PUBLIC WORKS DEPARTMENT
Government of Uttar Pradesh, India

UTTAR PRADESH STATE ROADS PROJECT
Under IBRD Loan No. 4684-IN

Technical Assistance for Implementation of Institutional Reforms in the Road Sector of Uttar Pradesh

ENHANCING THE ROLE AND RESOURCES OF THE ACCOUNTS CELL IN SUPPORTING A COMPUTERISED FINANCIAL MANAGEMENT SYSTEM OPERATION (FINAL)

Report No. 17

October 2007

LEA International Ltd., Canada

in joint venture with

LEA Associates South Asia Pvt. Ltd., India

in association with

Ministry of Transportation of Ontario, Canada
TABLE OF CONTENTS

1. INTRODUCTION.............................................................................................................................. 1

2. EXISTING STAFFING RESOURCES AND FUNCTION OF ACCOUNTS CELL IN PWD HEADQUARTERS AND DIVISIONS.................................................................................................................. 3
   2.1. ORGANISATION AND STAFFING RESOURCES IN HEADQUARTERS ......................... 3
   2.2. ACCOUNTS CELL AT PWD HEADQUARTERS................................................................. 4
   2.3. ORGANISATION AND STAFFING RESOURCES IN THE DIVISIONS ...................... 5
   2.4. DIVISION ACCOUNTS OFFICE......................................................................................... 6
   2.5. DATA FLOW ....................................................................................................................... 8
   2.6. INHERENT PROBLEMS WITH RESPECT TO FUNCTIONS AND RESOURCES......... 10

3. ENHANCED ACCOUNTS CELL AND PROPOSED PWD FINANCE UNITS.............................. 11
   3.1. ENHANCED ACCOUNTS CELL ROLE AND RESOURCES ........................................... 11
   3.2. PROPOSED PWD FINANCE UNITS................................................................................ 11
   3.3. OBJECTIVES OF ENHANCEMENT AND REFORMS..................................................... 11
   3.4. PROPOSED ROLE AND ORGANISATION STRUCTURE .............................................. 12
   3.5. INTERNAL AUDIT............................................................................................................. 15

4. RESOURCES ................................................................................................................................ 17
   4.1. HUMAN RESOURCES ..................................................................................................... 17
   4.2. PROPOSED TRAINING FOR ALL ACCOUNTING STAFF.............................................. 17
   4.3. TECHNICAL RESOURCES.............................................................................................. 18

5. WAY FORWARD ........................................................................................................................... 19

6. MINUTES OF MEETING WITH FOCUS GROUP F ...................................................................... 20

7. PRESENTATION TO PROJECT STEERING COMMITTEE.......................................................... 22

LIST OF TABLES

Table 1 : List of Account Forms Prepared by Divisional Accounts Officer and each Month ........ 8

Table 2 : List of Reports prepared by Divisional Accounts Officer and sent to Accountant General's Office each Month ................................................................................................................. 9
LIST OF FIGURES

Figure 1 : Organisation Chart at Headquarters showing relationship between PWD Technical Wing (Engineer-in-Chief) and Finance Controller ................................................................. 3

Figure 2 : Organisational Chart of Divisional Accounts Section ............................................................... 5

Figure 3 : Flow of Financial Data in PWD ......................................................................................... 10

Figure 4 : Proposed Enhanced Structure of Accounts in PWD ........................................................... 16

ANNEXURES

ANNEXURE -1 : Expenditure Statement

ANNEXURE -2 : FORM – 64

ANNEXURE -3 : Head wise Expenditure
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/C</td>
<td>Account</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AE</td>
<td>Assistant Engineer</td>
</tr>
<tr>
<td>AG</td>
<td>Accountant General</td>
</tr>
<tr>
<td>B.Com</td>
<td>Bachelors of Commerce</td>
</tr>
<tr>
<td>B.E.</td>
<td>Bachelors of Engineering</td>
</tr>
<tr>
<td>CAG</td>
<td>Controller and Auditor General</td>
</tr>
<tr>
<td>CCL</td>
<td>Cash Credit Limit</td>
</tr>
<tr>
<td>CE</td>
<td>Chief Engineer</td>
</tr>
<tr>
<td>CRF</td>
<td>Central Road Fund</td>
</tr>
<tr>
<td>DCL</td>
<td>Deposit Credit Limit</td>
</tr>
<tr>
<td>DAO</td>
<td>Divisional Account Officer</td>
</tr>
<tr>
<td>DDO</td>
<td>Drawing and disbursing Officer</td>
</tr>
<tr>
<td>EE</td>
<td>Executive Engineer</td>
</tr>
<tr>
<td>E-in-C (HOD)</td>
<td>Engineer in Chief (Head of Department)</td>
</tr>
<tr>
<td>FMS</td>
<td>Financial Management System</td>
</tr>
<tr>
<td>GO</td>
<td>Government Order</td>
</tr>
<tr>
<td>GOI</td>
<td>Government of India</td>
</tr>
<tr>
<td>GoUP</td>
<td>Government of Uttar Pradesh</td>
</tr>
<tr>
<td>GPF</td>
<td>Government Provident Fund</td>
</tr>
<tr>
<td>GIS</td>
<td>Group Insurance Scheme</td>
</tr>
<tr>
<td>HQ</td>
<td>Head Quarter</td>
</tr>
<tr>
<td>ICWAI</td>
<td>Institute of Cost and Works Accounts in India</td>
</tr>
<tr>
<td>IDS</td>
<td>Institutional Development Strategy</td>
</tr>
<tr>
<td>IDSP</td>
<td>Institutional Development And Strengthening Plan</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ISAP</td>
<td>Institutional Strengthening Action Plan</td>
</tr>
<tr>
<td>JE</td>
<td>Junior Engineer</td>
</tr>
<tr>
<td>LIC</td>
<td>Life Insurance Corporation</td>
</tr>
<tr>
<td>LTC</td>
<td>Leave Travel Concession</td>
</tr>
<tr>
<td>LACI</td>
<td>Loan Administration Change Initiative</td>
</tr>
<tr>
<td>M.Com</td>
<td>Masters of Commerce</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MOST</td>
<td>Ministry of Surface Transport</td>
</tr>
<tr>
<td>MoSRTH</td>
<td>Ministry of Shipping, Road Transport &amp; Highways</td>
</tr>
<tr>
<td>MoRTH</td>
<td>Ministry of Road Transport and Highways</td>
</tr>
<tr>
<td>NABARD</td>
<td>National Bank of Agricultural and Rural Development</td>
</tr>
<tr>
<td>NH</td>
<td>National Highway</td>
</tr>
<tr>
<td>NHAI</td>
<td>National Highways Authority of India</td>
</tr>
<tr>
<td>ODR</td>
<td>Other District Road</td>
</tr>
<tr>
<td>PAC</td>
<td>Public Accounts Committee</td>
</tr>
<tr>
<td>PMGSY</td>
<td>Pradhan Mantri Gram Sadak Yojana</td>
</tr>
<tr>
<td>PWD</td>
<td>Publics Works Department</td>
</tr>
<tr>
<td>RES</td>
<td>Rural Engineering Services</td>
</tr>
<tr>
<td>RIDF</td>
<td>Rural Infrastructure Development Fund</td>
</tr>
<tr>
<td>SE</td>
<td>Superintending Engineer</td>
</tr>
<tr>
<td>SH</td>
<td>State Highway</td>
</tr>
<tr>
<td>SRF</td>
<td>State Road Fund</td>
</tr>
<tr>
<td>SRP-II</td>
<td>State Road Project-II</td>
</tr>
<tr>
<td>SRS</td>
<td>Software Requirement Specification</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TCS</td>
<td>Tata Consultancy Services Ltd.</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UP</td>
<td>Uttar Pradesh</td>
</tr>
<tr>
<td>UPSRP</td>
<td>Uttar Pradesh State Road Project</td>
</tr>
<tr>
<td>VOC</td>
<td>Vehicle Operating Cost</td>
</tr>
<tr>
<td>VR</td>
<td>Village Roads</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>
1. **INTRODUCTION**

IDS recommended Institutional Strengthening of Financial Management Services, which involves reforms in the present set-up of the Accounts Unit in the PWD. The Accounts Unit is part of the Department of Finance, and the intention of these proposed reforms is to create a stronger Accounts Unit at PWD Headquarters. At the same time there is a need to create stronger financial control within the PWD, hence the proposal to strengthen that function in PWD Headquarters, with similar units established in the Zones, Circles and Divisions. The purpose of creating these Financial Units is to provide financial data which can be used by the PWD at all levels of the decision-making process.

The Main IDS Study recommendations included the following:

**Financial System**

*It should be able to produce financial data needed to plan expenditures, compare alternative strategies, monitor implementation and account for the way funds are used. The PWD needs to move towards a more commercially oriented system in which it has to:*

- prepare receipts and expenditure statements
- Account for all assets owned directly by the road agency (that is, excluding capital invested on roads)
- Record in simple fashion the financial condition of roads like the replacement value of the road network

**Budgeting System**

*The budgeting system should be developed in a way that it prioritises the works for any cut in the allocation by reflecting in the strategic and management control of the organisation according to the order of importance and need.*

**Costing System**

*An effective management control needs to be built around a cost centre cum responsibility approach for the Division, implying budgetary control, standard costing, and variance analysis for each cost centre at different levels in addition to functional responsibility like quality, maintenance, and development works.*

This report relates to the proposed re-organisation of the existing overall structure of PWD and the part which an accounting and financial management system in general will play in any future PWD organisational structure. The reforms relating to accounting covers suggested changes in the existing PWD accounting system, by adding units or cells to incorporate budgeting of roads, bridges, and buildings, and enhancing the coverage by including costing and internal audit. The advent of computerisation will do much to enable the accounting system and processes to be effective and efficient.
Computerisation of PWD accounts and other financial information will enable effective decision making at all levels to be based on accurate and timely information availed from the Divisions all the way up to Headquarters. It is anticipated that in time the computerised data processing system will provide more accurate and extensive data. At the same time it will enable effective management control to be built around cost centres, particularly at Division level, in which variances will be highlighted.

The successful implementation of reforms based on an enhanced organisation structure, use of appropriate hardware and software for computerisation, and extensive staff training can only take place when an appropriate Management Information System (MIS) has been developed and implemented. Such an MIS will lead to an enhanced flow of reliable timely data that can be used by management at all levels within the PWD.

At the same time the computerisation of PWD accounts will have a knock on effect with respect to the Accounts Cell and Divisional Accounts Officer. These will need to be suitable strengthened and staff trained so that they can function in harmony with the PWD's computerised financial management and accounting system.
2. EXISTING STAFFING RESOURCES AND FUNCTION OF ACCOUNTS CELL IN PWD HEADQUARTERS AND DIVISIONS

2.1. ORGANISATION AND STAFFING RESOURCES IN HEADQUARTERS

The current relationship between the Finance Controller and the PWD Technical Wing, in the form of the Engineer-in-Chief (Head of Department), is shown in Figure 1. The Finance Controller and the Chief Account Officer and Senior Account Officer, who both serve under him, are not members of PWD staff but are from the Department of Finance.

![Figure 1: Organisation Chart at Headquarters showing relationship between PWD Technical Wing (Engineer-in-Chief) and Finance Controller](image)

The Finance Controller reports to the Engineer-in-Chief, who acts as Head of the Public Works Department. Serving under the Finance Controller are three other officers: Chief Account Officer, Senior Account Officer, and Administrative Officer. Unlike the other two officers, the Administrative Officer is a PWD employee.

The Finance Controller is the head of the Account Cell and supervises the overall work of the section. The Accounts Cell is responsible for issuing the Cash Credit Limits and Deposit Credit Limits allocated to the Divisions. The Financial Controller is responsible for:

1. pre-audit related matters,
2. sending CCL/DCL related information to the Accountant General’s Office,
3. Audit Inspection Report (after monitoring)
4. transferring 10% GPF to Accountant General’s Office
5. sending summarised allotment and expenditure monthly report to Financial and Statistical Directorate of Department of Finance, Uttar Pradesh.

The three senior officers serving under the Financial Controller are:
Administrative Officer (PWD)
This officer is responsible for preparing the establishment budgeting, for pay roll related expenses (salary and wages), and contingency expenses (Travelling bill, Stationary bill, Telephone bill, electricity bill). These expenses all relate to State Government Grant Number 54.

Senior Accounts Officer (Department of Finance)
This officer is responsible for dealing with 90% Government Provident Funds (Up to class III level employee) and related matters such as loan application related records, sanctions, instalments, maintenance of Pass book register and verification, statement of deduction, etc. relating to Headquarters.

Chief Accounts Officer (Department of Finance)
This officer is responsible for dealing with old Pension Cases related matters. Now new cases of pension of Class I employees are dealt with by the Director of Pensions, for UP and Class II and III employees' pensions are dealt with by Upper Khosagar Nirdhasak, and for Class IV employees' pensions are dealt with by the employee's own Department.

2.2. ACCOUNTS CELL AT PWD HEADQUARTERS

Cash Credit Limits
Following approval of the PWD budget the State Government reserves that money for the use of the PWD who can draw on that money for payment of their works. Under the current system the Engineer-in-Chief will issue an order to the Finance Controller with respect to the Projects he wishes to implement. Before that money can be released, in the form of a Cash Credit Limits, the estimated expenditure must be approved by the State Government.

Following approval the Engineer-in-Chief transfers that approval for allotment of funds to the respective Senior Officer: Chief Engineer (HQ-1) for Road related works, to the Engineer-in-Chief (Rurals) for works on Structures (eg. bridges and culverts) and to the Chief Engineer (Buildings) for works related to PWD buildings.

Each of these three Senior Officers then send details relating to the allotment of funds for the various Projects to the Finance Controller for issuing the Cash Credit Limits. The Cash Credit Limits are issued to the Drawing and Disbursing Officer (DDO) who is usually the Executive Engineer in the Division. The funds relating to the Cash Credit Limits are transferred by the Treasury to the State Bank of India. It is against these funds, held by the State Bank of India, that the Executive Engineer (DDO) is able to draw money in the form of cheques.

Deposit Credit Limits
The PWD not only carries out work in accordance with their mandate to maintain and develop the road network but also carries out work at the direct request from other Government bodies. The funding for work carried out by the PWD in accordance with their mandate is covered by Cash Credit Limits. Funding for work requested by other Government bodies is covered by Deposit Credit Limits.
For major works the requests from other Government bodies are made to the Engineer-in-Chief (H.O.D.) In the case of a request to carry out road related work the Engineer-in-Chief passes the request to the Chief Engineer (NH) who prepares the allotment sheet. This is then passed back to the Engineer-in-Chief who in turn passes it on to the Finance Controller who subsequently issues the Deposit Credit Limit.

2.3. ORGANISATION AND STAFFING RESOURCES IN THE DIVISIONS

Divisional Accounts are totally controlled by the Divisional Accounts Officer appointed by the Accountant General. Serving under him are six Accounts Clerks, employed by the PWD, as shown in Figure 2.

The main features of PWD Accounts at Division level are:

- Executive Engineer (EE), who is the primary Drawing and Disbursing Officer (DDO), is designated to draw cheques against the State Bank of India for the required work up to the value of the cash credit limit imposed for each Project.

- The Divisional Accounts Officer compiles an account of the receipts and expenditures.

- EE is responsible for keeping accounts relating to stores and for keeping these accounts for audit by the Accountant General.

- Keeping records all the charges set against plan and non-plan works, broken down by Project, works or sub-works.

- Salary payments to all Government Employees in the Division through bills presented to the Treasury.

- DDO has to satisfy himself about the correctness of accounts, payments, measurements etc with all the necessary evidence.

- All financial transactions pass through the Divisional Accounts Officer at Divisional Offices.
2.4. DIVISION ACCOUNTS OFFICE

The Accounts Office in each of the Divisions is headed by a Divisional Accounts Officer who represents the Accountant General's office of the State Government. Serving under the Divisional Accounts Officer six Accounts Clerks whose functions and duties are as follows:

1. **Cashier:**
   
   Duties cover maintenance of Receipt and Payments Records in Cash Book, maintaining cheques register, works account, Contractor's Bond Register, General and Subsidiary ledgers, preparation of various abstracts for reporting, handling various types of imprest advances, maintaining all entries related to cash transactions in cash book, balancing cash book and subsidiary books, arranging funds for staff salaries and payments to Contractors and Suppliers’ payments after receiving sanctions from appropriate authorities etc.

2. **Pre-audit Claim and Deposit Advances**
   
   This officer checks the various time limits imposed by the State Government before clearing any payments. For example when an employee submits a bill to the Division Accounts Cell, the Cell in turn sends it to the Treasury Office. If the bill is presented to the Treasury one year after the actual date on the bill, and the amount involved is greater than or equal to Rs. 1000.00, then the Treasury directs it for Pre-Audit. If the bill is presented within three years from the actual date on the bill, the Executive Engineer gives permission for Pre Audit or else the Divisional Accounts Officer gives permission for same. Only after getting Pre-audit permission does the Finance Controller in Headquarters audit the case to find out the reason for the delay in presenting the bill in the first case. If the bill is less than Rs. 1000.00 it can be presented to the Treasury within three years from the actual date on the bill.

   In case of travelling claims, the bill must be presented to the Treasury within one year from the actual date on the bill otherwise the money is forfeited. If an employee presents a bill to the Division within one year of the date on the bill, but if the Division presents the bill to the Treasury over one year later than the actual date on the bill, then the Treasury still directs the bill for Pre auditing. If the delay is the fault of the employee then the money is forfeited.

3. **Contract Agreement:**
   
   This officer deals with matters relating to bond agreement, stamp duty, tender related matters, Contractors’ advances, security deposits, retention money, running bill verification, releasing payments to Suppliers and advances after verifying clearance and sanctions from relevant authorities.
The Accounts section verifies the agreement Papers-Bills received from the field. They are checked using the agreement and the measurement book: every measurement book has a unique number. The Junior Engineer in the field maintains the measurement book, which contains entries of both consumables and non-consumables. The information obtained from the field is used to prepare the monthly Account Summary, which is known as Form 80

4 Budget Compilation and Preparation of Monthly Accounts:

This officer deals with matters relating to preparation of the yearly Divisional budget. This includes information regarding progress of on-going construction works, new works, stages of completion, on-going maintenance works, and yearly maintenance works, etc. The financial evaluation of all these works makes up the yearly Divisional budget. Compilation all budget related information is given in the prescribed formats for onward transmission to the PWD Headquarters within the prescribed time schedule.

These forms are submitted to the Engineer-in-Chief (HOD) who in turn distributes them to the appropriate Senior Officer: Chief Engineer (HQ-1) for Road related works, Engineer-in-Chief (Rurals) for works on Structures (eg. bridges and culverts), and Chief Engineer (Buildings) for works related to PWD buildings.

5 Disposal of Accounts Inspection Report and Draft Para

This officer is the Auditor and is responsible for auditing all the financial data generated in the Divisions. If he has any queries resulting from the financial data received he expresses his queries in the form of audit notes, objection statements, inspection reports, letter or memoranda which are sent to the appropriate Divisional Accounts Officer. These should receive the prompt attention from the Divisional Accounts Officer who must respond within a stipulated period of six weeks: his reply is referred to as the Draft Para. If Draft Paras do not properly address the issues raised, or are not returned within the stipulated period of time, the queries raised by this officer are sent to the Controller and Auditor General (CAG) where they are included in a report.

6 Maintenance of Service Book, Salary, Wages and Claim of Establishment

The functions undertaken by this officer relate to Grant No. 54 which covers items such as establishment expenses and related matters. This includes preparation of payrolls, making up salaries, wages, maintaining records of salary related matters like retirement benefits, staff advances, calculations and deductions of Income Tax, GPF and Pensions related matters, and contingency expenses such as travelling bills, stationery, telephone, electricity bills, etc.
Preparation and Summary of Monthly Accounts

The account records prepared by the Divisional Accounts Officer on a monthly basis are given in Table 1.

Table 1: List of Account Forms Prepared by Divisional Accounts Officer and each Month

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Form No.</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Imprest Cash Account</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>Extract from Account of Receipts of Tools and Plant</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>Extract from Account of issues of Tools and Plant</td>
</tr>
<tr>
<td>4</td>
<td>15</td>
<td>Register of Tools and Plant</td>
</tr>
<tr>
<td>5</td>
<td>46</td>
<td>Revenue Realisation and Recoveries</td>
</tr>
<tr>
<td>6</td>
<td>51</td>
<td>Schedule of Monthly Settlement with treasury</td>
</tr>
<tr>
<td>7</td>
<td>61</td>
<td>Schedule Docket</td>
</tr>
<tr>
<td>8</td>
<td>64</td>
<td>Details of expenditure on works by cash and stock</td>
</tr>
<tr>
<td>9</td>
<td>65</td>
<td>Schedule of Deposit works</td>
</tr>
<tr>
<td>10</td>
<td>67 A</td>
<td>Schedule of Material Suspense Settlements</td>
</tr>
<tr>
<td>11</td>
<td>67</td>
<td>Details of expenditure on Deposit Heads</td>
</tr>
<tr>
<td>12</td>
<td>70</td>
<td>Schedule of Miscellaneous Public Works Advances</td>
</tr>
<tr>
<td>13</td>
<td>72</td>
<td>Schedule of Debits to Stock</td>
</tr>
<tr>
<td>14</td>
<td>73</td>
<td>Stock Accounts with debits/credits</td>
</tr>
<tr>
<td>15</td>
<td>74</td>
<td>Classified Abstract of Expenditure</td>
</tr>
<tr>
<td>16</td>
<td>76 A</td>
<td>Schedule of Cash Suspense Settlement</td>
</tr>
<tr>
<td>17</td>
<td>77</td>
<td>Schedule of debits/credits to remittances</td>
</tr>
<tr>
<td>18</td>
<td>79</td>
<td>Scheduled of Deposits</td>
</tr>
<tr>
<td>19</td>
<td>80</td>
<td>Consolidated figures of receipts and payments during the month</td>
</tr>
<tr>
<td>20</td>
<td>81</td>
<td>Abstract Book</td>
</tr>
</tbody>
</table>

Source: Book of Forms - Public Works Accounts Rules, March 1978

2.5 DATA FLOW

Expenditure Statement

Every month each Division submits a report to the Circle Office and also to the Finance Controller in PWD Headquarters giving details of monthly expenditure and Allotment (from Cash Credit Limit) on a Project by Project basis. The PWD Circle Office compiles all these monthly Divisional Expenditure Statements into one report which is submitted to the PWD Zone Office.

On a quarterly and annual basis the Divisional Office submits the Expenditure Statement to the Finance Controller in PWD Headquarters but only after it has been verified by the Accountant General's Office in the Division.
The format used for the Expenditure Statement is not classified as a 'prescribed format' since it is not submitted to the Accountant General's Office. A copy of this form is given in Annexure 1.

Reports Submitted to Accountant General's Office from the Divisions

A list of the reports prepared by the Divisional Account Office and submitted to the Accountant General's Office each month are given in Table 2. These reports are all classified as 'prescribed format' since they are submitted to the Accountant General's Office.

Table 2 : List of Reports prepared by Divisional Accounts Officer and sent to Accountant General's Office each Month

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Form No.</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>46</td>
<td>Revenue Realisation and Recoveries (since discontinued)</td>
</tr>
<tr>
<td>2.</td>
<td>51</td>
<td>Schedule of Monthly Settlement with treasury</td>
</tr>
<tr>
<td>3.</td>
<td>61</td>
<td>Schedule Docket</td>
</tr>
<tr>
<td>4.</td>
<td>64</td>
<td>Details of expenditure on works by cash and stock</td>
</tr>
<tr>
<td>5.</td>
<td>67 A</td>
<td>Schedule of Material Suspense Settlements</td>
</tr>
<tr>
<td>6.</td>
<td>67</td>
<td>Details of expenditure on Deposit Heads</td>
</tr>
<tr>
<td>7.</td>
<td>70</td>
<td>Schedule of Miscellaneous Public Works Advances</td>
</tr>
<tr>
<td>8.</td>
<td>72</td>
<td>Schedule of Debits to Stock</td>
</tr>
<tr>
<td>9.</td>
<td>73</td>
<td>Stock Accounts with debits/credits</td>
</tr>
<tr>
<td>10.</td>
<td>74</td>
<td>Classified Abstract of Expenditure</td>
</tr>
<tr>
<td>11.</td>
<td>76 A</td>
<td>Schedule of Cash Suspense Settlement</td>
</tr>
<tr>
<td>12.</td>
<td>77</td>
<td>Schedule of debits/credits to remittances</td>
</tr>
<tr>
<td>13.</td>
<td>79</td>
<td>Scheduled of Deposit</td>
</tr>
<tr>
<td>14.</td>
<td>80</td>
<td>Consolidated figures of receipts and payments during the month</td>
</tr>
<tr>
<td>15.</td>
<td>81</td>
<td>Abstract book</td>
</tr>
</tbody>
</table>

A copy of form No. 64 "Details of expenditure on works by cash and stock" is given in Annexure 2. It will be noticed that this form and the Expenditure Statement form contains almost identical information but the format is different. The main difference is that form No. 64 includes details relating to Deposit Cash Limits whereas these details are omitted from the Expenditure Statement form.

Reports Submitted to Accountant General's Office from the Financial Controller

The Finance Controller in PWD Headquarters submits the following details on a frequent, and in some cases daily, basis to the Accountant General but does not used any of the prescribed formats:

- Sending information regarding CCL issue
- Government Provident Funds related Information
- Audit Inspection Report (After monitoring)
Head-wise Expenditure and Allotment

Each month the Finance Controller sends a 'head-wise expenditure and allotment' report to the Financial and Statistical Directorate (Department of Finance, Uttar Pradesh). An example of 'Head-wise' accounts is given in Annexure 3.

A diagram showing the flow of financial data in the PWD is shown in Figure No.3.

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2.6. INHERENT PROBLEMS WITH RESPECT TO FUNCTIONS AND RESOURCES

1. Of the 263 divisions within the PWD most do have any computers for financial management purposes. The exceptions are National Highways, World Bank, and PMGSY. All the other divisions are preparing all their reports manually.

2. Most of the employees in accounts are not trained to operate computers and have no knowledge of computer software.

3. The Finance Controller in Headquarters does not have sufficient staff to maintain the accounts and related matters.

4. No cell exists for the internal audit either at Headquarters or at Zone level. In accordance with the instructions issued by the Engineer-in-Chief (HOD) a Divisional Accounts Officer visit adjacent Divisions to carry out the internal audit.

5. There is no cell in PWD to carry out cost comparisons or cost control using standard costing methods, cost centres, or variance analysis.

6. There are no PWD accounting staff at either Circle or Zone level.
3. ENHANCED ACCOUNTS CELL AND PROPOSED PWD FINANCE UNITS

3.1. ENHANCED ACCOUNTS CELL ROLE AND RESOURCES

In terms of funding the PWD has grown considerably over recent years. For the year 2006 - 2007 PWD expenditure was around Rs 7,000 Cores. Commensurate with the growth in funding is the need to ensure that the funds are managed in an effective and efficient way. In addition accurate and up to date financial information must be available to PWD senior management as an aid to decision making.

The enhancement of the Accounts Cell role and resources is seen as a vital component of the financial management and accounting process of PWD. With the advent of computerisation the role of the Accounts Cell will be changed. Commensurate with the computerisation process is the requirement to ensure that the Accounts Cell is suitably resourced in terms of computers and staff, and that staff are trained to operate the new system. The same comment also applies to the Division Account Offices.

Much of this work, and need to computerise the existing system used by the Accounts Cell, is covered in Report No. 16. It is essential for the work of the Accounts Cell and the Division Account Offices to be considered as part of the financial management system of the PWD. Although both the Accounts Cell and the Division Account Offices do not report to the PWD they and the PWD staff must all work together in harmony.

3.2. PROPOSED PWD FINANCE UNITS

The proposals included in this Section have been made in accordance with the proposals made in Report No. 11: Report for Implementing Progressive PWD Re-structuring and Staffing Re-alignment, Including On-going Internal Staff Communications on all Major Aspects.

The above implies a revised organisation structure based on revised and carefully integrated functions with suitably skilled staff to fulfil these functions. Report No. 11 is under preparation with the express objective of meeting these requirements. The following Sections embrace these objectives whilst focusing on the role of accounts and financial management in the PWD.

3.3. OBJECTIVES OF ENHANCEMENT AND REFORMS

The objective of enhancing the present functions and procedures used in the Finance Unit has the following objectives:

1. The production of reliable financial data needed to plan expenditure, compare alternative strategies, monitor implementation, account for the utilisation of funds and the cost effectiveness of the expenditure.

2. A more commercially-oriented operation and organisation (maximum output from investment, cost minimization, assets valuation, cross verification of inflow and outflow of funds).

3. The smooth and timely flow of funds for construction and maintenance of roads.
4. Effective budgetary, costing, cost control procedures, and monitoring of financial progress on construction and maintenance Contracts. This will include cost centres and variance analysis.

5. Accounting for all assets owned directly by PWD (excluding capital invested in roads) and production of records and reports.

6. Recording the financial implications of the present 'condition' of roads to determine the replacement value of the Road Network”.

7. Production of accurate and reliable cost information for use in the Road Maintenance Management System.

8. Faster and more efficient management decisions through use of computer based FMS/MIS. This will include computerisation of data, records and reports. It will also facilitate sharing of cost data amongst PWD offices.

3.4. PROPOSED ROLE AND ORGANISATION STRUCTURE

The role and position within the PWD organisation structure of the Accounts Cell and Division Accounts Officer will remain basically unchanged. What will change is their relationship with the PWD and their working system. The strengthening within the PWD of matters relating to finance should improve the efficiency and effectiveness of both the Accounts Cell and Divisional Accounts Officer.

The proposed new positions and the functions of the PWD Finance Units related work are detailed below starting with Headquarters and working down through the current PWD structure to the Division level.

Headquarters - Accounts and Budgeting Cell

As commented in Report No.11 it will be necessary to expand the current Finance Unit to include an Accounts and Budgeting Cell. This Cell will be responsible, in conjunction with the Policy and Planning Unit, for determining the PWD budget for maintenance work on the road network, defined as 'non-plan' works. They will be assisted in this task by the Road Maintenance Management Systems Unit who will be charged with the responsibility for preparing the prioritised list of roads for maintenance under a constrained budget using HDM 4.

In accordance with the Policy and Planning Unit and the Road Network Master Plan the Accounts and Budgeting Unit will be responsible for determining the budget for the planned development of the road network, defined as 'plan' works.

From financial data received from the Divisions this Unit will be responsible for developing the costs of the various road maintenance interventions. This work will also be extended to include structures. This work will be extended to cover preparation of the PWD budget for submission to the State Government. Each Zone will be responsible for preparing their own budget but the Accounts and Budgeting Cell will have the ultimate responsibility for consolidating these budgets and for determining the budget request made to State Government.
When the overall PWD funding has been allocated by State Government this Unit will be responsible for breaking down the budget into that for each Zone. This Unit will also monitor the rate of take up of the allocated budget by each of the Zones to ensure that none of the budget allocated by State Government remains unspent at the end of the financial year. There are several instances of non-plan budget under utilisation which means that either the PWD has to surrender the unspent budget, or embark on hurried expenditure of a large percentage of the budget during the last month or so of the year. The yearly expenditure on the non-plan heads is not evenly distributed throughout the year, probably because this budget head includes ‘emergency works’. The PWD is reluctant to spend the major part of its budget until the risk of an emergency has basically passed. A more even distribution of expenditure will enable the funds to be used in a cost effective and efficient manner, and its surrender for non-use within the time limit can be avoided.

The Accounts and Budgeting Cell will receive consolidated expenditure statements from all the Zones, but their role is purely that of monitoring. Action, where it is required to be taken, will be the responsibility of the Chief Engineer in the Zone.

Zones - Finance Manager

It is proposed that the post of Finance Manager be created in each Zone. The ultimate objective is that each Zone will act as an autonomous operational business unit. As such it will need a Finance Manager to provide the financial data upon which management decisions can be based.

The Finance Controller in PWD Headquarters will issue cash credit limits to the respective Finance Managers in the Zones. The task of the Finance Manager will be to issue the cash credit limits to the Assistant Finance Manager in the respective Circles.

The Finance Manager will receive copies of the Expenditure Statement for all Projects being undertaken in all the Divisions. These will be used as the basis for management decisions regarding progress, payments, and other contractual issues.

Establishment related expenditure in the Divisions, Circles, and Zones including payroll for all classes of staff employed in the Zone, will be the responsibility of the Finance Manager.

The Finance Manager will also be involved in the preparation and production of the annual budget for maintenance, new works, etc.

There will be an Internal Auditor at every Zone serving under the Finance Manager. This officer will visit all Divisions throughout the year, conducting the audit by checking cash books, works registers and other records on a test-check basis. The Internal Auditor will report all serious discrepancies observed at Divisional level to the Finance Manager, who will seek rectification, clarification, and take action on the basis of the reports. The Finance Manager will report to the Finance Controller of PWD and will coordinate the working of the Section with the Statutory Auditors in their periodical audit visits.
Circle - Assistance Finance Manager

It is proposed that the post of Assistant Finance Manager be created in each Circle. He will receive details of cash credit limits from the Finance Manager for the works to be undertaken in the Circle. It is proposed that all Deposit Credit Limit works are channelled through this officer in conjunction with the Superintending Engineer. It may be necessary to set an upper limit on the DCL which can be handled at Circle level. DCL works in excess of this figure would need to be channelled through the Zone.

Assistant Finance Manager will receive physical and financial reports of all projects to calculate discrepancies between actual cost expenditure with Standard Costs for same work element. This will provide current cost data for each element which can be used at a later date for the preparation of cost estimates for new work.

The rate of anticipated take up of the cash credit limit for each Project, 'S' curve, will be compared with the actual monthly payments made, or requested, by the Contractor. Any serious variances must be investigated in conjunction with the Superintending Engineer. The Assistant Finance Officer will be responsible for signing and issuing cheques in payment for work done, or materials supplied, etc, but only after clearance and approval to do so has been received from the Executive Engineer in relevant Divisions.

As part of this work he will prepare a comparative cost study, which will make a comparison of actual cost and original estimated cost, highlighting serious discrepancies. Cases of high expenditure on work done during the previous month, and also cases of works delayed for want of funds, will be reported monthly. The Finance Manager will initiate a detailed study of cases where serious discrepancies are reported. Timely monitoring of on-going Works costs will assist management in their role as decision makers. The experience will benefit subsequent works executed in the Division concerned, as well as in other Divisions.

Assistant Finance Manager and the Executive Engineers in the Divisions will all keep computerised records of the roads and structures for which they are responsible on behalf of the PWD. The Executive Engineer will be responsible for updating this record. In conjunction with the Executive Engineer the Assistant Finance Manager will determine the replacement value of road network in each Division. This replacement value will be based on the cost details, arising from new works, held by the Assistant Finance Manager.

The Assistant Finance Manager will consolidate data as a Circle record of all additional assets (other than roads). The Divisions will send a monthly updated Register of Assets (machinery and equipment) owned by the PWD. It will be necessary to calculate depreciation on machinery and equipment to derive the financial value of these Assets.

Received timely receipts and expenditure (Resource wise expenditure) account project-by-project basis from all field levels and consolidating it without delay by using computer aided MIS.
Division

The Divisional Accounts Officer should make a cross verification of cash inflow and cash outflow on a monthly basis to ensure that they balance. If the volume of entries per day is high this audit should be carried out more frequently, and possibly on a daily basis. If the data has been entered correctly these two sets of figures, cash inflow and cash outflow, should be the same, i.e. they ‘balance’. Without such verification the financial data produced cannot be relied upon for any form of decision-making. In accounting terminology this is known as a ‘Trial Balance’.

It is proposed that an additional Accounts Clerk be engaged in each Division with the task of maintaining a record of all assets, other than the road network, owned directly by PWD in the Division. He will also keep an inventory stock register and, following approval, order replacement stock as necessary. He will receive records from the sub-Divisional Storekeepers and maintain a record of stores held in the sub-Divisions.

This Accounts Clerk will be responsible for maintaining a plant and equipment register giving details of current location of each item listed and a record of all maintenance and repairs, including costs, carried out on each item.

Possible Organisation Structure

The possible organisation structure for the Accounts Section in PWD is shown in Figure 3.

3.5. INTERNAL AUDIT

Currently there is no systematic procedure with respect to internal audits. Following instructions for the Engineer-in-Chief one Divisional Accounts Officer is travelling to an adjacent Division to audit their accounts.

Under these proposals there is a post of Internal Auditor in each of the twelve Zones. This will strengthen the auditing process and enable a thorough audit to be carried out in each of the Divisions and Circles within the Zone.

The Internal Auditor will also be responsible for ensuring that the cost control systems operated by the Executive Engineers are functioning. He will provide assistance and advice as necessary.
Figure 4: Proposed Enhanced Structure of Accounts in PWD
4. RESOURCES

This Section addresses both human and technical resources required to support the role of the enhanced Accounts Cell, the Divisional Accounts Officer, and also of the PWD’s Accounts and Budgeting Cell, Finance Manager in the Zones, and Assistant Finance Manager in the Circles.

4.1. HUMAN RESOURCES

Headquarters

A Chief Finance Manager of Accounts and Budgeting Cell at PWD Headquarters should be appointed to serve under the Additional Director General Works. He should be a Chartered Accountant with fifteen years experience in a similar area and with ten years senior management level experience.

Zone

The Finance Manager at Zone level should preferably have a BE (Civil Engineering) and an M.B.A (Finance) / Indian Chartered Accountant with ten years experience in a similar area and with five years experience at senior management level.

The Internal Auditor serving under Zone Finance Manager should have an M.Com with five years experience in Auditing Works: his support staff should have a B.Com.

Circle

Assistant Finance Manager at Circle level serving under the Finance Manager in the Zone should be qualified from the Institute of Cost and Works Accounts in India (ICWAI) with five years experience.

One Cost Accountant at Circle level serving under the Assistant Finance Manager should be qualified from ICWAI with some experience in a similar area for Cost Control and cost comparison of similar projects: his supporting staff should have a B.COM.

Division

All clerks who are working under Divisional Accounts Officer should be from Higher Secondary in Commerce background.

4.2. PROPOSED TRAINING FOR ALL ACCOUNTING STAFF

The proposed introduction of an integrated Accounting and Costing System will involve extensive computerisation to meet the requirements of reforms in accounting, costing, budgeting, internal audit, and asset management. The need for extensive training in the use of these computerised systems is absolute.

Initially training will be given to selected staff members engaged in Accounts. The training will be extensive covering all systems it is proposed to introduce as part of the enhancement process. Appropriate training for hardware and software use, will enhance the work qualities of personnel and thereby improve the expected achievements towards the desired results.
4.3. TECHNICAL RESOURCES

In order to function as a fully computerised accounting operation it is essential that the Accounts Cell (Department of Finance), Accounts and Budgeting Cell (PWD), and every Divisional Accounts Office (AG), Financial Manager in the Zones, and Assistant Finance Manager in the Circles have their own dedicated computers. Although some such offices have computers it is understood that less than half the existing account offices have their own computers.

In addition each Division must have its own computer network with links through to the Circle and Zone Offices. Similarly the Circle and Zone offices must have their own computer network with links through to either the Zone or Circle but also to Headquarters.

Although it is not the topic of this report, the advent of computerisation will inevitably change the nature of the administrative accounting work that is currently carried out. Thus it may be possible to combine certain clerical tasks that are currently undertaken by more than one person. This will need to be handled with great care but it will have an impact on the actual number of computers required, especially at Division level.

With respect to software the program developed by TCS, and referred to in Report No.1, needs to be revised to include all the current report forms used by the PWD. There is also a need to write sub-routines to carry out various accounting processes, such as the preparation of a Trial Balance, and for the production of suitable financial reports.

The types of reports required are the subject of Report No. 28: Review Report on extension of networked FMS to all fielded levels.
5. WAY FORWARD

Listed below are the steps that PWD need to take to support PWD wide computerised FMS operations:

1. Provide computers to all the following officers and their staff:
   - Accounts Cell (Department of Finance)
   - Accounts and Budgeting Cell (HQ)
   - Finance Manager (Zone)
   - Assistant Finance Manager (Circle)
   - Divisional Accounts Officer (Accountant General)

2. Network the computers installed at each location with links to other offices as appropriate.

3. Revise and expand the existing TCS software program so that it includes all reporting functions included in the existing PWD manual system OR procure off-the-shelf Financial Management System Software.

4. Write specific sub-routines for the above software so that the necessary accounting, costing, and budgeting forms can be generated.

5. Train staff in the use of the above software so that they are able to use it to enter data and prepare the necessary reports.

6. Train staff so that they have an understanding and appreciation of Public Works Accounts.

7. Recruitment of new staff as per proposed qualifications and experience to meet the enhanced functions.

8. Establish internal audit practices, with Auditor based in each Zone.
6. MINUTES OF MEETING WITH FOCUS GROUP F

Date : 06.09.2007
Time : 10.30 am.
Venue : LEA Associates South Asia Pvt. Ltd.
B-1/2, Vipul Khand, Gomtinagar, Lucknow

The subject of the meeting was Report No. 17: Enhancing the role and resources of the Accounts Cell in supporting a computerised Financial Management System operation.

PWD
1. Mr. RK Garg, Chairman, Chief Engineer, World Bank
2. Mr. H.R Sonkar, Finance Controller, PWD
3. Mr. Ashok Mahto, EE, C. Div-5, Allahabad
4. Mr. A.K Bindal, AE, BDD-11, Lucknow
5. Mr. Yogesh Mattur, SE, IDS Cell
6. Mr. A.K Srivastava, AE, IDS Cell
7. Sandeep Saxena, AE, IDS Cell, PWD, Lucknow

TA Consultants
1. Mr. Alan Stanbury, Team Leader, LEA International
2. Mr. Sandip Roy

Record of Discussion:
1. The Chairman of the Focus Group F, Mr. R. K. Garg, was in favour of the enhancement of the role of the accounting functions as well as for more human resources, but considered that it was not a viable proposition until the present manual accounting system was computerised.
2. Focus Group was of the overwhelming opinion that the first requirement was the computerisation and software for operating the present system. The choice was either to purchase an off-the-shelf software program or engage another software company to computerise the current system. Without computerization the implementation of FMS is not possible.
3. Focus Group stated that they were not very interested in off-the-shelf Accounting Packages because it was not known if these packages could be customised to suit the needs of the PWD. The PWD’s financial operations are governed by the regulations and requirements of the Department of Finance and Accountant General's Office. What is essentially required is the computerisation of manually maintained registers and forms currently used in the Department.

4. The TA Consultant stated that the following staffing levels for operating / managing the FMS were given in the Report:
   - **Headquarters - Accounts and Budgeting Cell (PWD):** Chief Finance Manager to monitor the financial and budgeting related activities required for working in conjunction with Policy and Planning unit.
   - **Zone Level:** Finance Manager to manage / operate the activities of the Divisions and those related to internal auditing.
   - **Circle Level:** Assistant Finance Manager for cost control and variance analysis through standard costing methods, and for calculating the replacement value of road network for asset management purposes.

5. The TA Consultant stated that the proposed enhancement involves computerisation, as part of technical enhancement, and increased resources to strengthen the finance management in PWD and also those of the Accounts Cell and Divisional Accounts Officer. Existing staff will require training in the computerised FMS and the new employees will need training in Public Work Accounts.

6. The Chairman of the Focus Group was not sure whether this Report should be considered finalized or not, because, although the title of the Report calls for enhancing the role of the Accounts Cell, it cannot be done unless the existing Accounting processes and procedures are computerised.

7. The TA Consultant expressed concern at this since strengthening the role and resources of the 'Accounts Cell' was part of the overall review and reorganisation of the PWD functions and management structure.

8. Following the Focus Group meeting the Financial Controller expressed his concern regarding the enhancement of his role and resources in the proposed restructuring of PWD.

Following the Focus Group meeting and discussion with the Finance Controller the Report was revised to take into account the issues raised. In particular the roles of the Accounts Cell and Divisional Accounts Officer were clarified with respect to the part they will play in the revised PWD organisation structure and when the PWD accounting and financial management system is computerised. It has been stressed that the Accounts Cell and Divisional Accounts Officer must be included in any training programmes and in requirements for computers, etc.
7. PRESENTATION TO PROJECT STEERING COMMITTEE
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Organisational Chart and Role of Existing Headquarters Accounts Cell

- E-N-C (H.O.D)
- Finance Controller
  - Chief Account Officer (Pension old cases)
  - Senior Account Officer (90% G.P.F.)
  - Administrative Officer (Grant No. 54)

Representative of Department of Finance UP

Accounts Cell
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Organisational Chart and Role of Existing Divisional Accounts Section

- Divisional Accounts Officer
  - Executive Engineer (PWD Division Head)
    - Representative of Accountant General
  - Accounts Clerk (Cashier)
  - Accounts Clerk (Pre Audit Claim and Deposit Advances)
  - Accounts Clerk (Contract Agreement)
  - Accounts Clerk (Budget Compilation and Preparation of Monthly Accounts)
  - Accounts Clerk (Disposal of Accounts Inspection Report and Draft Para)
  - Account Clerk (Maintenance of Service Book, Salary, Wages and Claim of Establishment)
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Existing flow of financial data in the PWD

Accountant General

- CCL issue
- GPF relation information (up to class III level employee)
- Audit Inspection Report

Finance Controller

Zone (C.E.)

- Compilation of Revenue Expenditure report of Division

- Project by Project Expenditure, Allotment

Circle (S.E.)

Division (E.E.)

Financial and Statistical Directorate (Department of Finance, UP)

- Head Wic Monthly Expenditure and Allotment Report

- Forms - 46, 51, 61, 64, 67A, 67, 70, 72, 73, 74, 76A, 77, 79, 80

- Expenditure Report with allotment and allotment limit monthly (verified quarterly by AG), quarterly and annually
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Problems:

1. Out of the 263 divisions within the PWD, most do not have any computers for financial management purposes.

2. Most of the employees in accounts are not trained to operate computers and have no knowledge of computer software.

3. The Finance Controller in Headquarters does not have sufficient staff to deal with accounts and related matters.

4. No cell exists for internal audit either at Headquarters, Zone or Divisional level.

5. There is no cell in PWD to carry out cost comparisons or cost control using standard costing methods, cost centres, or variance analysis.

6. There is no accounting staff at either Zone or Circle level.
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Proposed PWD structure relating to Accounts and Financial Management
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Proposed Role and Organisation Structure

Headquarters

It is proposed that Accounts and Budgeting Cell be created to:

work with Policy and Planning Unit, consolidate and finalise the PWD budget for maintenance works and new works for submission to the State Government to ensure that none of the allocated budget remains unspent at the end of the financial year.

to receive consolidated expenditure and budget related statements from the Zones and financial data from Divisions.

The role of the Cell at the Headquarters is purely monitoring.
Proposed Role and Organisation Structure (Contd..)

Zone

It is proposed that the post of Finance Manager be created in each Zone to:

- provide the financial data to HQ for management decisions.
- be responsible for establishment-related expenditure in the Divisions, Circles, and Zones including payroll for all classes of staff employed in the Zone
- involve in the preparation and production of the annual budget for maintenance, new works, etc.

Internal Auditor in the Zone under the Finance Manager will visit all Divisions to conduct internal audit and report to Finance Manager.
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Proposed Role and Organisation Structure (Contd..)

Circle
Assistant Finance Manager will receive physical and financial reports of projects to compare actual costs with estimated Standard Costs.

In conjunction with the Executive Engineer, the Assistant Finance Manager will determine the replacement value of road network in each Division based on the cost details.

Consolidate data for all additional assets (other than roads) in the Circle

Consolidate expenditure statement (resource wise expenditure) on a project-by-project basis using computerized MIS.

Division
The Divisional Accounts Officer will make a cross verification of cash inflow and cash out flow on a monthly basis, known as ‘Trial Balance’.

One Accounts Clerk in each Division for maintaining a record of all assets, other than the road network, owned directly by PWD in the Division.
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Human Resources – Qualifications Required

Chief Finance Manager at HQ level should be a Chartered Accountant with fifteen years experience in similar area of which ten years should be at management level.

Finance Manager at Zonal level should be an BE (Civil) with MBA (Finance)/ Chartered Accountant with ten years experience in similar area.

Internal Auditor serving under Zonal Finance Manager should have an M.Com with five years experience in auditing of works.

Assistant Finance Manager at Circle level should be a Cost Accountant with five years experience.

All clerks under Divisional Accounts Officer should have Higher Secondary education in Commerce.
Report No. 17: Enhancing the Role and Resources of the Accounts Cell in Supporting a Computerised Financial Management System Operation

Way Forward

Listed below are the steps that PWD need to take to support PWD wide computerised FMS operations:

1. Provide computers to all the following officers and their staff:
   
   - Accounts Cell (Department of Finance)
   - Accounts and Budgeting Cell (HQ)
   - Finance Manager (Zone)
   - Assistant Finance Manager (Circle)
   - Divisional Accounts Officer (Accountant General)
Way Forward (Contd..)

2. Network the computers installed at each location with links to other offices as appropriate.

3. Revise and expand the existing TCS software program so that it includes all reporting functions included in the existing PWD manual system OR procure off-the-shelf Financial Management System Software.

4. Write specific sub-routines for the above software so that the necessary accounting, costing, and budgeting forms can be generated.

5. Train staff in the use of the above software so that they are able to use it to enter data and prepare the necessary reports.

6. Train staff so that they have an understanding and appreciation of Public Works Accounts.

7. Recruitment of new staff as per proposed qualifications and experience to meet the enhanced functions.

8. Establish internal audit practices, with Auditor based in each Zone.
## ANNEXURE - 1

### Expenditure Statement

Name of the Division:- Provincial Division, PWD Lucknow  
Monthly Statement:- 06/2007

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Grant No</th>
<th>Road Name</th>
<th>15 digit code</th>
<th>Plan</th>
<th>Budget Allotment</th>
<th>Allotment Limit</th>
<th>Monthly Expenditure</th>
<th>Total of Cumulative Expenditure</th>
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<td>58/5054</td>
<td>Strengthening of ring road from Lucknow-Silapur Road to Lucknow-Hardoi Road within Lucknow City.</td>
<td>5054-04-800 04-21-24</td>
<td>Central Road Fund</td>
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<td></td>
<td>58/5054</td>
<td>Construction of Cycle Track and Footpath on Kalidas Road to Gomti Barrage</td>
<td>5054-04-337 03-03-24</td>
<td>State Plan</td>
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<td>4</td>
<td>58/5054</td>
<td>Construction of Road from Alam Nagar Rail crossing to Ashok Vihar, Shonpuram Road</td>
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<tr>
<td>9</td>
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<td>Construction of main road at Rastogi Nagar</td>
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</tr>
<tr>
<td>11</td>
<td>58/5054</td>
<td>Construction of road till start of Malapuram Road</td>
<td>5054-04-337 13-18-24</td>
<td>District Plan</td>
<td>4.38</td>
<td>4.38</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>12</td>
<td>58/5054</td>
<td>Construction of road from Kukral bridge to Rahim Nagar at Mahanagar ward</td>
<td>5054-04-337 13-18-24</td>
<td>District Plan</td>
<td>4.30</td>
<td>4.30</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>
## Technical Assistance for Implementation of Institutional Reforms in Road Sector of Uttar Pradesh

**Report No. 17**

### Sl. No | Grant No | Road Name | 15 digit code | Plan | Budget Allotment | Allotment Limit | Monthly Expenditure | Total of Cumulative Expenditure | Remarks
---|---|---|---|---|---|---|---|---|---
13 | 58/5054 | Construction of Road from H.N-23 to St. Treasa College | 5054-04-337 13-18-24 | District Plan | 0.00 | 0.00 | -4.70 | -4.70 |  
14 | 58/5054 | Construction of Road from Kaishthetbag Bus Stand - Chief Medical Officer - Residency | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | 2.59 | 2.59 |  
15 | 58/5054 | Construction of Road from Jaiprakash Nagar Junction to Arya Samaj Temple | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | -3.93 | -3.93 |  
16 | 58/5054 | Construction of Road from Hardoi Road to Purvidin Khera (Village) | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | -22.05 | -22.05 |  
17 | 58/5054 | Construction of Road from Vijay Nagar main road to Malabiya estate | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | -7.40 | -7.40 |  
18 | 58/5054 | Construction of Road from Hardoi Main Road to Vikram Nagar | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | -22.68 | -22.68 |  
19 | 58/5054 | Prem Nagar Road | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | -36.01 | -36.01 |  
20 | 58/5054 | Construction of Road from Gitapally to St. Christ School - Vaishnavi Temple | 5054-04-337 13-31-24 | District Plan | 0.00 | 0.00 | 1.38 | 1.38 |  
| **Total** | | | | | **106.19** | **106.19** | **-87.75** | **-71.83** |  
21 | 58/5054 | Special repair and development of Lucknow Kanpur Road to Amaushi Airport Road | 3054-04-337 04-00-29 | State Road Fund | 50.00 | 50.00 | 9.51 | 16.61 |  
22 | 58/5054 | Special repair of Dak Bangla | | | | | -0.89 | -0.89 |  
| **Total** | | | | | **50.00** | **50.00** | **8.62** | **15.72** |  

October 2007
# ANNEXURE - 2

**FORM – 64**

Division: Provincial Division, PWD, LKO

**Expenditure for the month of 06/2007**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>SD No</th>
<th>Allotment CFY (in Lacs)</th>
<th>Expenditure upto Month 05/07</th>
<th>Expenditure during the Month</th>
<th>Expenditure during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<td>6</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>04 800</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
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</tr>
<tr>
<td>1</td>
<td>2</td>
<td>22.00</td>
<td>2033692.00</td>
<td>12138.00</td>
<td>2045830.00</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>Strengthening of ring road from Lucknow-Sitapur Road to Lucknow-Hardoi Road within Lucknow City.</td>
<td>22.00</td>
<td>2033692.00</td>
<td>12138.00</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>0.48</td>
<td>0.00</td>
<td>-1397433.00</td>
<td>-1397433.00</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>Construction of Cycle Track and Footpath on Kalidas Road to Gomti Barrage</td>
<td>0.48</td>
<td>0.00</td>
<td>-1397433.00</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>12.68</td>
<td>865386.00</td>
<td>971638.00</td>
<td>1837024.00</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>Construction of Tulsi Das Road to Bhagat Singh Road through Rani Laxmbi Hospital</td>
<td>12.68</td>
<td>865386.00</td>
<td>971638.00</td>
</tr>
<tr>
<td></td>
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<tr>
<td>2</td>
<td>4</td>
<td>16.36</td>
<td>0.00</td>
<td>-295744.00</td>
<td>-295744.00</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>Construction of Road from Alam Nagar Rail crossing to Ashok Vihar, Shonpuram Road</td>
<td>16.36</td>
<td>0.00</td>
<td>-295744.00</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>5</td>
<td>14.46</td>
<td>884076.00</td>
<td>528582.00</td>
<td>1412658.00</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>Reconstruction of Road from Naka Hindola to Ganesh Ganj, around Mohan market and Nazirabad</td>
<td>14.46</td>
<td>884076.00</td>
<td>528582.00</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>6</td>
<td>4.70</td>
<td>0.00</td>
<td>412718.00</td>
<td>412718.00</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>Construction of Lohia Path to Giamau (World News Centre)</td>
<td>4.70</td>
<td>0.00</td>
<td>412718.00</td>
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<tr>
<td></td>
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<tr>
<td>5</td>
<td>7</td>
<td>6.73</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
<td>Construction of Road from Talkatora Link Road to Patel Nagar (Devpur Village)</td>
<td>6.73</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>6</td>
<td>7</td>
<td>19.71</td>
<td>-157000.00</td>
<td>-711982.00</td>
<td>-868982.00</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>Construction of Road from Ghantabeg Mabeya Temple to Harihar house</td>
<td>19.71</td>
<td>-157000.00</td>
<td>-711982.00</td>
</tr>
</tbody>
</table>
## Technical Assistance for Implementation of Institutional Reforms in Road Sector of Uttar Pradesh

**Report No. 17**

**Technical Assistance for Implementation of Institutional Reforms in Road Sector of Uttar Pradesh**

### Sl. No | SD No | Particulars | Allotment CFY (in Lacs) | Expenditure upto Month 05/07 | Expenditure during the Month | Expenditure during the year
---|---|---|---|---|---|---
1 | 2 | 3 | 4 | 5 | 6 | 7
7 | 8 | Construction of Hardoi Road from Sarai Ali Khan Junction to Siddique Medical Hall | 15.79 | 0.00 | -140000.00 | -140000.00
8 | 9 | Construction of main road at Rastogi Nagar | 5.67 | 0.00 | -100000.00 | -100000.00
9 | 10 | Construction of Road from Rastogi Temple to Goshala | 8.14 | 0.00 | -161559.00 | -161559.00
10 | | Construction of road till start of Malapuram Road | 4.38 | 0.00 | 0.00 | 0.00
11 | | Construction of road from Kukral bridge to Rahim Nagar at Mahanagar ward | 4.30 | 0.00 | 0.00 | 0.00
12 | 11 | Construction of Road from H.N-23 to St. Treasa College | 0.00 | 0.00 | -470000.00 | -470000.00

### Net Total

<p>| | | | | | | |</p>
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</tbody>
</table>

### District Plan

<p>| | | | |</p>
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</tr>
</thead>
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<tr>
<td>5054</td>
<td>04</td>
<td>337</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>31</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>12</td>
<td>Construction of Road from Kaisherbag Bus Stand - Chief Medical Officer - Residency</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>Construction of Road from Jaiprakash Nagar Junction to Arya Samaj Temple</td>
<td>0.00</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>Construction of Road from Hardoi Road to Purvidin Khera (Village)</td>
<td>0.00</td>
</tr>
<tr>
<td>4</td>
<td>15</td>
<td>Construction of Road from Vijay Nagar main road to Malabiya estate</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>16</td>
<td>Construction of Road from Hardoi Main Road to Vikram Nagar</td>
<td>0.00</td>
</tr>
<tr>
<td>6</td>
<td>17</td>
<td>Prem Nagar Road</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### October 2007
### Technical Assistance for Implementation of Institutional Reforms in Road Sector of Uttar Pradesh

**Report No. 17**

**October 2007**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>SD No</th>
<th>Particulars</th>
<th>Allotment CFY (in Lacs)</th>
<th>Expenditure upto Month 05/07</th>
<th>Expenditure during the Month</th>
<th>Expenditure during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>18</td>
<td>Construction of Road from Gitapally to St. Christ School - Vaishnavi Temple</td>
<td>0.00</td>
<td>0.00</td>
<td>137954.00</td>
<td>137954.00</td>
</tr>
</tbody>
</table>

**Net Total**

| 0.00 | 0.00 | -8808836.00 | -8808836.00 |

| 5054 | 03 | 779 |
| 03 | 00 | 37 |

| 19 | Debited Amount | 5836320.00 | 3492241.00 | 9328561.00 |
| 20 | Debited Misc. Account | 4602544.00 | 15210474.00 | 19813018.00 |

**Total**

| 1043864.00 | 18702715.00 | 29141579.00 |

| 2059 | 80 | 053 |
| 06 | 00 | 29 |

| 1 | 21 | Special repair and development of Lucknow Kanpur Road to Amaushi Airport Road | 50.00 | 710458.00 | 951315.00 | 1661773.00 |

**Total**

| 50.00 | 710458.00 | 951315.00 | 1661773.00 |

| 8443 | Deposit Part - III |
| 1 | 23 | Road Cutting | 9.76 | 635255.00 | 3654213.00 | 4289468.00 |

### Electricity Development Plan

<p>| 2 | 24 | Kundri Area - Construction of Rakabgunj Road | 33.07 | 562443.00 | 526737.00 | 1089180.00 |
| 3 | 25 | Mera Bai Road | 0.00 | -1180300.00 | 933347.00 | -246953.00 |
| 4 | 26 | New Market Road | 0.00 | -210000.00 | 98633.00 | -111367.00 |
| 5 | 27 | Draikapuri Road | 0.00 | 0.00 | 35245.00 | 35245.00 |
| 6 | 28 | Lohia Paath (Approach Road) | 300.00 | 15110007.00 | 5970942.00 | 21080949.00 |
| 7 | 29 | Kalidas Junction to Ranapratap Road | 0.00 | 0.00 | -1744773.00 | -1744773.00 |
| 8 | 30 | Construction Hume Pipe Bridge at Lohia Paath | 0.00 | 0.00 | 661835.00 | 661835.00 |</p>
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>SD No</th>
<th>Particulars</th>
<th>Allotment CFY (in Lacs)</th>
<th>Expenditure upto Month 05/07</th>
<th>Expenditure during the Month</th>
<th>Expenditure during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Andul Aziz Road from Choupatisa</td>
<td>0.00</td>
<td>0.00</td>
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<td>-64000.00</td>
</tr>
<tr>
<td>9</td>
<td>31</td>
<td>Husainabad Trust Road</td>
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<td>0.00</td>
<td>984722.00</td>
<td>984722.00</td>
</tr>
<tr>
<td>10</td>
<td>32</td>
<td>Prempuram Road</td>
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<td>0.00</td>
<td>91801.00</td>
<td>91801.00</td>
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<tr>
<td>11</td>
<td>33</td>
<td>Ghuldasta Colony Road</td>
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<td>0.00</td>
<td>302500.00</td>
<td>302500.00</td>
</tr>
<tr>
<td>12</td>
<td>34</td>
<td>La'plast Colony Road</td>
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<td>0.00</td>
<td>299112.00</td>
<td>299112.00</td>
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<tr>
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<td>35</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>342.83</td>
<td>14917405.00</td>
<td>11750314.00</td>
<td>26667719.00</td>
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</table>

Deposit Part - II

<table>
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<tr>
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<th>SD No</th>
<th>Particulars</th>
<th>Allotment CFY (in Lacs)</th>
<th>Expenditure upto Month 05/07</th>
<th>Expenditure during the Month</th>
<th>Expenditure during the year</th>
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<td>0.00</td>
<td>11030743.00</td>
<td>360776.00</td>
<td>11391519.00</td>
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</tbody>
</table>

Grand Total of Deposit Works 342.83 25948148.00 12111090.00 38059238.00
ANNEXURE – 3

Head wise Expenditure

Heads of Accounts

The PWD follows system of assigning 15 digit code number to the heads of accounts. All financial transactions are recorded on the basis of this coding system.

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<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Heads (MH)</td>
<td>Sub-major Heads (SMH)</td>
<td>Minor Heads (MNH)</td>
<td>Sub-minor Heads (SH)</td>
<td>Detail Head (DH)</td>
<td>Object Head (OH)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The first 9 heads are assigned by the Central Government and last 6 digits are State specific. Each project has unique code number which is developed using this logic.

Major heads

There are total 11 major heads under which all the transactions of PWD are carried out. Some examples of major heads are mentioned below:

<table>
<thead>
<tr>
<th>Major Head</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3054</td>
<td>Roads and Bridges</td>
</tr>
<tr>
<td>4202</td>
<td>Capital expenditure on Education, Sports and Cultural Activities</td>
</tr>
<tr>
<td>4225</td>
<td>Capital expenditure on welfare schemes for SC / ST and other backward classes</td>
</tr>
<tr>
<td>5054</td>
<td>Capital expenditure on Roads and Bridges</td>
</tr>
<tr>
<td>7075</td>
<td>Loan for other traffic facilities</td>
</tr>
</tbody>
</table>

Sub-major heads

For each of the major head there can be number of sub-major heads. Some of the sub-major heads are:

<table>
<thead>
<tr>
<th>Sub-major Heads</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Roads and bridges</td>
</tr>
<tr>
<td>03</td>
<td>State highways</td>
</tr>
<tr>
<td>04</td>
<td>District and other roads</td>
</tr>
<tr>
<td>05</td>
<td>Inter-State or economically important roads</td>
</tr>
<tr>
<td>80</td>
<td>General</td>
</tr>
</tbody>
</table>

Minor heads

For each of the sub-major head there are number of minor heads. Some examples of the minor heads are mentioned below:
Minor Heads | Description
---|---
101 | Bridges
337 | Construction of new roads
052 | Machinery and equipment
797 | Reserve fund
800 | Other expenditure

**Sub-minor heads**

For each of the minor head there are number of sub-minor heads. Some examples of the sub-minor heads are as mentioned below:

<table>
<thead>
<tr>
<th>Sub-minor Heads</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Maintenance and repairs</td>
</tr>
<tr>
<td>04</td>
<td>Payments against court orders</td>
</tr>
<tr>
<td>05</td>
<td>Assistance to Indian Road Congress</td>
</tr>
<tr>
<td>06</td>
<td>Assistance to Indian National Group of International Association for Bridges and Structural Engineering</td>
</tr>
</tbody>
</table>

**Detail and Object heads**

For each of the sub-minor heads there detail and object heads. These heads depict the nature of project and sub-component in that project.