, shall be sold or disposed of in any manner without the previous specific concurrence of the Finance Wing.

24. **Financial orders.**—All orders in so far as they embody orders or instructions of financial character or have important Financial bearing, shall be made by, or with the approval of the Finance Wing.

25. **Reference to Government in case of disagreement between the Board and the Member (Finance).**—In case of any disagreement between the Member (Finance) and the Board on the question of interpretation of these rules or on a point connected with the financial matters of the Board, the matter shall be referred to the Government whose decision thereon shall be final.

No. S.R.O. 93-L/78.—In exercise of the powers conferred by section 21 of the Dacca Division Development Board Ordinance, 1976 (Ord. LXXXI of 1976), the Government is pleased to make the following rules, namely:—

THE DACCA DIVISION DEVELOPMENT BOARD FINANCIAL RULES, 1978

1. **Short title.**—These rules may be called the Dacca Division Development Board Financial Rules, 1978.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context,—

(a) "Accountant-General (Civil)" means the Head of the Office of Audit and Accounts (Civil) subordinate to the Auditor-General who keeps the accounts of the Republic and exercise audit functions in relation to these accounts on behalf of the Auditor-General, and the term "Audit Officers" shall include the staff of the Accountant-General and of the Auditor-General, as the case may be;

(b) "appropriation" means the assignment of funds at the disposal of the assigned authority to meet specified expenditure;

- (e) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;
- (d) "Controlling Officer" means the Chairman or the Head of a Wing or any other officer empowered by the Board to control income and expenditure of the Board and its Fund;
- (e) "Drawing and Disbursing Officer" means an officer of the Board who has been authorised to draw bills to make payment for services rendered or supplies made, to the Board;
- (f) "Fund" means the Dacca Division Development Board Fund;
- (g) "Member (Finance)" means the member to whom all matters relating to finance is allocated by the Board;
- (h) "Head of the Wing" means any authority declared to be such by the Board;
- (i) "Ordinance" means the Dacca Division Development Board Ordinance, 1976 (Ord. LXXX of 1976);
- (j) "re-appropriation" means the transfer of funds from one unit of appropriation to another such unit;
- (k) "Wing" means an administrative division of the Board declared as such by the Board and headed by a full-time member.

3. **Operation of the Board Fund.**—(1) All moneys in the Fund shall be kept with any of the bank or banks specified in the Schedule to the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. No. 26 of 1972), operating at Lacca in an account styled as "The Dacca Division Development Board Fund" or in the "PL Account" with Lacca Treasury and shall be operated under joint signatures of the Chairman and the Member (Finance).

(2) In the absence on leave other than casual leave of the Chairman, the (Member) Secretary of the Board shall sign the cheques in his place and in case of the Member (Finance) being away on leave other than casual leave, any member authorised by the Board shall sign the cheques jointly with the Chairman.

(3) No cheques shall be issued unless it is required for immediate payment and no payment shall be made by the bank except upon a cheque.

(4) Release of funds sanctioned for a scheme or project shall not be made at a time but shall be made in instalments based on immediate requirements.

(5) The cheque books supplied by the bank or banks against formal requisitions shall be kept under lock and key in the personal custody of the Member (Finance). A certificate of the count of the pages of the cheque books shall invariably be recorded on the cover-leaf of such books.

(6) The Chairman and the Member (Finance) shall jointly and severally be responsible for operation of the Fund. The responsibility for maintenance of accounts thereof shall lie with the Member (Finance).

(7) The Board shall maintain closing balance at the minimum of taka two lakhs on any particular day of the year making allowances for expenditure for meeting any expenditure in case of emergencies.

4. **Replenishment of the Fund.**—(1) The Board shall furnish expenditure report in such manner and on such dates as may be directed by the Government.

(2) The Board shall submit by such date and in such manner, before the close of the financial year, as may be directed by the Government, a consolidated statement showing therein the expenditure incurred on the schemes for projects during the previous financial year less the actual reimbursement, if any, against advances made previously so that the necessary arrangements for replenishment of the Fund can be made by the Government.

(3) The Board shall prepare its annual development programme by such date and in such manner as may be directed by the Government.

5. **Board budget.**—(1) Save as hereinafter provided, the Board shall, before the expiry of the financial year, prepare estimates of receipts and expenditure in respect of the next financial year and submit the estimates to the Government for approval.

(2) The budget of the Board shall consist of two parts, namely:—

(a) management budget, and (b) development budget.

(3) The responsibility for the preparation of the statement of the estimated receipts and expenditure of the Board in respect of a financial year as well as any supplementary estimates or demands for extra grants shall lie with the Member (Finance). All other members and officers and other employees of the Board shall assist him in the preparation of the budget estimates.

(4) The Member (Finance) shall prepare the budget estimate of receipts and expenditure in respect of the ensuing financial year on or before the 31st March every year or on such date as may be directed by the Chairman and place it before the Board in the first week of April. The Board shall, after necessary scrutiny, submit the same to the Government on or before the 15th April or on such date as may be directed by the Government.

(5) The budget estimate shall be accompanied by an explanatory memorandum clearly explaining the variations in the figures and repetition or omission of any special item.

(6) No one shall incur any capital expenditure or enter into any liability involving expenditure from the Fund until the expenditure has been sanctioned by an order of the Board even though there is budget provision for such expenditure.

(7) The budget grant, when duly approved, shall be communicated by the Government to the Board in the shape of lump sum, known as primary units of appropriations as shown in the budget estimates approved by the Government. On receipt of the same, expenditure may be effected in the following manner—

- (a) the whole or part of the appropriation for a primary unit within a grant may be placed at the disposal of a Controlling Officer or Drawing and Disbursing Officer. If required, the primary unit may be divided into a number of secondary units and the appropriation for any of these units, wholly or in part, may be placed at his disposal;
- (b) the appropriation for a unit can be increased or decreased only by a formal order of re-appropriation authorising a transfer of funds from one unit to another.

(8) An appropriation or re-appropriation within the grant of a financial year can be authorised at any time before the expiry of that year. An appropriation is intended to cover all claims including the liabilities, if any of past years to be paid or adjusted during the financial year from the budget of that year.

(9) Re-appropriation can be made as and when necessary within the budget grant under the orders of the Chairman from one scheme or project to another included in the development budget and from one detailed sub-head to another included in the management budget subject to the condition that no re-appropriation is admissible in respect of pay heads, namely, pay of officers and pay of establishment. Such re-appropriation shall be made in the revised budget estimate.

(10) The Chairman shall be responsible for controlling the expenditure over the allotted funds and shall, in addition to any directions given by the Government from time to time, issue necessary instructions to the members, officers and other employees of the Board, to control the expenditure in such manner as he may deem proper.

(11) All members shall also keep a close watch over the progress of expenditure and receipts under them. The Member (Finance) shall take special precaution in this respect and take proper measures for—

- (a) introducing the system of internal audit of the relevant accounts to be conducted by him;
- (b) verification of figures with the Audit Office by deputing an officer or other employee there from time to time;
- (c) physical verification and inspection of the projects or schemes at regular intervals with a view to ensuring proper and full utilization of the Fund.

6. **Maintenance of accounts.**—(1) Save as hereinafter provided, the Board shall maintain its accounts in the same manner as the Government maintains its accounts. Various procedures as laid down by the Government in the Treasury Rules, Government Financial Rules and Account Codes shall be followed.

(2) The Board shall maintain and keep the following records and documents, namely:—

- (a) Cash Book;
- (b) Cheque Book;
- (c) Payment Voucher;
- (d) Imprest Account (Permanent Advance);
- (e) Cash Abstract Register;
- (f) Monthly accounts of receipts and expenditure;
- (g) Annual Accounts;
- (h) Stock and Store Accounts;
- (i) Miscellaneous Receipts;
- (j) Provident Fund Accounts;
- (k) Public Works Charges;
- (l) Development Accounts;
- (m) Loan Register;
- (n) Register of Lands;
- (o) Register of Work Bills.

(3) In case of any difficulty in the practical application of the rules mentioned in sub-rule (1), the advice of Director-General, Local and Revenue Audit Department, shall be obtained.

(4) The accounts of the Fund shall be maintained in two parts, namely:—

- (a) Capital Account, and (b) Revenue Account.

(5) There shall be credited to the Capital Account—

- (a) such proportion of grants received from the Government as may be decided by the Board;
- (b) loans raised by the Board with the sanction of the Government or loans obtained from the Government;
- (c) sale-proceeds of any movable or immovable property of the Board;
- (d) any other receipts of miscellaneous nature pertaining to schemes or projects; and
- (e) any other sum which the Government may direct to be credited to the Capital Account.

(6) The money credited to the Capital Account shall be applied to—

- (a) expenditure on development, that is, preparation, execution and implementation of schemes or projects together with the expenses incidental thereto;

- (b) re-payment of a loan, if any, previously obtained by the Board;
- (c) grant loans to private parties against approved schemes;
- (d) any other payment of a miscellaneous nature pertaining to schemes or projects of the Board.

(7) There shall be credited to the Revenue Account—

- (a) such portion of grants received from the Government as may be decided by the Board for meeting the expenses of management;
- (b) all interest received by the Board from the banks accrued on Fund;
- (c) all rents of lands and buildings, if any, of the Board;
- (d) rents of houses recovered from the officers and other employees of the Board for accommodation provided by the Board;
- (e) miscellaneous receipts relating to the management side;
- (f) all other sums which the Government may direct to be credited to the Revenue Account.

(8) The money credited to the Revenue Account shall be applied to—

- (a) pay of officers and other employees;
- (b) payment of allowances and honoraria to officers and other employees;
- (c) contingencies.

(9) A separate Cash Book shall be maintained for each of the two accounts mentioned in sub-rule (4). A Cash Book for Capital Account shall be maintained by the Accounts Officer in the Finance Wing and that for Revenue Account by the Drawing and Disbursing Officer under the overall supervision of the Member (Finance).

(10) The accounts classification of receipt and expenditure shall invariably follow the budget classification. Sanction for expenditure shall specifically mention the head or heads of account to which the expenditure is debitable. The officers responsible for the maintenance of accounts shall see that the expenditure has been properly and correctly classified.

7. **Sanction.**—(1) A sanction for an expenditure shall lapse if not acted upon within the financial year.

(2) All financial sanctions issued by the Finance Wing shall be communicated to the Accounts Officer direct with copies to other Wings. Sanction issued by other Wings should similarly be communicated to the Accounts Officer direct and copy endorsed to the Finance Wing.

8. **Payment of claims.**—(1) All personal claims of the officers and employees of the Board and those of outsiders for services rendered, supplies made and works executed for or on behalf of the Board shall be paid in cheques only. Cash payment may, however, be made when such claim does not exceed Taka 75 or in cases where bank facilities are absent.

(2) No cheque shall be drawn unless it is intended to be paid away.

(3) Payments due to contractors and suppliers may, if so desired by them, be made to their banker provided the party produces legally valid documents conferring authority on the bank to receive the payment.

(4) Payment to outsiders for supplies made, services rendered and works executed shall be made only when the claims have been submitted in proper forms and accepted by the Executing Wing. The claims shall be classified in details showing heads of accounts, units, quantity, and rate to enable proper identification of the expenditure.

(5) Claims of employees to arrears of pay and allowances or to increments or in respect of any other payment which have been allowed to remain in abeyance for a period exceeding one year shall not be paid except with the sanction of the Chairman.

(6) Claims against the Board which have become time barred under the Limitation Act, 1908, shall ordinarily be refused and no such claims shall be paid without the sanction of the Board.

(7) All petty claims of officers and other employees of the Board of more than three years old and all such claims for whose delayed submission an adequate explanation is not forthcoming shall be rejected. The time limit laid down in sub-rules (5) and (6) shall be calculated from the date on which the claims became payable. In the case of sanction granted with retrospective effect the claim does not become payable before it is sanctioned.

9. **Drawal and disbursement of payment and allowances, etc.**—(1) The responsibility for a good and efficient financial administration shall devolve on the Finance Wing. It shall ensure regular payment of all bills including those for pay and allowances of the officers and other employees.

(2) All bills shall be prepared in accordance with the instructions contained in these rules and signed by the Drawing and Disbursing Officer who shall then pass on the bill to the Finance Wing. The bills will be scrutinised in the Finance Wing and submitted to the Accounts Officer for signing pay order if there is no objection. Approval of the Member (Finance) shall be obtained before pay order is signed by the Accounts Officer.

10. **Receipt of money.**—(1) All transactions to which any officer of the Board is a party in his official capacity must be brought to account without delay. Under no circumstances money received as dues of the Board shall be kept out of account.

(2) Money received as dues of the Board or for deposit in the custody of the Board shall be credited to the bank account of the Fund at the earliest opportunity. It shall under no circumstances be utilised for current expenditure.

(c) No money shall be received from any one person without issuing a proper receipt which shall, *inter alia*, state the name of the person from whom the money is received, the amount both in figures and words and purposes for which it is received, the receipt shall be signed by a duly authorised officer who shall satisfy himself of the collection before signature.

11. **Forms and custody of receipt book.**—(1) The standard form of receipt book used in Government offices shall be adopted by the Board.

(2) The receipt book shall be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Board.

(3) The number of forms contained in each book shall be counted and certificate to that effect recorded in a conspicuous place in the books by the officer-in-charge of the books. The counterfoil of the used receipt book shall be kept in his personal custody.

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(2) Every voucher shall bear a pay order signed or initialled and dated by the Drawing and Disbursing Officer. The order should specify the amount payable both in words and figures.

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(2) All liabilities incurred must be paid at once and under no circumstances may they be allowed to stand over to be paid from grant of another year. If possible, expenditure shall be postponed till the preparation of a new budget in which provision for payment of liabilities which could not be met in the previous year be made.

14. **Duties of the Drawing and Disbursing Officer and the Controlling Officer.**—(1) The Drawing and Disbursing Officer while incurring or authorising expenditure from the Fund shall be guided by the high principles of financial propriety so as to ensure that the expenditure is not *prima-facie* more than the occasion demands. He shall also be responsible for the observances of all the relevant financial rules and regulations by his own office as well as by subordinate Disbursing Officers.

(2) The Controlling officer shall not only see that the expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to the Heads of Wings and subordinate officers, if any, are spent in the public interest and utilised for the purpose for which the money was provided. He shall be responsible for enforcing financial rules and regulations, orders and strict economy at every step.

(2) The Controlling Officer shall satisfy himself that adequate provision exists within the organisation for systematic internal checks calculated to prevent and detect financial errors and irregularities so as to guard against waste and loss of Board money and stores. He shall further make sure that the checks are effectively applied.

15. **Permanent advance.**—(1) The Board may sanction permanent advance for the head office of the Board as advised by the Member (Finance). The Chairman may sanction, on the advice of the Member (Finance), permanent advance for offices other than the head office, if any.

() The Board may also sanction, on the advice of the Member (Finance), "Permanent advance" or "Imprest" of a fixed sum of Taka to other officers, namely, Assistant Engineer and Overseers to enable them to make certain classes of payments for such works as may be entrusted to them by the Executive Engineer or other officer, if any, of the Board.

() The holder of permanent advance or imprest shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for the total amount of the money in vouchers or in cash.

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() The Cash Book shall be closed and balanced each day and completely checked. The head of the office shall verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book, and initial it as correct.

(5) Any eraser or overwriting of an entry once made in the book is strictly prohibited. If a mistake is discovered, it shall be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red ink between the lines. The head of the office shall initial every such correction and invariably date his initials.

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(2) Final replies to the annual audit report or audit objections shall be submitted expeditiously but not exceeding a period of 3 months.

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(2) As an alternative to cash payments, a fidelity bond of an Insurance Company approved by the Government for the full amount of the requisite security guaranteeing the Board against losses through dishonesty, negligence or disregard of the rules on the part of the employee may be accepted.

19. **Contract and tender.**—(1) Save as hereinafter provided, the principles followed by the Public Works Department in entering into contracts or agreements shall be adopted by the Board.

(2) The terms of a contract shall be precise and definite, and there shall be no room for ambiguity or misconstruction therein.

(3) As far as possible, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into.

(4) Standard forms of contracts shall be adopted wherever possible and the terms shall be laid down after proper scrutiny.

(5) The terms of contract once entered into shall not be materially varied without the previous consent of the competent financial authority, and the reasons for the variation shall be recorded.

(6) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the competent financial authority.

(7) Wherever practicable and advantageous, contracts shall be entered into only after tenders or quotations have been invited in the manner indicated below:—

(a) tenders, which shall always be sealed, shall invariably be invited in the most open and public manner possible for the execution of work or the supply of stores worth Taka 2,500.00 or more. Orders of smaller amounts may ordinarily be placed by calling for quotations from a number of known and reliable firms ;

(b) no tender for the execution of works of any description shall be received unless accompanied by the deposit of cash as earnest money to the extent which has been notified as necessary by the officer concerned ;

(c) the amount of earnest money to be deposited shall be sufficiently large to serve as a security against loss in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case, may be.

- (d) usually the lowest tender shall be accepted unless there is some objection to the capability of the contractor, the security offered by him or his execution of former work and the like. In cases where the lowest tender or quotation is not accepted, reasons shall be recorded. Subject to the above, the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. Such an explanation may be called for by the superior authority if considered necessary.
- (8) In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (9) Even in cases where a formal written contract is not made, no order for supplies shall be placed without at least a written agreement as to price.
- (10) Provision shall be made in the contract for safeguarding the property of the Board entrusted to a contractor.
- (11) The Auditor-General shall have power to examine contracts and to bring before the Government and the Board any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.
- (12) In long-term agreements and contracts enduring or likely to endure for a period of more than five years, provision must be made for an unconditional power of revocation or cancellation of such contracts by the Board at any time on the expiry of six months notice to that effect.
- (13) The Board shall constitute, with the prior approval of the Government, such number of Tender Committees for such functions as it may consider necessary.
- (14) No contract or agreement shall be entered into on behalf of the Board unless the contract or agreement has been approved by the Board.
20. Stores.—(1) Purchase of stores shall be made in the most economical manner in accordance with the requirements of the Board. Periodical indent for the purchase of stores shall be prepared and stores shall be purchased in accordance with such indents.
- (2) All materials received shall be examined, inspected, counted, measured or weighed, as the case may be, when delivery is taken. They shall be taken in charge by an officer who shall see that the quantities are correct and their quality is good, and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the materials and recorded them in the appropriate Stock Register.
- (3) In case of stores issued to a contractor the cost of which is recoverable from him, an acknowledgement stating the full particulars of the materials issued, including recovery rates, and the total value chargeable to the contractor shall be obtained from the contractor.

21. **Defalcations, losses, etc.**—(1) Any loss of money, revenue or receipts or other property held by, or on behalf of, the Board caused by defalcation or otherwise shall be immediately reported by the officer concerned to his immediate superior as well as to the Finance Wing. Such reports shall also be submitted as soon as suspicion arises that there has been a loss.

(2) The Finance Wing shall make such detailed enquiries as it may deem proper and report it to the Board.

(3) For any loss sustained by the Board through fraud or negligence on the part of any one he shall be held responsible for any loss arising from such fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

22. **Responsibility for accounts, returns, etc.**—Every officer whose duty it is to prepare and render any accounts or returns in respect of any Board money or stores of the Board shall be personally responsible for completeness and strict accuracy of such accounts or returns and their despatch within the time fixed by the Board.

23. **Disposal of Board's property.**—No property of the Board, movable or immovable, shall be sold or disposed of in any manner without the previous specific concurrence of the Finance Wing.

24. **Financial orders.**—All orders in so far as they embody orders or instructions of financial character or have important Financial bearing, shall be made by, or with the approval of the Finance Wing.

25. **Reference to Government in case of disagreement between the Board and the Member (Finance).**—In case of any disagreement between the Member (Finance) and the Board on the question of interpretation of these rules or on a point connected with the financial matters of the Board, the matter shall be referred to Government whose decision thereon shall be final.

No. S.R.O. 94-L/28.—In exercise of the powers conferred by section 22 of the Off-shore Islands Development Board Ordinance, 1977 (Ord. IV of 1976), the Government is pleased to make the following rules, namely:—

THE OFF-SHORE ISLANDS DEVELOPMENT BOARD FINANCIAL RULES, 1978.

1. **Short title.**—These rules may be called the Off-shore Islands Development Board Financial Rules, 1978.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context,—

(a) "Accountant-General (Civil)" means the Head of the Office of Audit and Accounts (Civil) subordinate to the Auditor-General who keeps the accounts of the Republic and exercises audit functions in relation to these accounts on behalf of the Auditor-General, and the term "Audit Officers" shall include the staff of the Accountant-General and of the Auditor-General, as the case may be;

(b) "appropriation" means the assignment of funds at the disposal of the assigned authority to meet specified expenditure;

- (c) "Auditor-General" means the Comptroller and Auditor-General of Bangladesh;
- (d) "Controlling Officer" means the Chairman or the Head of a Wing or any other officer empowered by the Board to control income and expenditure of the Board and its Fund;
- (e) "Drawing and Disbursing Officer" means an officer of the Board who has been authorised to draw bills to make payment for services rendered, or supplies made, to the Board;
- (f) "Fund" means the Off-shore Island Development Board Fund;
- (g) "Member (Finance)" means the member to whom all matters relating to finance is allocated by the Board;
- (h) "Head of the Wing" means any authority declared to be such by the Board;
- (i) "Ordinance" means the Off-shore Islands Development Board Ordinance, 1977 (Ord. IV of 1977);
- (j) "re-appropriation" means the transfer of funds from one unit of appropriation to another such unit;
- (k) "Wing" means an administrative division of the Board declared as such by the Board and headed by a full-time member.

3. **Operation of the Board Fund.**—(1) All moneys in the Fund shall be kept with any of the bank or banks specified in the Schedule to the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. No. 26 of 1972), operating at Barisal in an account styled as "The Off-shore Islands Development Board Fund" or in the "PL Account" with Barisal Treasury and shall be operated under joint signatures of the Chairman and the Member (Finance).

(2) In the absence on leave other than casual leave of the Chairman, the (Member) Secretary of the Board shall sign the cheques in his place and, in case of the Member (Finance) being away on leave other than casual leave any member authorised by the Board shall sign the cheques jointly with the Chairman.

(3) No cheques shall be issued unless it is required for immediate payment and no payment shall be made by the bank except upon a cheque.

(4) Release of funds sanctioned for a scheme or project shall not be made at a time but shall be made in instalments based on immediate requirements.

(5) The cheque books supplied by the bank or banks against formal requisitions shall be kept under lock and key in the personal custody of the Member (Finance). A certificate of the count of the pages of the cheque books shall invariably be recorded on the cover-leaf of such books.

(6) The Chairman and the Member (Finance) shall jointly and severally be responsible for operation of the Fund. The responsibility for maintenance of accounts thereof shall lie with the Member (Finance).

(7) The Board shall maintain closing balance at the minimum of taka two lakhs on any particular day of the year making allowances for expenditure for meeting any expenditure in case of emergencies.

4. **Replenishment of the Fund.**—(1) The Board shall furnish expenditure report in such manner and on such dates as may be directed by the Government.

(2) The Board shall submit by such date and in such manner, before the close of the financial year, as may be directed by the Government, a consolidated statement showing therein the expenditure incurred on the schemes or projects during the previous financial year less the actual reimbursement, if any, against advances made previously so that the necessary arrangements for replenishment of the Fund can be made by the Government.

(3) The Board shall prepare its annual development programme by such date and in such manner as may be directed by the Government.

5. **Board budget.**—(1) Save as hereinafter provided, the Board shall, before the expiry of the financial year, prepare estimates of receipts and expenditure in respect of the next financial year and submit the estimates to the Government for approval.

(2) The budget of the Board shall consist of two parts, namely:—

(a) management budget, and (b) development budget.

(3) The responsibility for the preparation of the statement of the estimated receipts and expenditure of the Board in respect of a financial year as well as any supplementary estimates or demands for extra grants shall lie with the Member (Finance). All other members and officers and other employees of the Board shall assist him in the preparation of the budget estimates.

(4) The Member (Finance) shall prepare the budget estimate of receipts and expenditure in respect of the ensuing financial year on or before the 31st March every year or on such date as may be directed by the Chairman and place it before the Board in the first week of April. The Board shall, after necessary scrutiny, submit the same to the Government on or before the 15th April or on such date as may be directed by the Government.

(5) The budget estimate shall be accompanied by an explanatory memorandum clearly explaining the variations in the figures and repetition or omission of any special item.

(6) No one shall incur any capital expenditure or enter into any liability involving expenditure from the Fund until the expenditure has been sanctioned by an order of the Board even though there is budget provision for such expenditure.

(7) The budget grant, when duly approved, shall be communicated by the Government to the Board in the shape of lump sum, known as primary units of appropriations as shown in the budget estimates approved by the Government. On receipt of the same, expenditure may be effected in the following manner—

(a) the whole or part of the appropriation for a primary unit within a grant may be placed at the disposal of a Controlling Officer or Drawing and Disbursing Officer. If required, the primary unit may be divided into a number of secondary units and the appropriation for any of these units, wholly or in part may be placed at his disposal;

(b) the appropriation for a unit can be increased or decreased only by a formal order of re-appropriation authorising a transfer of funds from one unit to another.

(8) An appropriation or re-appropriation within the grant of a financial year can be authorised at any time before the expiry of that year. An appropriation is intended to cover all claims including the liabilities, if any of past years to be paid or adjusted during the financial year from the budget of that year.

(9) Re-appropriation can be made as and when necessary within the budget grant under the orders of the Chairman from one scheme or project to another included in the development budget and from one detailed sub-head to another included in the management budget subject to the condition that no re-appropriation is admissible in respect of pay heads, namely, pay of officers and pay of establishment. Such re-appropriation shall be made in the revised budget estimate.

(10) The Chairman shall be responsible for controlling the expenditure over the allotted funds and shall, in addition to any directions given by the Government from time to time, issue necessary instructions to the members, officers and other employees of the Board to control the expenditure in such manner as he may deem proper.

(11) All members shall also keep a close watch over the progress of expenditure and receipts under them. The Member (Finance) shall take special precaution in this respect and take proper measures for—

(a) introducing the system of internal audit of the relevant accounts to be conducted by him;

(b) verification of figures with the Audit Office by deputing an officer or other employee there from time to time;

(c) physical verification and inspection of the projects or schemes at regular intervals with a view to ensuring proper and full utilization of the Fund.

6. Maintenance of accounts.—(1) Save as hereinafter provided, the Board shall maintain its accounts in the same manner as the Government maintains its accounts. Various procedures as laid down by the Government in the Treasury Rules, Government Financial Rules and Account Codes shall be followed.

(2) The Board shall maintain and keep the following records and documents, namely:—

- (a) Cash Book;
- (b) Cheque Book;
- (c) Payment Voucher;
- (d) Imprest Account (Permanent Advance);
- (e) Cash Abstract Register;
- (f) Monthly accounts of receipts and expenditure;
- (g) Annual Accounts;
- (h) Stock and Store Accounts;
- (i) Miscellaneous Receipts;
- (j) Provident Fund Accounts;
- (k) Public Works Charges;
- (l) Development Accounts;
- (m) Loan Register;
- (n) Register of Lands;
- (o) Register of Work Bills.

(3) In case of any difficulty in the practical application of the rules mentioned in sub-rule (1), the advice of Director-General, Local and Revenue Audit Department, shall be obtained.

(4) The accounts of the Fund shall be maintained in two parts, namely:—
(a) Capital Account, and (b) Revenue Account.

(5) There shall be credited to the Capital Account—

- (a) such proportion of grants received from the Government as may be decided by the Board;
- (b) loans raised by the Board with the sanction of the Government or loans obtained from the Government;
- (c) sale-proceeds of any movable or immovable property of the Board;
- (d) any other receipts of miscellaneous nature pertaining to schemes or projects; and
- (e) any other sum which the Government may direct to be credited to the Capital Account.

(6) The money credited to the Capital Account shall be applied to—

- (a) expenditure on development, that is, preparation, execution and implementation of schemes or projects together with the expenses incidental thereto;

- (b) re-payment of a loan, if any, previously obtained by the Board;
 - (c) grant loans to private parties against approved schemes;
 - (d) any other payment of a miscellaneous nature pertaining to schemes or projects of the Board.
- (7) There shall be credited to the Revenue Account—
- (a) such portion of grants received from the Government as may be decided by the Board for meeting the expenses of management;
 - (b) all interest received by the Board from the banks accrued on Fund;
 - (c) all rents of lands and buildings, if any, of the Board;
 - (d) rents of houses recovered from the officers and other employees of the Board for accommodation provided by the Board;
 - (e) miscellaneous receipts relating to the management side;
 - (f) all other sums which the Government may direct to be credited to the Revenue Account.
- (8) The money credited to the Revenue Account shall be applied to—
- (a) pay of officers and other employees;
 - (b) payment of allowances and honoraria to officers and other employees;
 - (c) contingencies.
- (9) A separate Cash Book shall be maintained for each of the two accounts mentioned in sub-rule (4). A Cash Book for Capital Account shall be maintained by the Accounts Officers in the Finance Wing and that for Revenue Account by the Drawing and Disbursing Officer under the overall supervision of the Member (Finance).
- (10) The accounts classification of receipt and expenditure shall invariably follow the budget classification. Sanction for expenditure shall specifically mention the head or heads of account to which the expenditure is debitable. The officers responsible for the maintenance of accounts shall see that the expenditure has been properly and correctly classified.

5. **Sanction.**—(1) A sanction for an expenditure shall lapse if not acted upon within the financial year.

(2) All financial sanctions issued by the Finance Wing shall be communicated to the Accounts Officer direct with copies to other Wings. Sanction issued by other Wings should similarly be communicated to the Accounts Officer direct and copy endorsed to the Finance Wing.

8. **Payment of claims.**—(1) All personal claims of the officers and employees of the Board and those of outsiders for services rendered, supplies made and works executed for or on behalf of the Board shall be paid in cheques only. Cash payment may, however, be made when such claim does not exceed Taka 75 or in cases where bank facilities are absent.

(2) No cheque shall be drawn unless it is intended to be paid away.

(3) Payments due to contractors and suppliers may, if so desired by them,, be made to their banker provided the party produces legally valid documents conferring authority on the bank to receive the payment,

(4) Payment to outsiders for supplies made, services rendered and works executed shall be made only when the claims have been submitted in proper forms and accepted by the Executing Wing. The claims shall be classified in details showing heads of accounts, units, quantity, and rate to enable proper identification of the expenditure.

(5) Claims of employees to arrears of pay and allowances or to increments or in respect of any other payment which have been allowed to remain in abeyance for a period exceeding one year shall not be paid except with the sanction of the Chairman.

(6) Claims against the Board which have become time barred under the Limitation Act, 1908, shall ordinarily be refused and no such claims shall be paid without the sanction of the Board.

(7) All petty claims of officers and other employees of the Board of more than three years' old and all such claims for whose delayed submission an adequate explanation is not forthcoming shall be rejected. The time limit laid down in sub-rules (5) and (6) shall be calculated from the date on which the claims became payable. In the case of sanction granted with retrospective effect the claim does not become payable before it is sanctioned.

9. **Drawal and disbursement of payment and allowances, etc.**—(1) The responsibility for a good and efficient financial administration shall devolve on the Finance Wing. It shall ensure regular payment of all bills including those for pay and allowances of the officers and other employees.

(2) All bills shall be prepared in accordance with the instructions contained in these rules and signed by the Drawing and Disbursing Officer who shall then pass on the bill to the Finance Wing. The bills will be scrutinised in the Finance Wing and submitted to the Accounts Officer for signing pay order if there is no objection. Approval of the Member (Finance) shall be obtained before pay order is signed by the Accounts Officer.

10. **Receipt of money.**—(1) All transactions to which any officer of the Board is a party in his official capacity must be brought to account without delay. Under no circumstances money received as dues of the Board shall be kept out of account.

(2) Money received as dues of the Board or for deposit in the custody of the Board shall be credited to the bank account of the Fund at the earliest opportunity. It shall under no circumstances be utilised for current expenditure.

(3) No money shall be received from any one person without issuing a proper receipt which shall *inter alia*, state the name of the person from whom the money is received, the amount both in figures and words and purposes for which it is received, the receipt shall be signed by a duly authorised officer who shall satisfy himself of the collection before signature.

11. **Forms and custody of receipt book.**—(1) The standard form of receipt book used in Government offices shall be adopted by the Board.

(2) The receipt book shall be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Board.

(3) The number of forms contained in each book shall be counted and certificate to that effect recorded in a conspicuous place in the books by the officer-in-charge of the books. The counterfoil of the used receipt book shall be kept in his personal custody.

12. **Voucher for payment.**—(1) Every payment including re-payment of money shall be supported by a voucher setting forth full and clear particulars of the claim. When it is not possible to support a payment by a voucher a certificate of payment signed by the Drawing and Disbursing Officer and endorsed by his superior officer shall always be placed on record. The particulars of the claim shall invariably be set forth in such certificates.

(2) Every voucher shall bear a pay order signed or initialled and dated by the Drawing and Disbursing Officer. The order should specify the amount payable both in words and figures.

(3) The voucher shall also bear or have attached to it an acknowledgement of the payment signed by the person by whom or in whose behalf the claim is made. This acknowledgement shall always be taken at the time of payment.

13. **General rules for payment against grants.**—(1) No expenditure shall be incurred without previously obtaining extra appropriation, in excess of the amount provided for expenditure under the heads concerned, and when an officer or other employee of the Board exceeds the annual appropriation, he may, under orders of the Board, be responsible for the excess.

(2) All liabilities incurred must be paid at once and under no circumstances may they be allowed to stand over to be paid from grant of another year. If possible, expenditure shall be postponed till the preparation of a new budget in which provision for payment of liabilities which could not be met in the previous year be made.

14. **Duties of the Drawing and Disbursing Officer and the Controlling Officer.**—(1) The Drawing and Disbursing Officer while incurring or authorising expenditure from the Fund shall be guided by the high principles of financial propriety so as to ensure that the expenditure is not *prima facie* more than the occasion demands. He shall also be responsible for the observances of all the relevant financial rules and regulations by his own office as well as by subordinate Disbursing Officers.

(2) The Controlling Officer shall not only see that the expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to the Heads of Wings and subordinate officers, if any, are spent in

the public interest and utilised for the purpose for which the money was provided. He shall be responsible for enforcing financial rules and regulations, orders and strict economy at every step.

(2) The Controlling Officer shall satisfy himself that adequate provision exists within the organisation for systematic internal checks calculated to prevent and detect financial errors and irregularities so as to guard against waste and loss of Board money and stores. He shall further make sure that the checks are effectively applied.

15. **Permanent advance.**—(1) The Board may sanction permanent advance for the head office of the Board as advised by the Member (Finance). The Chairman may sanction, on the advice of the Member (Finance), permanent advance for offices other than the head office, if any.

(2) The Board may also sanction, on the advice of the Member (Finance), a "Permanent advance" or "Imprest" of a fixed sum of Taka to other officers, namely, Assistant Engineer and Overseers to enable them to make certain classes of payments for such works as may be entrusted to them by the Executive Engineer or other officer, if any, of the Board.

(3) The holder of permanent advance or imprest shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for the total amount of the money in vouchers or in cash.

16. **Cash Book.**—(1) Save as hereinafter provided, the Board shall follow the Government system of account in maintaining its Cash Books.

(2) Every officer receiving money for disbursement shall maintain a Cash Book in the same form as that of the Government.

(3) All monetary transactions shall be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

(4) The Cash Book shall be closed and balanced each day and completely checked. The head of the office shall verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book, and initial it as correct.

(5) Any eraser or overwriting of an entry once made in the book is strictly prohibited. If a mistake is discovered, it shall be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red ink between the lines. The head of the office shall initial every such correction and invariably date his initials.

17. **Audit.**—(1) The accounts of the Board shall be audited by the Auditor-General in such manner as he deems fit.

(2) Final replies to the annual audit report or audit objections shall be submitted expeditiously but not exceeding a period of 3 months.

18. **Security deposit.**—(1) The employees of the Board, namely, Cashiers, Store-keepers and other employees entrusted with the custody of cash or stores shall be required to furnish security. The amount of security in each case shall be determined by the Chairman on the advice of the Member (Finance). The security so fixed shall be paid either in lump sum or by deduction from pay.

(2) As an alternative to cash payments, a fidelity bond of an Insurance Company approved by the Government for the full amount of the requisite security guaranteeing the Board against losses through dishonesty, negligence or disregard of the rules on the part of the employee may be accepted.

19. **Contract and tender.**—(1) Save as hereinafter provided, the principles followed by the Public Works Department in entering into contracts or agreements shall be adopted by the Board.

(2) The terms of a contract shall be precise and definite, and there shall be no room for ambiguity or misconstruction therein.

(3) As far as possible, legal and financial advice shall be taken in the drafting of contracts and before they are finally entered into.

(4) Standard forms of contracts shall be adopted wherever possible and the terms shall be laid down after proper scrutiny.

(5) The terms of contract once entered into shall not be materially varied without the previous consent of the competent financial authority, and the reasons for the variation shall be recorded.

(6) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall be entered into without the previous consent of the competent financial authority.

(7) Wherever practicable and advantageous, contracts shall be entered into only after tenders or quotations have been invited in the manner indicated below:—

- (a) tenders, which shall always be sealed, shall invariably be invited in the most open and public manner possible for the execution of work or the supply of stores worth Taka 2,500.00 or more. Orders of smaller amounts may ordinarily be placed by calling for quotations from a number of known and reliable firms ;

- (b) no tender for the execution of works of any description shall be received unless accompanied by the deposit of cash as earnest money to the extent which has been notified as necessary by the officer concerned;
- (c) the amount of earnest money to be deposited shall be sufficiently large to serve as a security against loss in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, or until the sums due to him form a sufficient guarantee, as the case, may be.
- (d) usually the lowest tender shall be accepted unless there is some objection to the capability of the contractor, the security offered by him or his execution of former work and the like. In cases where the lowest tender or quotation is not accepted, reasons shall be recorded. Subject to the above, the acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. Such an explanation may be called for by the superior authority if considered necessary.
- (8) In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (9) Even in cases where a formal written contract is not made, no order for supplies shall be placed without at least a written agreement as to price.
- (10) Provision shall be made in the contract for safeguarding the property of the Board entrusted to a contractor.
- (11) The Auditor-General shall have power to examine contracts and to bring before the Government and the Board any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.
- (12) In long-term agreements and contracts enduring or likely to endure for a period of more than five years, provision must be made for an unconditional power of revocation or cancellation of such contracts by the Board at any time on the expiry of six months notice to that effect.
- (13) The Board shall constitute, with the prior approval of the Government, such number of Tender Committees for such functions as it may consider necessary.
- (14) No contract or agreement shall be entered into on behalf of the Board unless the contract or agreement has been approved by the Board.

20. **Stores.**—(1) Purchase of stores shall be made in the most economical manner in accordance with the requirements of the Board. Periodical indent for the purchase of stores shall be prepared and stores shall be purchased in accordance with such indents.

(2) All materials received shall be examined, inspected, counted, measured or weighed, as the case may be, when delivery is taken. They shall be taken in charge by an officer who shall see that the quantities are correct and their quality is good, and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the materials and recorded them in the appropriate Stock Register.

(3) In case of stores issued to a contractor the cost of which is recoverable from him, an acknowledgement stating the full particulars of the materials issued, including recovery rates, and the total value chargeable to the contractor shall be obtained from the contractor.

21. **Defalcations, losses, etc.**—(1) Any loss of money, revenue or receipts or other property held by, or on behalf of, the Board caused by defalcation or otherwise shall be immediately reported by the officer concerned to his immediate superior as well as to the Finance Wing. Such reports shall also be submitted as soon as suspicion arises that there has been a loss.

(2) The Finance Wing shall make such detailed enquiries as it may deem proper and report it to the Board.

(3) For any loss sustained by the Board through fraud or negligence on the part of any one he shall be held responsible for any loss arising from such fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

22. **Responsibility for accounts, returns, etc.**—Every officer whose duty it is to prepare and render any accounts or returns in respect of any Board money or stores of the Board shall be personally responsible for completeness and strict accuracy of such accounts or returns and their despatch within the time fixed by the Board.

23. **Disposal of Board's property.**—No property of the Board, movable or immovable, shall be sold or disposed of in any manner without the previous specific concurrence of the Finance Wing.

24. **Financial orders.**—All orders in so far as they embody orders or instructions of financial character or have important financial bearing, shall be made by, or with the approval of, the Finance Wing.

25. Reference to Government in case of disagreement between the Board and the Member (Finance).— In case of any disagreement between the Member (Finance) and the Board on the question of interpretation of these rules or on a point connected with the financial matters of the Board, the matter shall be referred to Government whose decision thereon shall be final.

By order of the President

MANSUR AHMAD

Joint Secretary.