

NHA
FINANCIAL MANUAL

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PREAMBLE

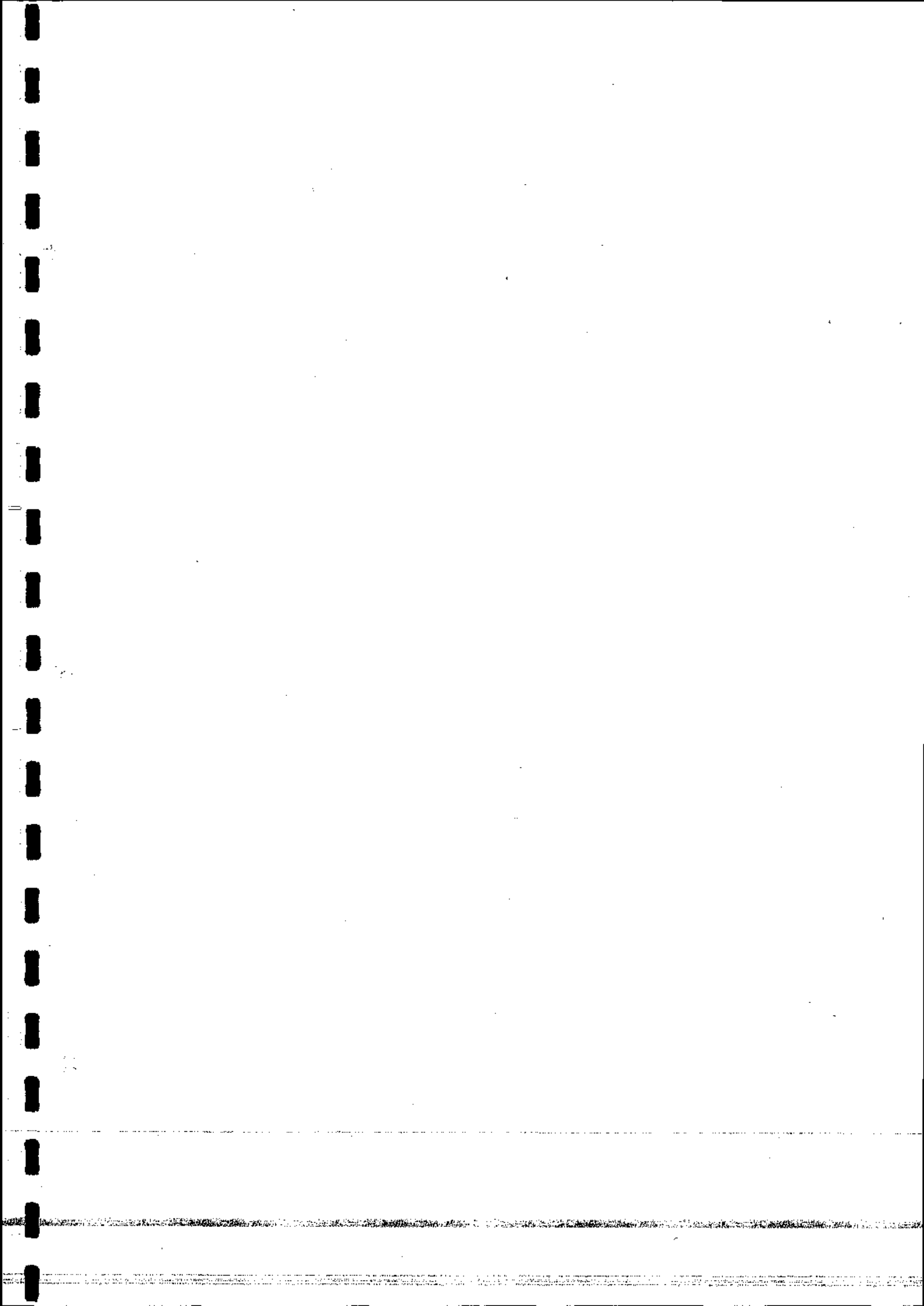
1. Since the establishment of National Highway Authority in pursuance of Act No. XI of 1991 (hereinafter called the "NHA Act"), the only guiding principle for managing the Authority's affairs was the Delegation of Powers (1992), approved by the National Highway Executive Board in its meeting dated 22nd March, 1992. In addition, the Authority issued interim administrative, technical and financial procedures in the form of circulars as amended from time to time. The existing Delegation of Powers 1992 stood expired on December 31, 1997.
2. In 1997, an exercise was carried out in the Finance Wing of the Authority to draft the revised "Delegation of Powers 1998" containing procedures for management of affairs of the NHA. The Chairman, NHA formed a committee consisting of Member (Operations) as its Chairman and representatives of all other wings as members, to review the manuscript. Several meetings of the committee were held in which the book provisionally titled as "Delegation of Powers 1998" was thoroughly discussed.
3. The Finance Wing of the Authority carried out another exercise in 1998 for converting the draft "Delegation of Powers, 1998" into a comprehensive "NHA Code 1998". A committee comprising Shafqat Hussain Naghni, General Manager Finance, Junaid Mushtaq Qureshi, Assistant Financial Advisor, Manzoor Akhtar Malik, Director Accounts M-1, and Saghir Ahmed Shamsi, Deputy Director Budget assumed the responsibility and produced the NHA Code.

4. In pursuance of the clause 7(a) of Chapter 13 of the NHA Code 1998, the same committee prepared this Financial Manual which contains a complete system of financial and accounting principles, policies and procedures.
5. The contents of the Financial Manual are for the guidance of the officers and staff of the Authority. Any provision contained in it cannot be quoted as an authority by any contractor, consultant or any other interested party for raising any issue with the Authority or any outside agency, nor shall any right or claim, whatsoever, arise or emerge out of any of the provisions of the Code. *Manual.*
6. A Regulation Cell headed by a B-18 officer shall be created in the Finance Wing of the Authority to deal with all future revisions, modifications and updating of this Manual whenever such a need arises. The cell shall also be responsible for subsequent revision, modification or updating of the Manual as and when required.
7. The Financial Manual shall be maintained and kept upto date incorporating all amendments and modifications as approved by the Authority from time to time therein. A complete record of all amendments/modifications to this Manual shall be maintained in the format provided as Appendix to this Preamble. Head of each Accounts Directorate shall formally assign this task to one of his subordinates so that correct application and exercise of powers contained in this book could be ensured.

Moinuddin Siddiqi
MEMBER (FINANCE)
NATIONAL HIGHWAY AUTHORITY

Appendix to Preamble RECORD OF AMENDMENTS

Serial No.	Amendment No.	Para No. Amended	Date of Effect of Amendment	Reference to Board Meeting Approving the Amendment



CHAPTER 1

OVERVIEW OF THE AUTHORITY'S FINANCIAL SYSTEM

INTRODUCTION

- 1.1 The NHA Act contains statutory provisions regarding the manner in which Accounts of the Authority shall be managed. Section 32 of the Act empowers the Authority to make regulations in this respect.
- 1.2 Detailed regulations as well as procedures for efficient management of the Accounts of the Authority are contained in the subsequent chapters of this Manual.

STATUTORY PROVISIONS REGARDING ACCOUNTING/FINANCIAL SYSTEM OF THE AUTHORITY

- 1.3 In pursuance of the Section 21 of the National Highway Authority Act, 1991, there shall be formed a non-lapsable fund vesting in the Authority known as the "National Highway Authority Fund" to be utilized by the Authority to meet charges in connection with its functions under the Act including the payment of salaries and other remuneration to the Chairman, Members, officers, servants, experts and consultants of the Authority.
- 1.4 The National Highway Authority Fund shall be kept in scheduled banks and shall be operated in accordance with the procedure contained in this Manual.

1.5 To the credit of the National Highway Authority Fund shall be placed all funds received by the Authority from which the Authority can incur expenditure related to its functions including:

- (i) Loans obtained from the Federal Government,
- (ii) Other loans obtained by the Authority,
- (iii) Grants made by the Federal Government,
- (iv) Income from tolls,
- (v) Funds provided by the Federal Government,
- (vi) Foreign aid, grants and loans negotiated and raised by the Authority,
- (vii) All other sums received by the Authority, such as fees, damages, costs, refunds, forfeitures, sale proceeds, lease money, rentals and fines,
- (viii) Income from sale of assets, land or vehicles; and
- (ix) Funds from floating bonds, shares or through any other means.

1.6 Section 22 of the Act requires that Authority shall maintain complete and accurate books of accounts in such forms as may be prescribed by it.

1.7 As per section 23 of the Act, the Authority shall submit, in the month of January each year, to the Federal Government for approval a statement of the estimated receipts and expenditure in respect of the next financial year. In addition, a copy of audited financial statements of the Authority shall also be submitted.

1.8 The Accounts of the Authority shall be audited every year by the Auditor General in such manner as may be prescribed by the Federal Government.

1.9 Copies of the audit reports shall be sent to the Authority and, with the comments of the Authority, to the Federal Government and shall also be available for public inspection.

- 1.10 The Authority shall carry out any directive issued by the Federal Government for rectification of an audit objection.

SALIENT FEATURES OF THE AUTHORITY'S FINANCIAL MANAGEMENT SYSTEM

- 1.11 The accounts of the Authority in respect of its expenditure and Income shall be prepared in accordance with system explained in detail in this Manual.
- 1.12 A Finance Wing has been established under the Chairman, NHA at the Headquarters of the Authority. The Wing is headed by Member (Finance), an officer of Grade-21. Secretary Communications, being the Principal Accounting Officer, would exercise overall supervision of the Finance Wing.
- 1.13 The Finance Wing is organized on geographic as well as functional lines.
- 1.14 Member Finance is located at the Head Office at Islamabad. He is assisted by General Manager Finance, General Manager Private Sector Financing, and a Financial Advisor. Member Finance controls the financial affairs of the Authority throughout Pakistan.
- 1.15 Accounts Officers of the rank of Director/Deputy Director (Accounts) have been placed with each Regional General Managers, one in each provincial capital and one in Multan known as Punjab (South), to act as the representatives of the Finance Wing. They work under the overall supervision of General Manager Finance.
- 1.16 Accounts Officers of the rank of Director/Deputy Director (Accounts) have also been made in charge of the accounts section of each self-accounting/Special Project as representative of the Member (Finance) on each Special Project. They work under the overall supervision of General Manager Finance.

ORGANIZATION AND FUNCTIONS OF FINANCE WING

- 1.17 The organizational setup of the Finance Wing is at Annexes I-A and I-B.
- 1.18 The duties and responsibilities of the different officers of the Finance Wings are as under.

MEMBER FINANCE

- 1.19 Member Finance shall be the representative of the Finance Division, Government of Pakistan.
- 1.20 Member Finance shall be the officer in charge of the affairs of the Finance Wing. He shall be the functional head of the Finance Wing and the principal policy-maker in financial matters.
- 1.21 Member Finance shall supervise all financial matters relating to finance, budget, accounts, revenues, scrutiny of PC-I, issuance of financial concurrence to all administratively approved projects/proposals, evaluation of bids and tenders, all matters that may have financial implications for the Authority, and any other special assignment entrusted to him by the competent authority.
- 1.22 Member Finance shall liaise with Ministry of Communications, Finance, Planning, Revenue (CBR) and Economic Affairs Divisions for all matters concerning NHA's Finances, loans, grants, releases of funds, duties and taxes.
- 1.23 Member Finance shall coordinate with donor agencies and carry out loan negotiations and take up related matters.
- 1.24 Member Finance shall formulate policies for management of NHA Fund as well as Non-Fund Accounts.

- 1.25 Member Finance shall supervise preparation of the final accounts of the authority and submit yearly report to the NHA Council as well as the NHA Executive Board.
- 1.26 Member Finance shall assist NHA Council and NHA Executive Board in discharge of their duties.
- 1.27 Member Finance shall supervise the working of the Private Sector Cell to ensure increased participation of the private sector in future projects of the Authority.
- 1.28 Member Finance shall supervise the preparation of Authority's Budget and PSDP (in consultation with Member Planning) before submission for approval to the Council or the Executive Board.
- 1.29 Member Finance shall propose policies and procedures for efficient management of the Authority's finances and financial system.
- 1.30 The advice/decision of the Member Finance on all finance-related matters shall be final.

GENERAL MANAGER FINANCE

- 1.31 General Manager Finance shall assist Member Finance in matter of financial management.
- 1.32 General Manager Finance shall be operational head of the Finance Wing.
- 1.33 General Manager Finance shall supervise the management of the NHA Fund as well as Non-Fund Accounts in accordance with the procedures laid down in this Manual.
- 1.34 General Manager Finance shall ensure efficient and economic utilization of Authority's fund by implementing all the laid down rules, regulations, policies, procedures and internal controls.
- 1.35 General Manager Finance shall process all cases of financial concurrence to administratively approved projects/proposals.

- 1.36 General Manager Finance shall supervise entire book keeping system in the Finance Wing, both at the head office as well as regional/projects level. He shall ensure that bookkeeping is being done in accordance with the laid down procedures in this Manual.
- 1.37 General Manager Finance shall coordinate with all the Regional/Project Accounts Offices in the matters of preparation of budgets, consolidation of expenditure and income accounts
- 1.38 General Manager Finance shall coordinate within Finance Wing for preparation of replies to Audit Paras where the Finance Wing is supposed to respond to these paras.
- 1.39 Payments of all types of liabilities of the Authority shall be made on behalf of the General Manager Finance, including personal cases of the officers and establishment e.g. C P Fund Accounts, Pay fixation and pension cases.
- 1.40 General Manager Finance shall be responsible for all administrative matters within the finance wing including processing of cases for postings/transfers of Finance Wing personnel as per laid down procedures/powers.



1.41 139

The Financial Advisor shall:

- Render financial advice on all matters bearing financial implications.
- Render advice on accounting principles and policies.
- Prepare, get audited and publish the Final Consolidated Accounts of the Authority, and then present them for submission to the National Council and Ministry of Finance, Government of India.
- Assist and advise Member Finance in negotiation with local and foreign donor agencies and financial institutions for obtaining loans for the Authority.

- Advise the management on tax related matters.
- Evaluate the proposals for the enlistment/pre-qualification of various insurance companies ^{banks} on the approved panel of the Authority to be eligible for providing performance ^{bonds/bank} guarantees on behalf of contractors and consultants.
- Process proposals for generation of funds from capital markets, private placement and public/private partnership.
- Supervise the computerization of NHA Accounts
- *Submitting & processing proposals to be included with various contractors & consultants*

GENERAL MANAGER PRIVATE SECTOR CELL

1.41 General Manager Private Sector Cell shall:

- Identify all schemes/projects to be financed through funds generated from capital markets, private placement and public/private partnership, including BOT-Projects.
- Prepare technical, administrative and financial evaluation proposals for projects to be financed through funds generated from capital markets, private placement and public/private partnership, including BOT Projects.
- Evaluate and process all bids, proposals and expressions of interests for projects and marketing of all projects to be financed through funds generated from capital markets, private placement and public/private partnership, including BOT.
- Enter into negotiations with the private sector for working out the modalities of concessions agreements.
- Process all cases for award of the projects to be financed through funds generated from capital markets, private placement and public/private partnership, including BOT for the approval of competent authority.

- Supervise mobilization of resources for the projects to be financed through funds generated from capital markets, private placement and public/private partnership, including BOT.
- Maintain dedicated highway fund.

DIRECTOR BUDGET AND ACCOUNTS (B&A)

- 1.43 (1.42) Director B&A shall exercise general supervision of the work of Budget Section pertaining to preparation of NHA's ADP, Maintenance Budget, and Establishment Budget.
- 1.44 (1.43) Director B&A shall coordinate with Highways Wing, Motorway Wing, Planning Wings etc. to get estimates for development and non-development budgets for the Budget Section.
- 1.45 (1.44) Director B&A shall ensure timely submission of budget estimates to Ministry of Communication and Planning and Development Division.
- 1.46 (1.45) Director B&A shall attend all meetings held in connection with budgets related matters in the Ministry of Communication, Planning Division, Finance Division, Priorities Committee, ECC etc.
- 1.47 (1.46) Director B&A shall act as Coordinator within the Finance Wing for preparation of all reports/information/input required by the Federal Government or other Wings of NHA.
- 1.48 (1.47) Director B&A shall periodically review all revenue receipts to detect unfavorable variance, and suggest remedial measures.
- 1.49 (1.48) Director B&A shall keep up-to date record of completed projects and process all proposals for levy of toll immediately after completion of each project.
- 1.50 (1.49) Director B&A shall initiate cases for re-appropriation where needed.
- 1.51 (1.50) Director B&A shall ensure timely replies of all Assembly/Senate questions.

And then

- 1.51 Director B&A shall write to the concerned Ministries for release of NHA's monthly allocation with a copy to DD Coordination so that he could pursue the case.
- 1.52 Director B&A shall sign all letters addressed to Deputy Secretaries of Ministries.
- 1.53 Director B&A shall supervise the processing of all IPCs relating to GOP projects.
- 1.54 Director B&A shall process all cases of financial concurrence, financial advice and financial evaluation received from Highways, Motorways, Planning and Administrative Wings.
- 1.55 Director B&A shall ensure that proper books of accounts, including Project-wise Cash Book, Project-wise General Ledger and Subsidiary Records are maintained in accordance with the provisions of this Manual.
- 1.56 Director B&A shall ensure that all internal and external reports and returns pertaining to his area of responsibility are prepared in prescribed manner and submitted to the concerned quarters in time.
- 1.57 Director B&A shall ensure monthly reconciliation of subsidiary cash books maintained in his accounts section with the Main Cash Book maintained in the DDO Section.
- 1.58 Director B&A shall ensure that monthly trial balances are prepared by the 7th of the next month and passed on the Deputy Director Coordination.
- 1.59 Director B&A shall ensure that all deductions of withholding tax are promptly remitted to the Income Tax Authorities within due dates.
- 1.60 Director B&A shall ensure that all audit observations by the internal/external auditors are settled promptly.

DIRECTOR ESTABLISHMENT AND ACCOUNTS (E&A)

- 1.61 Director E&A shall supervise the processing of IPCs relating to aided projects throughout Pakistan.
- 1.62 Director E&A shall ensure that proper books of accounts pertaining to his aided projects are maintained as per provisions of this Manual.
- 1.63 Director E&A shall ensure that all internal and external reports and returns pertaining to his area of responsibility are prepared in prescribed manner and submitted to the concerned quarters in time.
- 1.64 Director E&A shall ensure monthly reconciliation of subsidiary cash books maintained in his accounts section with the Main Cash Book maintained in the DDO Section.
- 1.65 Director E&A shall ensure that monthly trial balances are prepared by the 7th of the next month and passed on to the Deputy Director Coordination.
- 1.66 Director E&A shall ensure that all deductions of withholding tax are promptly remitted to the Income Tax Authorities within due dates.
- 1.67 Director E&A shall ensure that all audit observations by the internal/external auditors are settled promptly.
- 1.68 Director E&A shall supervise Preparation of Payroll and disbursement of salaries and allowances of all employees and maintaining individual running ledger account for each employee, and issue of Bank Advises to Bank and to employees.
- 1.69 Director E&A shall supervise cases regarding fixation of salary/ annual increment etc.
- 1.70 Director E&A shall process cases of Payment of House Building, motor car, motorcycle and other advances to employees and recovery of installments.

- 1.71 Director E&A shall ensure Deduction of income tax at source from employees and deposit of tax, issue of individual income tax certificates and filing of Annual returns.
- 1.72 Director E&A shall ensure Reconciliation of payroll control Accounts and all Subsidiary Ledger Accounts on monthly basis.
- 1.73 Director E&A shall arrange contribution of NHA toward Benevolent Fund and Group Insurance in respect of NHA employees in BS 1 to 15.
- 1.74 Director E&A shall process applications received from employees for membership of the CP/GP Fund, scrutiny of particulars and feeding of data to computer and opening of separate file for each member.
- 1.75 Director E&A shall process applications for grant of loans to members and feeding of recovery schedules to computer for recovery of monthly installments through payroll.
- 1.76 Director E&A shall ensure and supervise maintenance of books of accounts, preparation of annual accounts and arranging audit of the Provident Fund.
- 1.77 Director E&A shall issue Balance slips to the members after audit finalization.
- 1.78 Director E&A shall supervise investment and encashment of funds and maintenance of related records.
- 1.79 Director E&A shall ensure filing Annual Zakat Returns.
- 1.80 Director E&A shall supervise the maintenance of centralized records of all officers/staff working in NHA, including the Master Manpower Register with particulars of the officers/staff working in various sections and update the Register from time to time.
- 1.81 Director E&A shall prepare monthly Manpower Statement.
- 1.82 Director E&A shall process payment of overtime to staff.
- 1.83 Director E&A shall maintain Finance Wing Imprest.

- 1.84 Director E&A shall process all cases of financial concurrence and financial advice received from Highways, Motorways, Planning and Administrative Wings regarding Establishment Matters, including Administrative
- 1.85 Director E&A shall supervise processing of all cases initiated by Admin Wing regarding day to day expenses of the NHA Head Office. *10/11/12*

DEPUTY DIRECTOR COORDINATION

- C 1.86 Deputy Director Coordination shall work as a Coordinator for General Manager Finance. He shall also act as his staff officer in all administrative matters of the Finance Wing.
- 1.87 Deputy Director Coordination shall:
- D • Maintain NHA Funds Accounts.
 - D • Maintain NHA Non-Fund Accounts.
 - D • Provide all input to DD (Budget) for preparation of Revenue/Receipts budget.
 - D • Payment of all bills and IPCs duly approved for payment by the competent authority.
 - D • Ensure that the expenditure is according to the yearly budget allocation.
 - C • Ensure that all deductions on account of withholding tax, retention money, and all other recoveries/deductions mentioned in the payment voucher are duly made and remitted to the concerned agencies before due dates. *concerned agencies*
 - D • Ensure that all cash books and general ledgers are updated daily.
 - D • Ensure monthly reconciliation of Cash Book balances with Bank balances.

- C • Ensure on behalf of General Manager (Finance) that Project-wise Cash Book, Project-wise General Ledger and Subsidiary Records are being maintained by Directors B&A and E&A, and also keep and update consolidated copies thereof.
- D • Coordinate with Drawing & Disbursing Officers of Finance Division for timely release of CDL to NHA.
- D • Coordinate with concerned Deputy Secretary, Joint Secretary and FA of the Ministry of Communications for timely release of Maintenance and Establishment Funds.
- D • Coordinate with AGPR for timely processing of claims submitted by Ministries of Finance and Communications, and collection of check in favor of NHA.
- C • Coordinate with all Regional/Project Offices in matters of Receipt Accounts to ensure that all balances of Receipts are transferred to Head Office, and no unauthorized expenditure is incurred out of receipts.
- C • Coordinate with all Regional/Project Offices regarding any information required by GM Finance.
- C • Process all queries and references received from Regional/Project Offices for submission to GM Finance.
- D • Prepare and update liability statement, and submit it to GM Finance on every Tuesday.
- C • Ensure that monthly trial balances received from all accounts sections are consolidated by the 9th of each month and put up to GM Finance by the 10th of that month.
- D • Ensure that project-wise expenditure figures are updated on weekly basis, and submitted to GM Finance on every Tuesday.

**FUNCTIONAL RESPONSIBILITIES OF FINANCE WING
(HEAD OFFICE)**

1.88 The Finance Wing at the Head Office shall:

- Prepare annual budget and revised budget of the Authority.
- Obtain releases from Finance Division and Ministry of Communication through Accountant General of Pakistan Revenue.
- Make project and region-wise distribution of releases.
- Make payments in respect of all the liabilities of the Authority except maintenance payments, and payments in respect of self-accounting projects where Accounts Offices have been established.
- Consolidate accounts in respect of all the projects of the Authority. After consolidation of accounts received from the Regional/Project Offices, they shall be forwarded to the Financial Advisor Wing on monthly basis for preparation of Annual Financial Statements.
- Render financial advice to the management in respect of all the matters bearing financial implications.
- Coordinate with Regional/Project Account Offices.
- Conduct loans negotiations with lending agencies/banks in coordination with Finance and Planning Divisions.

**FUNCTIONAL RESPONSIBILITIES OF REGIONAL ACCOUNTS
OFFICES**

1.89 Regional Accounts Offices shall be under the operational control of General Manager Finance. They shall deal with:

- All payments of Maintenance works.

- All personal payments like Pay and Allowances, other Charges of officers/Establishment posted in the respective region.
- 1.90 The Authority's Fund as well as Non-Fund Accounts shall be maintained and operated by Director/Députy Director (Accounts) of the Region concerned. He shall be the principal signatory to each Bank Account subject to provisions of Chapter 3 of this Manual.
- 1.91 General Manager Finance shall determine, in advance, in consultation with Regional Accounts Officers the amount to be credited quarterly to the Bank Accounts of the various regions in accordance with the Budgeting Procedure contained in Chapter 2 of this Manual. General Manager Finance shall then, after approval of Member Finance, place necessary funds at the disposal of respective Regional Accounts Officers. The total amount credited to the Bank Account and the sum total of the debits adjusted through book transfer, if any, in a year shall not, in any case, exceed the sanctioned grant for a particular region. The amount credited in the beginning of a year in anticipation of the budget grant of that year shall not exceed three months requirements of the region based on the actuals of the first quarter of the preceding financial year.
- 1.92 A separate column 'Cash in Bank' shall be opened on the Receipt side of the cash book of the Region. The amount credited to Bank Account shall be entered by the Regional Accounts Officer in this column. A specimen of the form of the Cash Book is set out in (Form-I-1). The Bank Accounts shall be maintained in accordance with provisions of Chapter 3 of this Manual, and all payments shall be made out of the Bank Accounts.
- 1.93 The amount authorized by General Manager Finance shall be adjusted by the Regional Accounts Officers and Deputy Director Coordination as under:

<u>Name of Officer</u>	<u>Debit</u>	<u>Credit</u>
a) Regional Accounts Officer	Code: 370000 Cash in Bank	Code: 130100 HO Current Account
b) Deputy Director Coordination	Code: 130000 Regional Office Current Account	Code: 370100 Cash in Bank (Head Office).

- 1.94 A monthly statement of Accounts shall be submitted by each Regional Accounts Officer in the manner laid down in Form I-2 for reconciliation purposes.
- 1.95 The Regions shall be a self-contained accounting unit. Responsibility for the maintenance of accounts at the Regional level shall vest in Director/Deputy Director (Accounts) of the Region concerned who shall render the accounts to General Manager Finance on monthly basis in accordance with the procedure laid down in this Manual.
- 1.96 In case of a difference of opinion between the General Manger (Regions) and the Regional Accounts Officer in any financial matter, the Regional Accounts Officer shall make an entry in the "Register of Director Accounts Audit Objections and place it before the General Manager (Region) concerned immediately for comments or signatures. An extract of the entry/entries made in the Register shall be sent every Monday by the Regional Director Accounts to General Manager (Finance) who shall submit it to Member Finance for orders. A copy of the extract of the entry/entries made in the Register shall also be sent every Monday by the Project Director Accounts to Member (Highways).

FUNCTIONAL RESPONSIBILITIES OF SELF-ACCOUNTING PROJECT ACCOUNTS OFFICES
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- 1.97 All self-accounting project account offices in the field shall be headed by an officer not below the rank of Deputy Director Accounts.
- 1.98 All self-accounting projects shall be self-contained accounting units. The responsibility of maintaining the accounts of the Project both in respect of Works and Establishment shall rest with the Project Accounts Officer.
- 1.99 General Manager Finance shall determine, in advance, in consultation the Project Accounts Officers amount to be credited to the Bank Accounts of the various regions in accordance with the Budgeting Procedure contained in Chapter 2 of this Manual. General Manager Finance shall then, after approval of Member Finance, place necessary funds at the disposal of respective Project Accounts Officers. The total amount credited to the Bank Account and the sum total of the debits adjusted through book transfer, if any, in a year shall not, in any case, exceed the sanctioned grant for a particular region. The amount credited in the beginning of a year in anticipation of the budget grant of that year shall not exceed three months requirements of the region based on the actuals of the first quarter of the preceding financial year
- 1.100 A separate column 'Cash in Bank' shall be opened on the Receipt side of the cash book of the Project Office. The amount credited to Bank Account shall be entered by the Project Accounts Officer in this column. A specimen of the form of the Cash Book is set out in (Form-I-1). The Bank Accounts shall be maintained in accordance with provisions of Chapter 3 of this Manual, and all payments shall be made out of the Bank Accounts.
- 1.101 The amount authorized by General Manager Finance shall be adjusted by the Project Accounts Officers and Deputy Director Coordination under:

<u>Name of Officer</u>	<u>Debit</u>	<u>Credit</u>
a) Regional Accounts Officer	Code: 370000 Cash in Bank	Code: 130100 HO Current Account
b) Deputy Director Coordination	Code: 130000 Regional Office Current Account	Code: 370100 Cash in Bank (Head Office).

- 1.102 A monthly statement of Accounts shall be submitted by each Project/Accounts Officer in the manner laid down in Form I-2 for reconciliation purposes.
- 1.103 The Project Accounts Officer/Director Accounts shall conduct pre-check of all claims, prepare accounts for all income and expenditure and make all payments related to the project. He shall carry out all other functions as may be necessary in the matter entrusted to him.
- 1.104 The Project Accounts Officer/Director Accounts shall ensure that accounts records are properly kept and that the monthly Accounts and other accounts returns are submitted to General Manager Finance by prescribed dates.
- 1.105 In case of a difference of opinion between the General Manger (Projects) and the Projects Accounts Officer in any financial matter, the Project Accounts Officer shall make an entry in the "Register of Director Accounts Audit Objections and place it before the General Manager (Project) concerned immediately for comments or signatures. An extract of the entry/entries made in the Register shall be sent every month by the Regional Director Accounts to General Manager (Finance) who shall submit it to Member Finance for orders. A copy of the extract of the entry/entries made in the Register shall also be sent every month by the Project Director Accounts to Member (Motorway).

**PROCEDURE FOR COORDINATION OF THE HEAD OFFICE
WITH REGIONAL/PROJECT OFFICES**

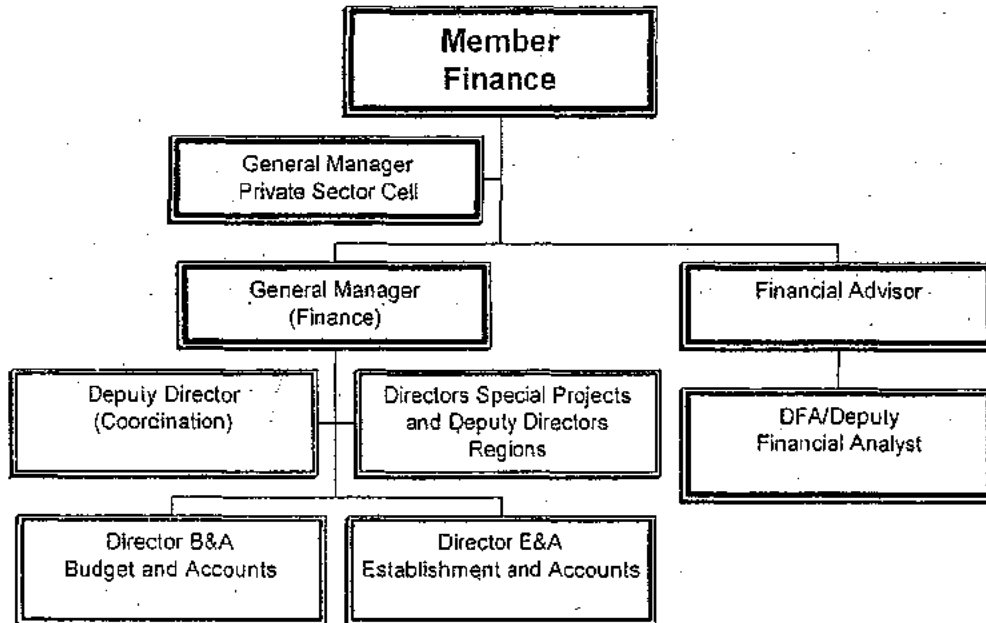
- 1.106 The Regional/Project Accounts offices shall work under direct operational supervision of General Manager Finance.
- 1.107 The Regional/Project Accounts Officers shall not take any policy decision, but approach General Manager Finance for decision of the competent authority in the matter.
- 1.108 The Regional/Project Accounts Officers shall process all payments relating to their region/project. The Project Accounts Officers, upon having approved a claim/IPC for payment, shall, within two days, submit a copy thereof to General Manager Finance
- 1.109 The Regional and Project Accounts Officers shall submit a monthly statement showing all claims processed by them and all payments released by them under all heads.
- 1.110 The Regional/Project Accounts officers shall submit following monthly statement of Account to General Manager Finance in the format provided in Form 1-2 containing information with respect to the following reports by the 7th of each month:
- Report on Establishment Expenditure
 - Report on Projects Expenditure
 - Report on Monthly Receipts
 - Report on Maintenance Account
 - Report on any Financial Irregularity.

AUDIT OF THE AUTHORITY

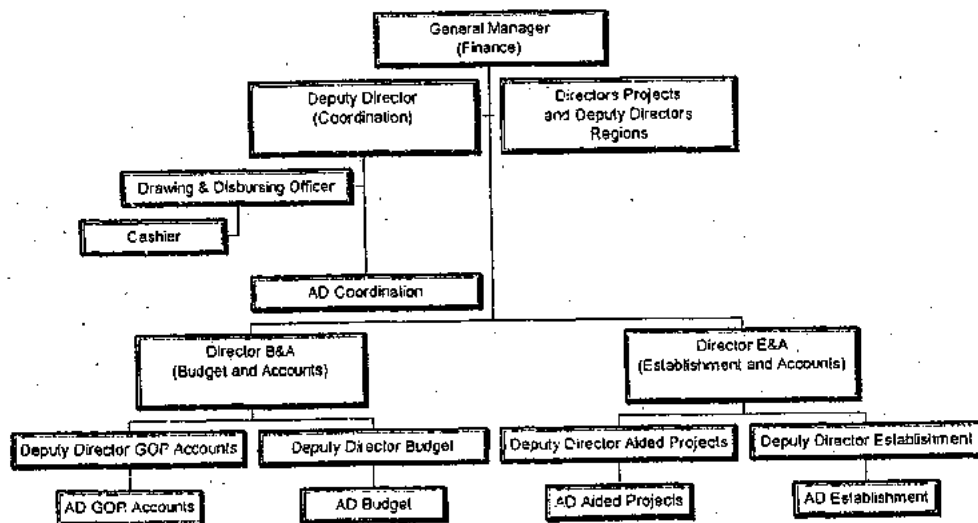
- 1.111 Internal Audit will be conducted by the General Manager (Internal Audit) located at NHA Head Office on behalf of the Chairman, NHA.

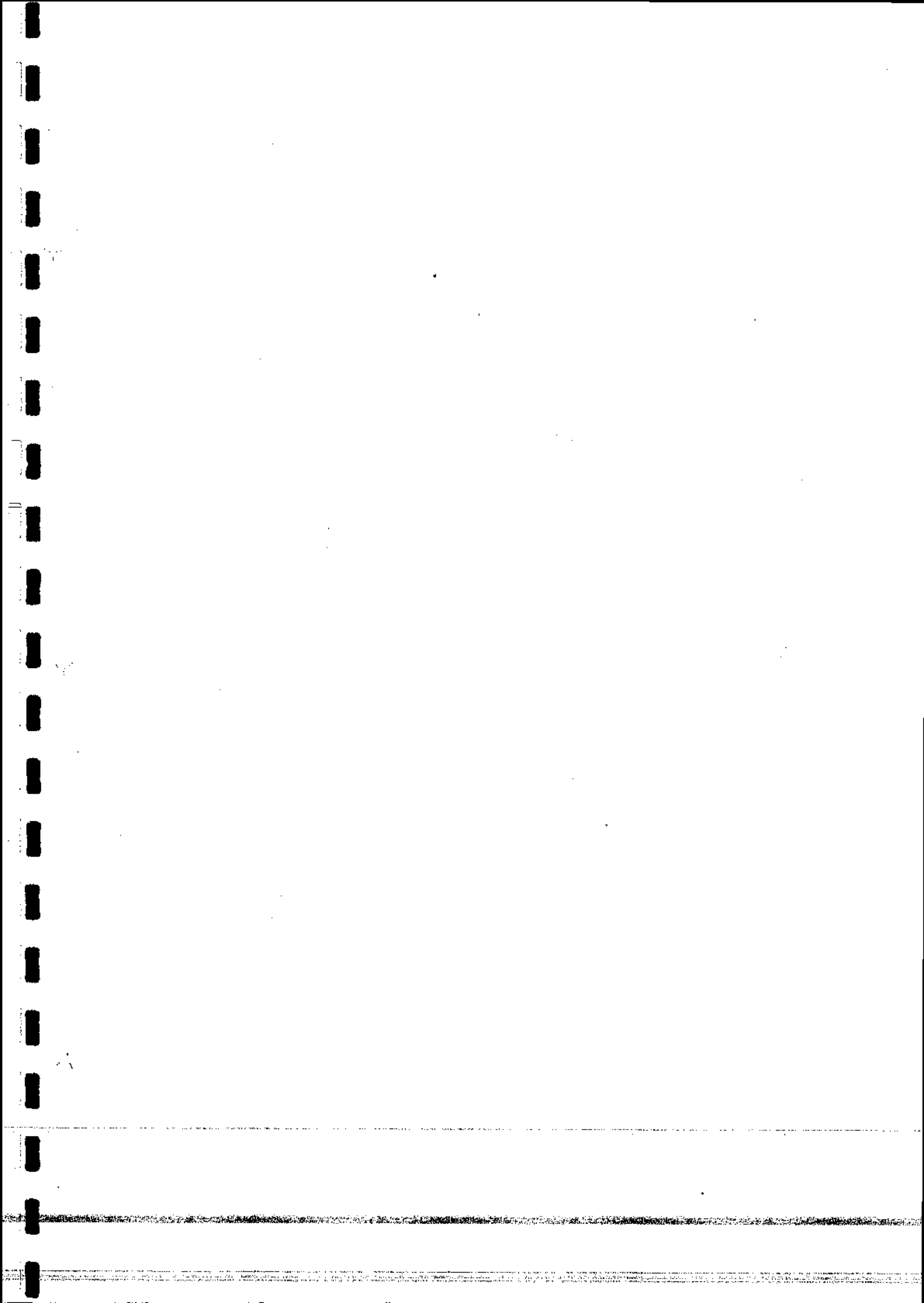
Annex 1.A

**FUNCTIONAL ORGANIZATION OF
FINANCE WING**



Annex 1. B Functional Organization of General Manager Finance





CHAPTER-2

BUDGETING PROCEDURES

TYPES OF NHA BUDGETS:

2.1 On or before 1st of December every year, or whenever required by the Federal Government, the Budget Section shall prepare and get approved from the Competent Authority the Authority's Budget and submit it to the Finance Division, Government of Pakistan for approval.

NHA BUDGETS

- (i) Revised Annual Development Program for the Current Financial Year and Proposed Annual Development Program for the Next Year.
- (ii) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Maintenance of National Highways.
- (iii) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Sanctioned Establishment of the Authority.
- (iv) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Disbursement of Foreign Economic Assistance including Foreign Relent Loans, Suppliers' Credits.
- (v) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Foreign Exchange (Own Resources).
- (vi) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect Non-Tax Receipts.
- (vii) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Tax Receipts.

- (viii) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Recovery of Principal and Mark-up on Federal Government/Foreign Loans and Advances granted to the Local Bodies/Non-financial Institutions.
- (ix) Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Dividend on Govt. Investments in various Financial/Non-financial Institutions.

2.2 In addition, the budget section shall prepare and present for the approval of Chairman NHA Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Projects' Establishment chargeable to 1% Special Allocation. Actual expenditure incurred on 1% Special Allocation shall not exceed 1% of actual releases against projects.

PROCEDURE FOR PREPARATION OF BUDGETS

2.2 The following procedure shall be followed while preparing different types of NHA Budgets.

(i) NEXT YEAR'S ADP:

2.3 NHA receives Cash Development Loans(CDL) from the Federal Government for its development works and grant for its maintenance works.

2.4 Development works comprise all new constructions whether of entirely new works or additions and alterations to the existing works. When a portion of an existing road or structure is to be dismantled and replaced and the cost of such replacement represents a genuine increase in the permanent value of the property as an asset, the work shall be classified as development work and the cost of the portion replaced shall be credited to

- the estimate of the 'original works' and "debited to maintenance". Such work shall be part of the NHA's Annual Development Program.
- 2.5 Preparation of ADP shall be a coordinated effort between the Planning, Operations, Motorways and Finance Wings.
 - 2.6 The Planning Wing shall get the Five Years Plan approved by the National Highway Council. It shall also be responsible for preparation of detailed project estimates as well as PC-1, where applicable in respect of each project included in the Plan.
 - 2.7 By 1st September every year, the Planning Wing of the Authority shall prepare a Yearly Priority List based on the projects included in the approved Five-Year Plan. The Yearly Priority List shall be submitted before the Executive Board along with clear recommendations of the necessity of every project included in the List. After its approval, the Planning Wing shall circulate an Approved Yearly Priority List to all wings and regions of the Authority in the format provided in Form II-1.
 - 2.8 Based on the Approved Yearly Priority List, the Planning Wing shall prepare the Next Year's ADP (New Projects only) in the format provided in Form II-2 and provide it to the Finance Wing by 15th November.
 - 2.9 The Operations Wing as well as the Motorways Wing shall also provide to the Finance Wing information regarding On-going Projects by 15th November in the format provided in Form II-2.
 - 2.10 The Accounts Section at the Head Office as well as the Account Sections in the Project Offices shall submit to the Budget Wing by every 7th ^{Jan} ~~December~~ actual Expenditure figures up to 30th June of the Previous Financial Year *and* actual Expenditure figures up to 30th ^{Dec} ~~November~~ of the current Financial Year in respect of each on-going project by ~~15th December~~ in the format provided in Form II-2.
 - 2.11 The Budget Section shall consolidate the information received from all the concerned wings in the prescribed manner, and prepare the draft ADP

(inclusive of new as well as on-going projects) and submit it to Member Finance by 14th ^{Jan.} ~~December~~. The approval of the ADP shall be obtained from Chairman NHA before submission to the Council whenever convened.

(II) CURRENT YEAR'S REVISED ADP:

- 2.12 The review of PSDP shall be carried out after consultation with the Finance and Planning and Development Divisions. However, the Budget Section shall continuously update the information required for this purpose. The information database shall be in the format provided in Form II-3. (1)
- 2.13 All account sections shall prepare project-wise trial balances and submit the project-wise expenditure figures monthly to the Budget Section by the 7th of each month. The Cash Section shall provide the information in respect of broken periods of a month to the Budget Section on weekly basis.

(III) MAINTENANCE BUDGET

- 2.14 Maintenance includes operations undertaken to maintain in proper condition the completed projects of NHA.
- 2.15 When a portion of an existing road or structure is to be dismantled and replaced and the cost of such replacement does not represent a genuine increase in the permanent value of the property as an asset, the work shall be classified as maintenance, and the cost of the portion replaced shall be credited to the estimate of the "maintenance" and "debited to original works." Such work shall be part of the NHA's Maintenance Budget.

- 2.16 The capital value of any portion of a road or structure which is abandoned or dismantled without replacement from the capital value of the road or structure as recorded in the books shall be written off.
- 2.17 Preparation of Maintenance Budget shall be a coordinated effort between the Operations (Highways and Motorways) and Finance Wings.
- 2.18 Each Regional General Manager shall submit his demand for the next financial year for Maintenance of National Highways to the Maintenance Directorate of the Operations Wing at head office latest by 7th November. The Operation Wing (Maintenance Directorate) shall then prepare revised maintenance estimates for the current year and budget estimates for the next financial year in the format provided in Form II-4, and submit it to the Budget Section by 15th November of each year.
- 2.19 The Budget Section, after getting approval of Member (Finance) shall forward the Budget Estimates to the Ministry of Communications by 30th November.

(IV) ESTABLISHMENT BUDGET

- 2.20 The Administration Wing of the Authority shall be responsible for providing complete estimates for Establishment Charges in respect of the sanctioned strength of the Authority plus any strength approved by the Executive Board. All regional General Managers shall provide their detailed head-wise demands, in respect of the employees posted in their respective areas, to the Administration Wing by 10th November every year. The latter shall then consolidate these demands and forward the Establishment Budget to the Budget Section by 20th November of each year. While the demands for other charges shall be prepared on the basis of prudent estimates for each detailed head with reference to the expenditure during previous years and the anticipations for the next year,

actual pay and allowances drawn/to be drawn by each employee shall form basis for preparation of demands for Establishment Charges (i.e. Pay & Regular Allowances). The information shall be supplied in the format provided in Form II-5.

2.21 The Establishment Accounts Section and each Accounts Section in the Regional Office shall provide the information of their part such as detailed head-wise expenditure of Establishment Charges for the past three Financial Years, as well as the expenditure up to 31st October of the current Financial Year to the concerned Administration Wing by 5th November. The information shall be supplied in the format provided in Form II-5.

2.22 The Budget Section shall then forward the Establishment Budget in the format provided in Form II-5, to the Ministry of Communications with a copy to FA Communications by 30th November.

(V) FOREIGN ECONOMIC ASSISTANCE DISBURSEMENT BUDGET

2.23 Revised estimates for current financial year and budget estimates for the next financial year in respect of disbursement of foreign economic assistance including foreign re-lent loans and suppliers' credit shall be prepared by the Budget Section by 10th November in the format provided in Form II-6.

2.24 The Accounts Section at the Head Office dealing with Aided Projects as well as the Account Sections in the Aided-Project Offices shall coordinate with their respective counterparts in operation side of the projects, and submit by 7th November of each year to the Budget Wing all information in the format provided in Form II-6.

(VI) FOREIGN EXCHANGE (OWN RESOURCES) BUDGET

- 2.25 One week after publication of the PSDP, the accounts sections of head office and project offices dealing with projects involving foreign exchange components shall coordinate with their respective counterparts in operation side of the projects and prepare the Foreign Exchange (Own Resources) Budget in the format provided in Form II-7. This budget shall also include estimates of debt servicing of loans directly contracted by NHA as Suppliers'/Credit.

(VII) RECEIPTS BUDGET

- 2.26 Actual collection for ten months of current financial year and budget estimates for the next financial year in respect of all revenue receipts (e.g. income from tolls, funds from floating bonds; shares, quarries royalties, lease or any other revenue source specified in the Act) shall be prepared by each Regional General Manager and submitted to the Budget Section by 30th May of each year in the format provided in Form II-8.
- 2.27 Reasons for any negative variance as compared to the previous year's budgeted figures shall be explained in detail.
- 2.28 The Budget Section shall consolidate the figures, add figures of any fresh levy of tax to prepare the Receipts Budget, and submit it to Chairman NHA for approval by 15th June, and shall circulate it to all concerned, including the Regional General Managers not later than five working days after the approval of Chairman NHA for close monitoring of the actual receipts vis-à-vis the budgeted figures.

(VIII) BUDGET FOR CDL, FOREIGN LOANS AND ADVANCES

- 2.29 Budget Estimates for the next three financial years in respect of Recovery of Principal and Mark-up on the Cash Development Loans/Foreign Loans re-lent to the Authority shall be prepared by the Budget Section by 31st August every year in the format provided in Form II-9 and forwarded to the Finance Division before the date prescribed by them. 2
- 2.30 The estimates in respect of the Cash Development Loan received by the Authority shall be prepared by the Budget Section itself on the basis of Amortization Schedules of all CDL of the Authority. 3
- 2.31 In case of Foreign Loans, the information in respect of on-going foreign-aided projects shall be supplied by the respective aided project accounts authorities in the format provided in Form II-9. In the case of completed aided projects, Director Establishment & Accounts in the Finance Wing shall be responsible for providing the figures of repayments and interest due in the respective years.
- 2.32 Till the grace period allowed by the ECC towards re-payment of cash development loan is completed, the figures of interest due during the next financial year shall also be reflected in the regular ADP. They shall be shown as a separate item for allocation of funds in the ADP over and above the funds required for execution of projects included in the ADP.

(IX) DIVIDEND ON INVESTMENTS BUDGET

- 2.33 Revised Estimates for the Current Financial Year and Budget Estimates for the next financial year in respect of Dividend on each type of Investments of surplus funds of NHA in shares of various financial and non-financial institutions shall be provided by the Fund Management Section of Finance Wing to Budget Section by 30th September in the format provided in Form II-10. The figures representing receipts on 4

account of Dividend during the last three years shall also be provided by the said section to the Budget Section. The Budget Section shall be responsible for submission of the Dividend Budget to Chairman, NHA for his approval by 15th September and its intimation to all concerned including the Fund Management Section by 15th November, for information.

GENERAL GUIDELINES FOR BUDGET PREPARATION

- 2.34 In framing the budget estimates, the Planning, Highways, Motorways, and Administration Wings should exercise practical foresight. Forecasting Models used for preparing budgetary estimates should be based on clearly specified and realistic assumptions. The estimates should not be merely arithmetic mean of past years even though it may be used as a guide for realistically assessing the present budget.
- 2.35 Provisions should be made under the proper heads for all items of receipt and expenditure. Budget Section can be consulted where necessary, in case of any doubt in the matter of preparation of Budget Estimates.
- 2.36 The statement of details of provision for pay of officers of establishment should be correctly prepared, keeping in view the historical trend as well as the future needs of the Authority.
- 2.37 In framing Establishment estimates, whether regular or work-charged, full amount of pay including increments during the year, should be provided for. Suitable provision should be made for leave salary both of officers and staff.
- 2.38 In order to verify the claimed charges against Establishment, the number of each category of personnel must be carefully checked and the rate of pay should be clearly mentioned for the purpose of Budget estimates. Variations in number as well as in amount should be explained. If they rest

on an order of the competent authority, the number and date should be quoted.

- 2.39 No provision should be made for posts, which the Competent Authority has decided to keep vacant. If any of these vacancies are required to be revived, prior approval of the Competent Authority should be obtained before incorporating any provision in the Budget estimates on this account.
- 2.40 The estimates of contingent charges should be checked by the controlling officers by comparing of the expenditure of their office with comparable offices of the Authority.
- 2.41 For all fixed recoveries and fixed payments (other than establishment charges) the sanction fixing the amount should be quoted.
- 2.42 Calculation of fixed revenue (e.g. long term leases) should be based on actual demand including arrears and probabilities of realization during the year. The arrears and current demand should be separately shown. If full realization is not likely, reasons should be clearly spelled out.
- 2.43 No lump provision should be made in the budget except under definite orders.
- 2.44 The Finance Wing of the Authority shall exercise its right to increase or reduce the provision for any item, which it thinks unjustifiable. It shall be the responsibility of the Budget Section to ensure that before incorporating any charges for the construction of works, maintenance and establishment, all provisions of the laid down procedures governing administrative approval, financial concurrence and technical sanction have been observed and the works have been properly classified.

INCURRING EXPENDITURE IN ANTICIPATION OF FUNDS

- 2.45 If a proposed budget has not yet been approved by the Competent Authority, and the order communicating allocation of funds for the next financial year

is not received before the commencement of the financial year, an expenditure equal to 25% of the previous year's allocation can be incurred in anticipation of the said order.

SUPPLEMENTARY GRANT

- 2.46 Normally, no case for a supplementary grant shall be initiated for a project or an item of expenditure unless it is already approved in the Budget.
- 2.47 Where it is anticipated that funds for a project or an item of expenditure can be made available at a later stage during the current financial year through diversion of possible savings from other projects or items of expenditure, a token supplementary grant shall be included in the Budget for the said project or item of expenditure.
- 2.48 The saving available with the Authority shall be diverted through re-appropriation in the manner provided in this Manual.
- 2.49 Under special circumstances, declared so in writing by an authority no less than Chairman NHA, the works or items of expenditure for which no budgetary provision exists in the approved Budget of the Authority may be undertaken and put up for the approval of the competent authority.

RE-APPROPRIATION PROCEDURE

- 2.50 In order to continuously examine and analyze the execution progress of each project, Member Highways and Member Motorways shall obtain on quarterly basis information required in Form II-~~17~~¹¹ from all General Managers and Project Directors.
- 2.51 The information regarding financial progress of the said-progress shall be obtained by the concerned GM/PDs directly from the concerned Account Sections.

- 2.52 Member Highways and Motorways shall forward the consolidated information to the Budget Section by 15th of each quarter (i.e. 15th October, 15th January, 15th April and 15th July). Specific proposals for re-appropriations, if any, shall be prepared by the Member (Highways)/Member (Motorways)-as the case may be, in Form II-13 and forwarded to the Budget Section along with Form II-12 submitted for the third quarter (15th April).
- 2.53 The Budget Section shall work out the exact amount of savings and additional requirement of funds, and prepare a case for re-appropriation in the prescribed Form II-13 for submission to the competent authority.
- 2.54 In case there are no savings available with the Authority, the Planning and Development Division shall be approached at the time of Mid-year review of PSDP, for diversion of necessary funds from anticipated savings of other Department/Autonomous Bodies. The Budget Section shall prepare the case according to the format prescribed by the Planning and Development Division.

CONTROL OF EXPENDITURE

- 2.55 The control of expenditure is of vital importance in public finance. All receipts must be realized and accounted for immediately and no type of expenditure should be incurred unless absolutely necessary and to the extent unavoidable.
- 2.56 Control of expenditures shall be the responsibility of Members responsible for the execution of projects.
- 2.57 Members responsible for the execution of projects shall ensure that the expenditure does not exceed the approved yearly project allocation (original/re-appropriated).

- 2.58 No officer shall, in the course of financial year, exceed the budget allotment made to him for any work or under any sub-head of original works.
- 2.59 No officer shall, in the course of financial year, exceed the budget allotment made to him for any work or under any sub-head of maintenance.
- 2.60 No officer shall exceed any specific budget allotment made to him under any minor or detailed head.
- 2.61 In respect of any work which has been administratively approved, no officer will take any action to incur expenditure in excess of the approved amount beyond permissible limits whether such excess is due to error in the approved estimates, alteration of the approved design or other causes without obtaining prior sanction from competent financial authority.
- 2.62 Payments which have the effect of exceeding the amount administratively approved and of funds allotted will not be made by the Accounts Authorities. However, the obligatory payments on court decisions, arbitration awards, and pay and allowances of regular employees may be allowed by the Accounts Authorities on provisional basis, on being approached by the executive authorities and certifying the payment to be of inevitable nature subject to covering sanction of the allotment of funds and revised administrative approval, as the case may be, being obtained by the executive authorities urgently.
- 2.63 To avoid references being made to the Authority time and again, it has delegated its technical, financial and administrative powers. -
- 2.64 The exercise of powers implies acceptance of responsibility for the results ensuing from such exercise and it shall be the responsibility of the officers on whom these powers are conferred, to see, and of their next higher officers to ensure, that the powers delegated are exercised in the best interest of the Authority and with due care, prudence and diligence.

2.65 In addition to the specific conditions governing the delegation under each Head, these delegations shall be subject to the following general conditions:-

- That the officers possessing Financial Powers shall be personally and unreservedly responsible for any orders issued under these powers,
- that the power is not exercised except for the purpose of a program, project or activity, approved by the Authority,
- that funds exist for the project or activity in connection with which the power is exercised,
- that an individual item is not split up into parts merely to enable a part of the whole item to qualify for a particular sanction,
- that canons of financial propriety are respected while incurring any expenditure,
- that when an officer possessing financial powers is absent on leave, financial responsibility shall rest on the officer performing his duties,
- that when an officer possessing financial powers is absent on tour, he may permit another officer to sign letters on his behalf
- that delegation of financial powers may be made to a subordinate officer for specific items only with the approval of the Board.

2.66 Each head of the Accounts Section is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

2.67 An officer possessing financial powers is obliged to see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided for in an appropriation. In order to maintain a proper control, he shall arrange to be kept informed, not only of what has actually been spent from an

appropriation but also of what commitments and liabilities are budgeted/scheduled, and will be incurred against it. He must be in a position to assume before the Authority complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny.

CONTINGENT EXPENDITURE

- 2.68 Contingencies' comprise those charges which are incidental to the management of an office as an office. General principles governing expenditure out of contingent grant shall be the same as given above.
- 2.69 A register of Contingent Expenditure shall be maintained. The Head of the office or a gazetted officer to whom this duty has been delegated, shall initial the payment of each item recorded in the Register.
- 2.70 All charges incurred must be drawn and paid at once.
- 2.71 No money may be withdrawn from the bank unless it is required for immediate disbursement.
- 2.72 All doubtful charges shall be referred for pre-audit to the Accounts Officer before payment. The Director Accounts concerned shall decide if a charge is doubtful or not.

CONTINGENT EXPENDITURE THAT MAY NOT BE SANCTIONED

- 2.73 No sanction may be given by an officer possessing financial powers under these rules that involves contingent expenditure from the budget grant of any future year and in respect of temporary establishment or labor in excess of fixed scales.

- 2.74 Nothing in these rules shall be held to authorize an officer possessing financial powers to sanction a temporary increase to the clerical establishment of his own office or that of any member of his staff
- 2.75 Nothing in these rules shall be held to authorize an officer to:
- Sanction expenditure in excess of fixed annual allocation.
 - Sanction expenditure which is liable to establish a new rule or practice/procedure involving further expenditure in the future
 - sanction of an advance or loan not authorized under the rules,
 - authorize the payment to Authority's employees of any remuneration or allowance to which they are not entitled under ordinary rules.

MAINTENANCE OF ACCOUNTS

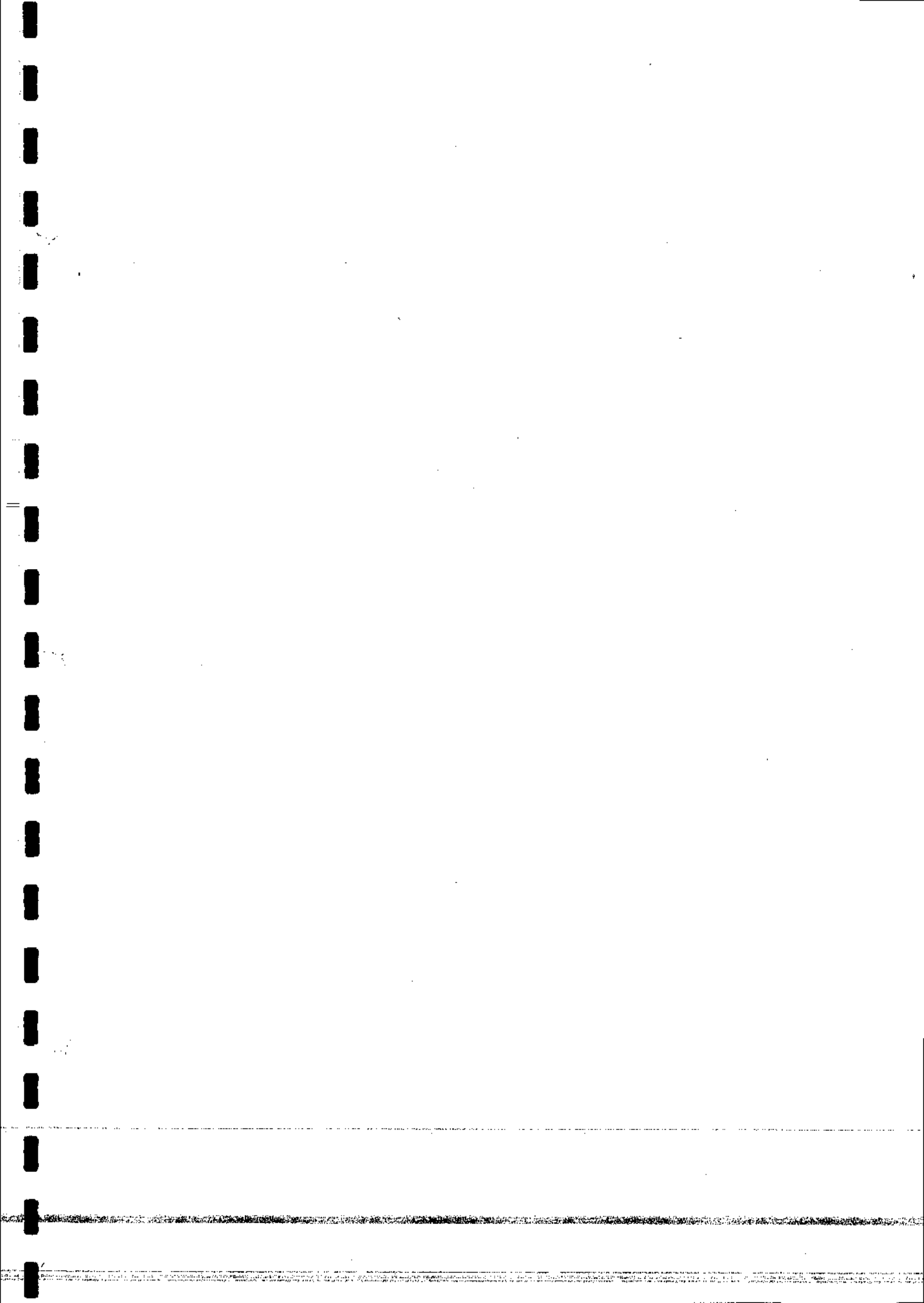
- 2.76 Every officer whose duty is to prepare and render any accounts or returns in respect of Authority's funds or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.
- 2.77 An officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment thereto, but when a certificate is signed, the officer signing it shall be held responsible for its authenticity.
- 2.78 It is the duty of every departmental and controlling officer to see that the General Managers Finance and Internal Audit are afforded all reasonable facilities in the discharge of their functions and furnished with all the relevant information, which they may ask, for the preparation of any

account or report, which it is their duty to prepare. No information nor any books or other documents to which the Directors of Accounts and/or Internal Audit demand an access may be withheld from them.

- 2.79 An officer maintaining the accounts of a work/scheme must watch the progress of expenditure and stop initiating any claim of the contractor when the yearly budget allocation for the work/scheme is exhausted. The Director of Accounts or officers/accountants employed under him shall have no authority to make provisional payments in such cases.
- 2.80 No funds shall be provided for the works already completed except for firm liabilities which shall be cleared in the year following that in which the project has been completed. The exact nature and amount of the liability shall be specified subject to the condition that the total expenditure does not exceed the latest approved cost of the project.

COMMUNICATION OF BUDGET ALLOCATIONS.

- 2.81 After the budget allocations have been approved by the Planning and Development Division or the Ministry of Communications, as the case may be, the following actions shall be taken by the Budget Section:-
- 2.82 Project-wise approved allocations of Annual Development Program shall be communicated to all Members, General Managers, Projects Directors, Directors/Deputy Directors (Accounts).
- 2.83 The allocations approved by the Ministry of Communications for Maintenance of National Highways and Establishment Charges shall be distributed amongst all the Regional General Managers in proportion to their respect demands, under intimation to the Directors/Deputy Directors (Accounts) concerned.



CHAPTER-3
FUNDS MANAGEMENT
(CASH AND BANKS)

MANAGEMENT OF BANK ACCOUNTS

- 3.1 There shall be a National Highway Authority Fund (hereinafter referred to as the "Fund") as envisaged in Section 21 of National Highway Authority Act, 1991 (hereinafter referred to as the "Act."). All Bank Accounts shall be opened and operated as part of the Fund, except for the Account or Accounts opened for crediting Retention Money, Deposit Work, CP/GP Fund and for any other purpose duly approved by Member Finance.
- 3.2 All Bank Accounts of the Authority shall be maintained with scheduled banks as provided in Section 21(2) of the Act.
- 3.3 No Account shall be opened except in pursuance of Clause 3.1 and in the manner prescribed in this Manual.
- 3.4 All bank accounts of the Authority shall be joint accounts operated by not less than two signatories from the designated list of signatories as approved by Member Finance.

<p>TYPES OF ACCOUNTS</p>

(I) HEAD OFFICE ACCOUNTS

NHA FUND ACCOUNTS

- 3.5 The following types of Accounts shall be opened as part of the Fund at the Authority Head Office. There shall be only one bank account for each type of account.
- 3.6 **Main Account** for crediting all GOP releases for the approved Annual Development Program (ADP) of the Authority, including land acquisition, and any other government release.
- 3.7 **Special FC Accounts** for crediting all donor funding. There may be a separate account for each donor agency if so required by it.
- 3.8 **Maintenance Account** for crediting all GOP releases against approved allocations for maintenance of national highways.
- 3.9 **Regular Establishment Account** for crediting all GOP releases against allocation for establishment charges.
- 3.10 **Special Establishment Account** for crediting the amount deducted from GOP development releases in order to cater for the excess over regular Establishment Charges.
- 3.11 **Receipts Account** for crediting all types of receipts of the Authority.
- 3.12 **Imprest Accounts** for crediting the amount advanced from any of the above Accounts for specific purposes.

NON FUND ACCOUNTS

- 3.13 **Retention Money Accounts** There shall be one Account at the Head Office, which shall not be a part of the Authority Fund. All retention

money, security deposits, deposit works and fund approved for any other purpose shall be deposited in this Account.

- 3.14 CP/GP Fund Account for crediting the amount deducted from the employees as CP/GP fund deductions and profit earned on investments.

(II) REGIONAL OFFICES ACCOUNTS

- 3.15 The following types of Accounts shall be opened as part of the Fund at the Regions. There shall be only one bank account for each type of account.

NHA FUND ACCOUNTS

- 3.16 Establishment Account for crediting all GOP funds transferred against allocation for establishment charges.
- 3.17 Maintenance Account for crediting all GOP funds transferred against approved allocations for maintenance of national highways.
- 3.18 Receipts Account for crediting all types of receipts of the Authority, including tolls, quarries, bank profit on NHA funds etc.
- 3.19 Projects Account for crediting all amounts transferred by the Head Office to cover any payment related with a construction project being executed in the region.

NON FUND ACCOUNTS

- 3.20 Security Deposits Accounts There shall be one Account at the Regional Office, which shall not be a part of the Authority Fund. All security deposits, retention money, deposit works and fund approved for any other purpose shall be deposited in this Account.
- 3.21 CP/GP Fund Account for crediting the amount deducted from the employees as CP/GP fund deductions and profit earned on investments.

(I) PROJECT OFFICES ACCOUNTS

- 3.22 The following types of Accounts shall be opened as part of the Fund at the Project Offices. There shall be only one bank account for each type of account.
- 3.23 Project Account for crediting all releases of GOP funds from the Authority Head Office to the Project.
- 3.24 Imprest Accounts for crediting the amount advanced to designated officials by the Head Office or the Project Office for a specific purpose.

PROCEDURE FOR OPENING OF ACCOUNTS

- 3.25 No Bank Account shall be opened without the written approval of Member Finance.
- 3.26 The NHA Executive Board shall approve the list of the designated banks with which all banking transactions of the authority shall be conducted. Member Finance may at his discretion, delete from the list of designated banks.
- 3.27 Member Finance shall issue request in writing to the concerned bank for opening of all the Authority Accounts.

SIGNATORIES TO THE ACCOUNTS

- 3.28 Each Account shall be operated by the joint signatures of at least two designated signatories as representatives of Member Finance.

3.29 The signatories to the accounts shall be as follows:

(I) HEAD OFFICE ACCOUNTS

3.30 The signatories to all NHA Head Office Bank Accounts except for Special Accounts (which shall be operated according to the agreement with the donors) shall be the following officers as designated by Member Finance.

- Director Budget & Accounts (B&A)
- Director Establishment & Accounts (E&A)
- Deputy Director Fund Management & Coordination (FMC).
- Drawing & Disbursing Officer.

3.31 Member Finance may, by approval in writing, designate any other officer to be the signatory of any or all Bank Accounts being operated at the NHA Head Office.

3.32 Member Finance shall attest the signatures of the designated signatories.

(II) REGIONAL OFFICES ACCOUNTS

3.33 The signatories to all Regional Offices Bank Accounts shall be the following officers as designated by Member Finance.

- Deputy Director Accounts of the Region
- Assistant Director Accounts of the Region
- Accounts Officer of the Region.

3.34 Member Finance may, by approval in writing, designate any other officer to be the signatory of any or all Bank Accounts being operated at the NHA Regional Office.

3.35 Member Finance shall attest the signatures of the designated signatories.

(III) PROJECT OFFICES ACCOUNTS

- 3.36 The signatories to all Project Offices Bank Accounts shall be the following officers as designated by Member Finance.
- Director Accounts of the Project
 - Deputy Director Accounts of the Project
 - Assistant Director Accounts of the Region
- 3.37 Member Finance may, by approval in writing, designate any other officer to be the signatory of any or all Bank Accounts being operated at the NHA Project Office.
- 3.38 Member Finance shall attest the signatures of the designated signatories.

SPECIAL INSTRUCTIONS REGARDING EXISTING BANK ACCOUNTS

- 3.39 All Bank Accounts maintained/operated before the promulgation of these Regulations shall, upon approval of these Procedures by the NHA Executive Board, immediately cease to be operative except those Bank Accounts that are designated by Member Finance in writing to remain operative.
- 3.40 Member Finance shall approve in writing the new set of Bank Accounts and their designated signatories for maintaining the Authority's Fund and non-Fund Accounts within five working days of the receipt of the record of the existing Bank Accounts from the current signatories.
- 3.41 The officials responsible for operating those accounts, which cease to function on promulgation of these Regulations, shall immediately forward a balance statement to the Member Finance through the Member/Regional

General Manager/General Manager concerned. Member Finance shall authorize the transfer of the balance to the designated account within seven days of receipt of this information. The present signatories shall personally hand over complete record of the existing Bank Accounts to the designated representative of Member Finance who shall visit all Regional and Project Offices within fifteen days.

- 3.42 Regional General Managers/ Project Directors shall forward a monthly report on the status of all the accounts to reach Deputy Director Coordination by 7th of each month in the format provided in Form III-1. The concerned officials shall also certify in writing that there are no other Bank Accounts of the Authority under their jurisdiction, or to which they are signatories.

RESPONSIBILITIES OF THE DISBURSING OFFICER

- 3.43 As soon as accounts are opened the bank will issue a checkbook. The Drawing and Disbursing Officer/Cashier shall note the serial number of checkbook in the Checkbooks-Control Register and enter details of all checkbooks in it.
- 3.44 On exhaustion of all the check leaves of an existing checkbook, the new checkbook shall be issued in lieu thereof from the Checkbooks Control Register. The counterfoils of the used checkbooks shall also be properly accounted for in the Checkbooks Control Register.
- 3.45 ~~The checkbooks currently in use shall be in the custody of the Cashier whereas all blank/unused checkbooks and counterfoils of used checkbooks shall remain in the safe custody of the Drawing and Disbursing Officer not below BRS 16.~~
- 3.46 The Disbursing Officer shall prepare and forward to General Manager Finance the monthly Bank Reconciliation Statement in respect of each

bank account. A signed copy of the reconciliation statement shall be pasted on the relevant page of the Cash Book. The Bank Reconciliation Statement shall be prepared on the format provided in Form III-2.

- 3.47 Normally, all checks shown as outstanding in the Bank Reconciliation Statement of a particular month should stand cleared in the next month. Any check remaining unadjusted/un-reconciled in the next month shall be investigated as to why it is still outstanding.
- 3.48 A check issued by the authority, which is not presented for payment shall be reversed on the completion of six months period and a reversed entry (receipt voucher) shall be passed in the Accounts.

OPERATION OF IMPREST ACCOUNTS

- 3.49 Imprest is a standing advance of a fixed sum of money given to an officer to enable him to make certain classes of disbursements as part of day to day management of the Authority's Affairs.
- 3.50 Imprest shall be maintained in a bank and all payments above Rs. 5,000 - shall be made through a Payee's Account crossed check.
- 3.51 Imprest shall be used in accordance with the rules and restrictions notified by the Authority from time to time.
- 3.52 Imprest shall be approved by Member Finance. He shall specify in his order conveying the sanction the following:
- The maximum amount of the Imprest
 - Method and Periodicity of replenishment of the Imprest
 - Particulars of items of expenditure to be paid for in cash out of the Imprest

- 3.59 While sanctioning the Petty Cash Fund, Member Finance shall specify in his order conveying the sanction the following
- The maximum amount of the Fund
 - Method and Periodicity of replenishment of the fund,
 - Particulars of items of expenditure to be paid for in cash out of the fund,
 - Place/Station/Office where the Fund shall be operated and the person entrusted with the operation of the Fund.
- 3.60 No person shall be allowed to operate the Petty Cash Fund until an Indemnity Bond of a reasonable amount is signed by him and placed under safe custody of the Drawing and Disbursing Officer
- 3.61 A Petty Cash Book shall be maintained which the person entrusted with the operation of the Fund shall close on daily basis.
- 3.62 The person entrusted with the operation of the Petty Cash Fund shall carry out daily cash count of the Fund at the close of every day and submit it to the Drawing and Disbursing Officer the next day for his signatures before it is recorded. The sheet prepared for the purpose shall show the balance of cash available at the time of count, the details of vouchers paid out of the Fund, and any excess/shortage found at the time of count along with the reasons for variation.
- 3.63 Surprise Cash Counts shall be carried out by an authorized officer other than the person entrusted with the operation of the Fund at irregular intervals. Any excess/shortage of cash shall be duly analyzed and reasons therefor recorded besides remedial action.
- 3.64 A single compound entry shall be made for the expenditure incurred out of the Fund at the time of replenishment of the Fund.

- Place/Station/Office where the Imprest shall be operated and the person entrusted with the operation of the Imprest.
- Whether the Power to ~~sanction the expenditure~~ out of the Imprest has also been delegated to the Imprest holder to the extent of the Imprest amount.

- 3.53 An Imprest shall only be allowed to an officer of the Authority when:
- The officer is working at a location where the arrangement for payment in the normal manner does not exist.
 - Certain petty payments are required to be made by the officer frequently which neither warrant processing of each payment in the normal manner nor does time factor allow such processing.
- 3.54 All Imprests shall be recorded in a separate register by the concerned Accounts Sections showing the sanction order, name and designation of the officer for whom the Imprest is sanctioned, amount, date of first withdrawal, the date it was recouped, and the amount outstanding at the close of each financial year.

PETTY CASH MANAGEMENT

- 3.55 All payments over Rs. 5000/- shall be made through a Payee's Account crossed check.
- 3.56 A Petty Cash Fund shall be maintained with the approval of Member (Finance) in cases where petty payments up to Rs. 5000/- in each case are required to be made from time to time.
- 3.57 No payment shall be made out of the Fund unless the Competent Authority has approved it.
- 3.58 The only credit to the Fund shall come from the sum initially sanctioned or its subsequent replenishment. No cash receipts shall be placed to the credit of the Fund.

CHAPTER 4
PROCEDURES FOR PROCESSING OF CLAIMS

OPERATIONS OF NATIONAL HIGHWAY AUTHORITY

- 4.1 The operations of the Authority are divided into Original Works and Maintenance Works.
- 4.2 Original works comprise of all new constructions whether of entirely new works, or of additions and alterations to existing works except as hereinafter provided.
- 4.3 Maintenance includes operations undertaken to maintain in proper condition the completed projects of NHA.
- 4.4 When a portion of an existing road or structure is to be dismantled and replaced and the cost of such replacement represents a genuine increase in the permanent value of the property as an asset, the work shall be classified as development work and the cost of the portion replaced shall be credited to the estimate of the 'original works' and "debited to maintenance".
- 4.5 When a portion of an existing road or structure is to be dismantled and replaced and the cost of such replacement does not represent a genuine increase in the permanent value of the property as an asset, the work shall be classified as maintenance, and the cost of the portion replaced shall be credited to the estimate of the "maintenance" and "debited to original works." Such work shall be part of the NHA's Maintenance Budget.

- 4.6 The capital value of any portion of a road structure, which is abandoned or dismantled without replacement from the total capital value of the road, as recorded in the books, shall be written off.

SECTION ONE

GENERAL PROCEDURES FOR PROCESSING OF CLAIMS BY OPERATIONS WINGS

(I) GENERAL PROCEDURE FOR PROCESSING CONTRACTORS' CLAIMS:

- 4.7 The processing of invoices shall start from the concerned operations wings (Highways and Motorways) and conclude with the Finance Wing or its Regional/Project Accounts Directorates.
- 4.8 Contractor shall prepare the Interim Payment Certificate (IPC)/Bills and submit them to the Resident Engineer (RE) or the Chief Resident Engineer (CRE) under intimation to the concerned Project Director.
- 4.9 Resident Engineer supervising work at site, shall verify the Contractor's claim. He shall be responsible for the following aspects of the work against which the Contractor has submitted the IPC/Bill:
- Complete (100%) physical checking of the execution of work
 - Certify that the quality of the work executed is in complete accordance with the contract specifications and the tests carried out by him are in conformity with the standards laid down in the contract agreement.
 - That the IPC conforms to all other terms of the contract.

4.10 If the RE/CRE is satisfied that the IPC submitted by the contractor conforms to all the terms of the contract, he shall record the claim of the contractor in the Measurement Book(MB), and forward the MB and all pages of the IPC duly authenticated by him to the Project Director within the period stipulated in the contract.

4.11 The RE/CRE shall, inter alia, record the following details in the MB:

- Total cost of the Project in original contract
- Variation if any, along with justification & approval
- Revised cost including variation etc.
- Mobilization advance allowed/paid
- Mobilization advance recovered from last IPC
- Balance amount recoverable from mobilization advance,
- Mobilization advance recoverable from this IPC,
- Validity of the mobilization advance guarantee,
- Validity of performance guarantee/bond,
- Secured advance outstanding from preceding bill
- Secured advance adjusted for materials utilized and recorded in the current bill
- Balance secured advance for materials brought at site still outstanding,
- Secured advance allowed in this bill along with proof of the stores brought at site,
- Escalation calculation duly approved by the competent escalation committee.
- Amount of the current IPC and balance amount of work remaining in the contract.

4.12 The Project Director under whose jurisdiction the work is being executed, shall apply required test checks to scrutinize and evaluate the authenticity

of the measurements recorded in the MB by the RE/CRE and certify that the recorded physical progress and the quality of works is according to specifications/drawings, and that the required tests have been conducted at site. Project Director shall also be responsible for ensuring that no work is executed or a claim is raised against a work which does not carry prior financial concurrence of Member Finance.

- 4.13 The Project Director after satisfying himself of the genuineness of the claim shall forward the certified invoices and MB to the Regional/Project General Manager for approval/sanction within the period stipulated in the contract.
- 4.14 General Manager (Region/Project) shall conduct required test check to determine accuracy of the recorded measurements in the MB:
- 4.15 All concerned—that is, the RE/CRE, Project Director, Regional General Managers, Officiating General Managers, GM (Construction) Member Highways, Member Motorways, and the Accounts staff at the Regional Offices and the Head Office—shall ensure safe custody of the Measurement Book of the respective works, scheme, and project. They shall also ensure that the MB in no case is handed over to or handled by the contractor.
- 4.16 In cases where the payment is to be released by NHA Finance Wing at the Head Office, the General Manager shall forward the IPC and the MB to the Operation Wing concerned (Highways/Motorways) against a distinct control number which shall be in sequence. The concerned Members (Highways/Motorways) shall then forward the IPC to the Finance Wing/Accounts Directorates after according approval for payment.
- 4.17 In cases where the payment is to be released by the Regional/Project Accounts Directorates, the General Manager shall forward the IPC to the concerned Accounts Directorate after according approval for payment.

- 4.18 All correspondence regarding progress and performance of the project shall be routed through the General Manager concerned.
- 4.19 The Project Director/Coordinator shall ensure that the internal and the external auditors have audited the project before the final bill is forwarded for approval. Copy of the audit report and points settled by the Audit Authorities shall be attached with the final bill for scrutiny and pre-audit by Accounts Section.

(II) GENERAL PROCEDURE FOR PROCESSING CONSULTANT'S INVOICES:

- 4.20 Supervision consultant's work is directly related with the progress of the work at site. With a heavy dependence on his certification by the Operations Wing, it is deemed necessary that a strict monitoring system is developed. The Project Director should be empowered to ensure proper deployment of supervisory staff at the sites where work is in progress. A vigilant monitoring system shall be implemented by the PD's in consultation with the Operations Wing to ensure that the heavy responsibility given to the RE/CRE and reliance on them by the Operations Wing is backed up with the knowledge that the Engineer is actually delivering the standard of service for which he is employed. Moreover, reduction in staff deployment in times of lean period when progress of work is retarded due to technical reason or financial crunch should also be reported. Consultant's invoices would therefore be more realistic if it is properly monitored by PD's. The processing time of invoice given in the contract shall however be strictly adhered to by the PD while forwarding the invoices.
- 4.21 The Project Director/Coordinator or the C & S Section along with the original contract documents shall keep in their possession the Professional

indemnity bond required from supervision consultants as per the provisions of the contract. Validity for the required time shall be ensured.

- 4.22 Whenever a design and feasibility study is carried out by the consultants, the acceptance of its recommendations and proposals shall be contingent upon the terms of reference given to consultant and the criteria given for acceptability of the proposals.
- 4.23 For interim payment in respect of a design and feasibility study, the IPCs shall be forwarded to the Finance Wing with a certificate from the competent authority that progress of services provided are in accordance with contract terms and this interim payment would make the final deliverables possible in time.
- 4.24 For final payment in respect of a design and feasibility study, the IPCs shall be forwarded to the Finance Wing with a certificate from the competent authority that the design or feasibility made by the consultant is found acceptable to the Authority and that payment can be made as budget for the year is available.

(III) GENERAL PROCEDURE FOR VARIATION ORDERS:

- 4.25 Variation order is a change in the basic terms and conditions of the contract. The Operations Wing shall get the administrative approval for the variation whereas the Contract and Specifications Section shall formally issue the variation order to ensure universal standards in all contracts.
- 4.26 While processing the administrative approval in respect of any variation order, the Operations Wings and the C&S section shall ensure that:
- The permissible limits of excess over the approved cost of the project are adhered to.

- The total revised cost of the project after including the cost of variation order does not exceed the competence of the awarding authority.
- 4.27 Financial concurrence shall invariably be obtained by referring such cases to Member (Finance), stating detailed justification for the variation, and indicating the financial effect.

SECTION II

SPECIFIC PROCEDURES FOR PROCESSING OF CLAIMS BY
OPERATIONS WINGS

CATEGORIES OF WORKS

- 4.28 The Authority may execute any of the following categories of works.
- GOP Funded Projects
 - Aided Projects
 - Projects funded through Suppliers' Credit
 - Projects funded through Buyers' Credit
 - Projects Funded with deferred payment arrangement
 - BOT Projects.
- 4.29 Each work involves different accounting procedures which are explained individually.



PROCEDURE FOR PROCESSING OF CONTRACTORS' IPCs—GOP PROJECTS

- 4.30 While processing an IPC of a Contractor undertaking a work funded by the Government of Pakistan, the procedure laid down in clause 4.7 to 4.19 and 4.25 to 4.27 shall be followed.
- 4.31 General Manager (Region/Project) after receiving the claim shall, before according approval/sanction to the IPC satisfy himself that:
- The work has physically been executed at site
 - All the quantities have been claimed in accordance with the contractual provisions
 - The IPC has been certified by the consultants on the basis of 100% Test Check and recorded in the measurement book along with the certificate
 - The Project Director has verified the claimed quantities on the basis of required Test Check and upon his engineering prudence
- 4.32 After applying the checks mentioned in Clause 4.14, the General Manager, if satisfied shall accord approval/sanction to the claim of the contractor and forward the same to Finance Wing in accordance with the procedure laid down in clause 4.16 and 4.17 as the case may be.
- 4.33 The Finance Wing shall conduct scrutiny of the IPC as per the procedure laid down in this Manual.

PROCEDURE FOR PROCESSING OF CONSULTANTS' CLAIMS—GOP PROJECTS

- 4.34 The Consultant shall prepare his claim in accordance with the provisions of the contract agreement keeping in view the man-months approved by

the employer and requirement of the work. The claim shall be forwarded to the Project Director for processing.

4.35 The Project Director shall scrutinize the claim. It shall be his responsibility to ensure that:

- The IPC is in accordance with the provisions of the contract agreement.
- All the man months claimed are genuinely claimed.
- No unnecessary claim, not required for the execution of work, has been incorporated.

4.36 After satisfying himself of the genuineness of the claim, the Project Director shall forward the claim to the General Manager who shall examine that:

- The man months claimed in the bill/invoice are in accordance with the contractual provisions
- The staff has been employed with the approval of the employer and is physically deployed on the supervision of the work
- The Project Director has certified the claim/invoice as per the actual requirement of the work

4.37 After satisfying himself of the genuineness of the claim, the General Manager shall accord approval/sanction and forward the claim to the Finance Wing for scrutiny in accordance with the procedure laid down in clause 4.16 and 4.17 as the case may be.

4.38 The Finance Wing shall conduct pre-audit as per the procedure outlined in this Manual.

(B) AIDED PROJECTS

- 4.39 While submitting both contractors as well as consultants' IPCs in respect of an aided project, the procedure laid down in clause 4.30 to 4.32 shall be followed. However, in addition to the requirements laid down in clauses 4.30 to 4.32, the following certificates issued by the RE/CRE shall also accompany the IPCs of Aided Projects:

Certificate

"This is IPC No — for Contract No. — Amounting to Rs. —(in words). Total expenditure on the said project (Name and Description) including this IPC is Rs. — and balance including approved variation orders and escalations is Rs.— The work has been done according to the contract, laid down specifications, drawings and required quality tests have been carried out."

(C) PROJECTS FUNDED THROUGH SUPPLIERS' CREDIT**PROCEDURE FOR PROCESSING OF CONTRACTORS' IPCS—SUPPLIERS' CREDIT**

- 4.40 The contractor shall prepare his claim/bill in accordance with the contractual provisions and physical work done at site and submit to the Consultant as per the contact agreement.
- 4.41 The Consultant shall examine and scrutinize the claim/IPC as per provisions of the contract. After conducting 100% test check of the claimed quantities, he shall record the claim in the MB. While preparing abstract of the bill in the MB, the amount to be charged to the Supplier's

Credit and GOP component shall be separately worked out as per the approved formula of the Loan Agreement.

- 4.42 The bill prepared on this pattern shall be called Draw down Certificate (DC).
- 4.43 The Consultant shall certify that measurements being claimed in the DC have been executed physically at site and forward the claim to the Project Director.
- 4.44 The Project Director shall scrutinize the bill/claim in accordance with the provisions of clause 4.12, and after satisfying himself of the genuineness of the claim, shall forward the same to the General Manager for approval/sanction.
- 4.45 The General Manager shall before according approval/sanction to the bill (DC) shall satisfy himself that:
- the work has physically been executed at site
 - All the quantities have been claimed in accordance with the contractual provisions
 - The claim has been certified by the consultants on the basis of 100% Test Check and recorded in the MB along with the certificate.
 - The consultant has correctly worked out the amount of the worked done to be charged to the Supplier's credit and GOP component
 - The Project Director has verified the claimed quantities on the basis of the mandatory Test Check and his engineering prudence.
- 4.46 General Manager if satisfied of the genuineness of the claim, shall accord approval/sanction to the claim of the contractor and forward the same to Finance Wing in accordance with the procedure laid down in clause 4.16 and 4.17 as the case may be.
- 4.47 The Finance Wing shall conduct pre-audit as per the procedure outlined in this Manual.

PROCEDURE FOR PROCESSING OF CONSULTANTS' CLAIMS--SUPPLIERS'

CREDIT

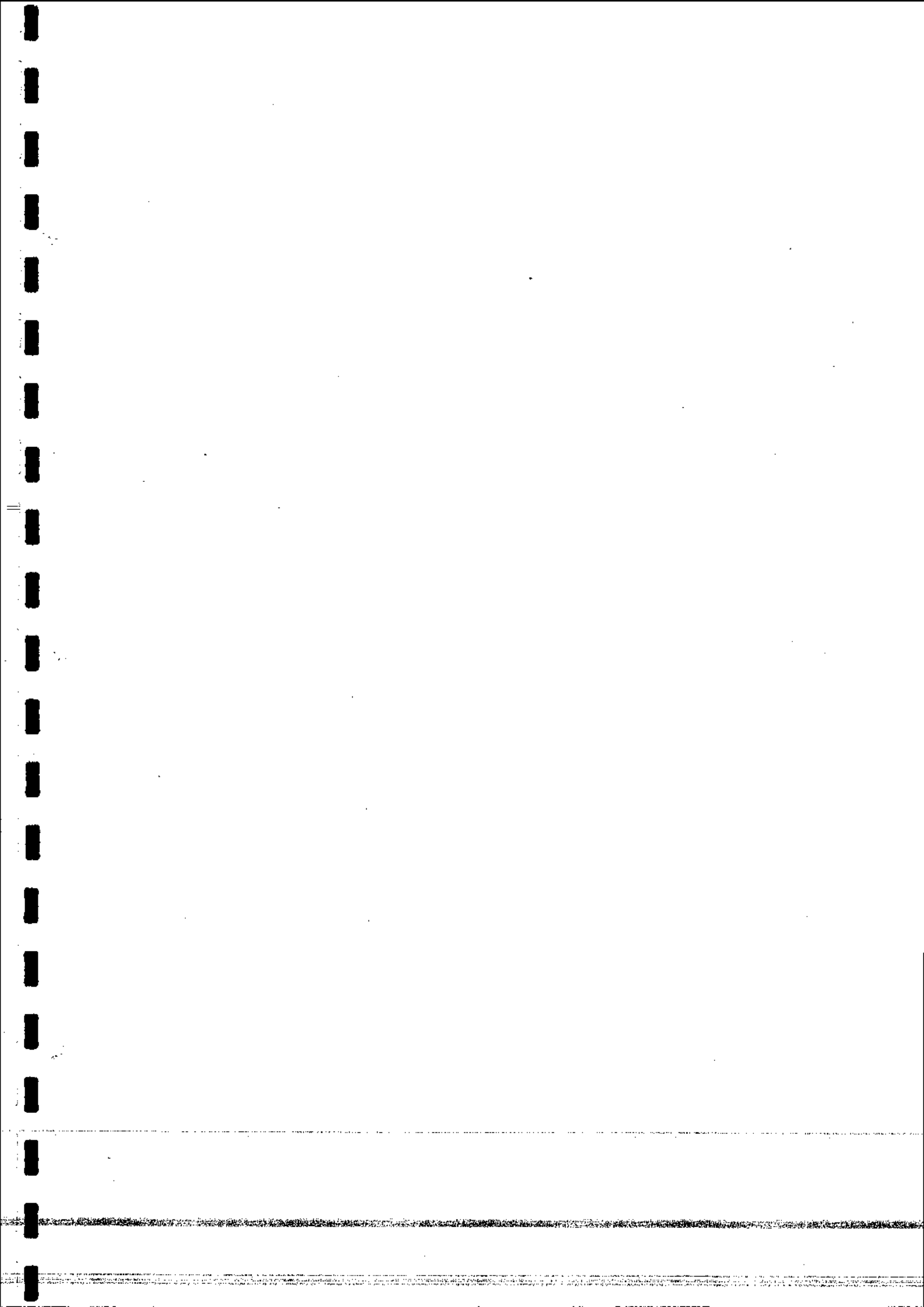
- 4.48 The procedure for processing Consultants' IPC for projects funded through Suppliers' Credit shall be the same as laid down in clause 4.34 to 4.36.

(D) BOT PROJECTS

- 4.49 The procedure for processing both contractors' as well consultants' IPCs in respect of BOT projects shall be the same as laid down in clause 4.40 to 4.48.
- 4.50 While preparing abstract of the bill in the MB, the amount to be charged to the Private Financing Component and GOP component shall be separately worked out as per the approved formula of the BOT Agreement.

(E) PROJECTS WITH DEFERRED PAYMENTS

- 4.51 While submitting both contractors' as well consultants' IPCs in respect of a project with deferred payment, the procedure laid down in clause 4.40 to 4.48 shall be followed.
- 4.52 While preparing abstract of the bill in the measurement book the amount to be charged to the Deferred Component and GOP component shall be separately worked out as per the approved formula of the Loan Agreement.
- 4.53 The Consultant shall recommend to the employer for issuance of the Promissory Notes as per the procedure specified in the Loan Agreement, equivalent to the deferred payment of the work done.



CHAPTER 5
PROJECT ACCOUNTING

SUBMISSION OF CLAIMS TO THE FINANCE WING

- 5.1 All Claims shall be submitted to the Finance Wing in accordance with the procedure laid down in Chapter 4.
- 5.2 Once a claim is received in the Finance Wing, it shall be construed that it is to the entire satisfaction of the Operations Wing (Highways/Motorways)
- 5.3 The Finance Wing shall examine the claim on the premises that:
- The Engineer and the designated representative of Operations Wing have made complete physical check of the work executed as per approved NHA procedures.
 - The quality of work executed is in complete conformity with the contract terms and specifications; and the required tests have been carried out to the satisfaction of the engineering standards adopted by NHA.
 - That the claim is in accordance with all other terms of the contract.
 - That valid guarantees have been obtained in accordance with the terms of the contract.
 - That the quantities claimed in the bill are within the approved BOQ.
 - That variation orders, if any, stand approved by competent authority.
- In case of an Aided Project, the NOC as well as approval of the Donor Agency has been obtained.

- That all formalities involved in the approval of the work to which the claim pertains have been completed and there is no violation of the existing rules and regulations.

PAYMENT PROCEDURE

- 5.4 Finance Wing will normally process five types of payments:
- (i) Original works/projects as defined in clause 4.2 of this Manual.
 - (ii) Maintenance works as defined in clause 4.3 of this Manual.
 - (iii) Establishment including pay and allowances, pensions etc.
 - (iv) Land Acquisition, removal of utilities and allied matters.
 - (v) Payment of principal amount and interest accrued thereon on foreign loans and suppliers credits
- 5.5 All payments in respect of 5.4(i) and 5.4(iv) shall be made by the Finance Wing at the Head Office except payments pertaining to self-accounting projects formally declared in writing by Member Finance as such.
- 5.6 All payments in respect of 5.4(ii) shall be made by Regional Accounts Officers concerned.
- 5.7 All Establishment payments shall be made at the respective Regional/Project/ Maintenance Unit level.

PAYMENT PROCEDURE FOR ORIGINAL WORKS/PROJECTS

PROCEDURE FOR PAYMENT OF CONTRACTORS' CLAIMS—HEAD OFFICE:

- 5.8 The approved IPC/Claim shall be forwarded by Member Highways to the concerned Deputy Director Accounts who shall immediately mark it to the

concerned Assistant Director Accounts. In no case shall the Claim be kept by DD Accounts for more than one day.

- 5.9 AD Accounts concerned shall immediately enter the Claim in a Bills Register to be maintained in the format provided in Form V-1.
- 5.10 AD Accounts shall consult the approved PSDP to ensure that yearly allocation for the project exists therein, and that the yearly allocation has not been exhausted.
- 5.11 AD Accounts shall then pass on the claim to the Superintendent Accounts to conduct 100% arithmetic check of the claim.
- 5.12 After performing 100% arithmetic check, the Superintendent Accounts shall prepare the voucher in approved Form VIII-4, initiate the case on file and certify on the noting portion that he has performed the prescribed check.
- 5.13 AD Accounts shall perform 25% arithmetic test check for verifying the check conducted by the Superintendent Accounts and initial items checked by him.
- 5.14 AD Accounts shall then thoroughly scrutinize the claim in accordance with the following checks and controls, keeping in view the nature of the claim.

~~CHECKS & TEST~~
~~Internal Controls~~

(1)

CHECKLIST

5.14.1 MOBILIZATION ADVANCE: Before releasing Mobilization Advance to the contractor, it shall be ensured that:

- ✓ The Competent Authority has accepted the tender.
- ✓ The parties to the agreement have duly signed the tender and contract documents.
- ✓ The letter of commencement has been signed and attached by the concerned project authority.
- ✓ Relevant Bank Guarantees and/or performance bond, as prescribed in the agreement, have been attached. Bank

Guarantees and Performance Bonds of only those banks shall be acceptable to the Authority, which are duly designated by Member Finance for the purpose.

- Rates and quantities of the BOQ items are approved.
- The amount of MOB Advance has been worked out in accordance with the stipulations of the contract and properly entered in the MB.
- The items listed have been verified and entered in the MB.

⁽²⁾
5.14.2 PAYMENT OF INTERIM PAYMENT CERTIFICATES (IPCS):

Following checks and internal controls shall be tested while processing the contractor claims/IPC on account of work done:

- ✓ The project/work has been administratively approved and technically sanctioned and the Finance wing has issued the financial sanction/concurrence.
- ✗ Relevant Bank Guarantees and/or performance bond, as prescribed in the agreement, have been attached. Bank Guarantees and Performance Bonds of only those banks shall be acceptable to the Authority, which are duly designated by Member Finance for the purpose, in conformity with the instructions of Finance Division.
- ✓ The contract period is still valid, and all necessary extensions in time and amount, if any, have been obtained from the competent authority.
- ✓ Bill has been prepared in accordance with the approved BOQ items and contractual provisions.
- ✓ All the measurements have been (properly) recorded in the measurement book.

- ✓ 100% check has been conducted by the Resident Engineer in charge.
- ✓ The Resident Engineer in charge has certified that the work has been executed physically at site.
- ✓ The bill has been authenticated by the RE/CRE and signed/certified by the Project Director after performing test check as provided in clause 4.12 of this Manual.
- ✓ The bill has been approved by the Competent Engineering Authority for payment.
- ✓ The entries and calculations made in the MB and Bill are mathematically correct.
- ✓ The totals recorded in the MB and bill are correct both in words & figures.
- ✓ Payments made in previous running bills were correct.
- ✓ The required deductions e.g. Mobilization Advance, Secured Advance or any other advance, Retention Money or Security Deposit, Income Tax or Professional Tax, if any, have been made.

(3)
~~5.14.3~~ RELEASE OF RETENTION MONEY: While processing claims of the contractor for release of retention money following checks shall be applied:

- ✓ The bill is prepared in accordance with contractual provisions governing especially the Maintenance Period.
- ✓ The Resident Engineer has issued a certificate that during maintenance period no defects were found in the work concerned.

- ✓ The bill and the certificate of the Resident Engineer has been entered in the MB.
- ✓ Approval of the Competent Authority for release of retention money has been obtained and attached.
- ✓ The Project Director has certified that no audit para is outstanding against the contractor.

5.14.4 ESCALATION CLAIMS: The claims of contractor on account of escalation shall be required to qualify following checks:

5.14.5

- ✓ The contract documents specifically provides for the escalation.
- ✓ The competent authority has accorded its approval to the claim.
- ✓ All figures are mathematically correct.
- ✓ The totals are correct both in words and figures.

5.14.6 PAYMENT OF PROVISIONAL SUMS: While processing the claims in respect of items included in the provisional sum, the account section shall examine that:

- ✓ Provision exists in the contract for provisional sum.
- ✓ Financial sanction has been accorded by the finance wing
- ✓ The claim has been approved by the competent authority.

5.15 AD Accounts shall then forward the case to Deputy Director Accounts with his specific recommendations.

5.16 Deputy Director Accounts shall examine the case and certify on the noting portion of the file that the prescribed checks have duly and correctly been

exercised and that the claim is in order for payment. Deputy Director Accounts shall then countersign the claim and forward the case to Director Accounts concerned for approval of payment or his recommendations to the higher authorities according to the provisions of clause 5.17, 5.18, and 5.19.

- 5.17 Director Accounts shall have the power to approve payment upto Rs. six million in each case and Deputy Director Accounts shall have the power to approve payment upto Rs. Two million in each case. Deputy Director Accounts may, however, further delegate powers for approval of bills upto Rs. 50,000/ in each case to his Assistant Director Accounts in respect of payments or classes of payments to be decided by him.
- 5.18 General Manager Finance shall have the power to approve payment exceeding six million but not exceeding Rs. Twenty-five million in each case.
- 5.19 All payments exceeding Rs. Twenty-five million in each case shall require approval of Member Finance.
- 5.20 After approval of payment, the file shall be marked directly to AD Accounts concerned who shall record the approval of the competent authority in the Bills Register and forward the bill along with a copy of the approval of the competent authority for payment to Deputy Director Coordination and obtain his dated signatures in the relevant column of the Bills Register.
- 5.21 Deputy Director Coordination shall enter the particulars of the approved claim/IPC both in his computer, and forward it to the DDO section for payment.
- 5.22 The DDO shall maintain a Vouchers Register in Form V-3 in which each approved Bill shall be entered before payment. He shall also maintain a Checks (Cheques) Register in Form V-4.

- 5.23 The DDO shall then prepare necessary 'Payees Account' crossed checks for payment of the Claim/IPC. Number and date of each check shall be entered in the relevant column of the Vouchers Register against the relevant entry in respect of the claim.
- 5.24 Payment of Withholding Tax deducted from the Contractors Claims shall be made in accordance with the provision of the Income Tax Ordinance, 1979/rules made thereunder.
- 5.25 DDO shall prepare a monthly Liability Statement in the format approved by Member Finance who with the approval of the Chairman shall prioritize the liabilities of contractors to be cleared out of a specific release.
- 5.26 In case of Foreign Aided Projects or projects involving Suppliers' or Buyers' Credit, the procedure agreed with the donor agency shall be followed in respect of the foreign component.

PROCEDURE FOR PAYMENT OF CONSULTANTS' CLAIMS—HEAD OFFICE:

- 5.27 The general procedure for payment of consultants' claims shall be the same as the procedure established for contractors' claims.
- 5.28 AD Accounts shall examine the claim to ensure that all provisions of clause 4.20 to 4.24 have been duly adhered to.
- 5.29 While processing payments in foreign currency, the AD Accounts shall examine that recruitment of foreign staff of consultant is in accordance with designation, man months and cost given in the contract.
- 5.30 While processing payments in local currency, the AD Accounts shall examine that recruitment of local staff of consultant is in accordance with designation, man months and cost given in the contract.

5.31 After examining the case in strict observance of the contract, the AD Accounts shall then process the case as provided above in case of Contractors' claims.

PAYMENT PROCEDURES FOR SELF ACCOUNTING PROJECT OFFICES

5.32 The self-accounting project offices shall process following five types of payments as per authorization by Member Finance:

- Payments to contractors against original work done
- Payments to supervisory consultants
- Release of Land Acquisition/Relocation of Utilities Advances to LAC's
- Payment of Establishment charges
- Loan Management

POWERS OF PAYMENT:

5.33 The Officers in the Self-Accounting Project Offices shall be authorized to process and approve payments as per following delegation of power:

- (i) **Deputy Director Accounts:** He shall be authorized to approve payment up to Rs.2,000,000/- but, he may delegate powers for approval of bills upto Rs. 50,000/ in each case to his AD Accounts in respect of certain payments or classes of payments to be decided by him.
- (ii) **Director Accounts:** The officer shall be authorized to approve payment above Rs.2,000,000/-.

5.34 The procedure for the processing, approval and release of the five categories of payments as detailed in clause 5.33 above is enumerated in the succeeding clauses.

PAYMENTS TO CONTRACTORS AGAINST ORIGINAL WORK DONE.

- 5.35 The General Manager of the Project concerned shall forward the approved claim/IPC of the contractor to the Director Accounts for processing of Payments to contractors against original work done in accordance with the procedure laid down in Chapter 4.
- 5.36 The Director Accounts shall forward the IPC to the Accounts Section for the conductance of Pre-audit and exercise of other relevant internal financial checks as provided in this Chapter.
- 5.37 The Accountant concerned shall exercise all the relevant pre-audit checks and internal controls.
- 5.38 He shall check the bill and certify on the Measurement Book that the IPC has been checked 100% arithmetically.
- 5.39 The Accountant concerned shall record his recommendations in the file and forward the file along with the IPC for release of payment or with observations to the Assistant Director Accounts.
- 5.40 The Assistant Director Accounts shall examine that the Accountant has applied all relevant checks and controls. He has recorded his recommendation in the file and has certified on the Measurement Book that the IPC has been checked 100% arithmetically.
- 5.41 The Assistant Director Accounts shall test check the IPC 25% arithmetically and countersign the Measurement Book.
- 5.42 After satisfying himself about the accuracy of the recommendation and observations of the Accountant he shall forward the file along with the IPC to the Deputy Director Accounts.

5.43 Deputy Director Accounts shall examine that:

- the Consultant and General Manager have approved the IPC for payment.
- The IPC is accompanied with all the relevant contract documents.
- The Accountant and Assistant Director Accounts have recorded the certificates in the Measurement Book about arithmetic accuracy of the IPC.
- The Accountant and Assistant Director Accounts has also recorded their recommendations and observations on file.

5.44 After satisfying himself about the accuracy of the recommendation and observations of the Accountant and Assistant Director Accounts the Deputy Director Accounts shall forward the file along with the IPC to Director Accounts.

5.45 The Director Accounts, after satisfying himself about the accuracy of the recommendations and observations forwarded to him by the Accounts Section, shall on file approve release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the IPC to the General Manager for removal of the deficiencies as pointed out by the Account Section.

PAYMENTS TO SUPERVISORY CONSULTANTS

5.46 The General Manager of the Project concerned shall forward the approved claim /Monthly Invoice of the consultant to the Director Accounts for processing of Payments.

5.47 The Director Accounts shall forward the Invoice to the Accounts Section for the conductance of Pre-audit and exercise of other relevant internal financial controls.

- 5.48 The Accountant concerned shall exercise all the relevant pre-audit checks and internal controls.
- 5.49 He shall check the Invoice both arithmetically (100%) and as per provisions of the consultancy agreement and specified man months.
- 5.50 The Accountant concerned shall record his recommendations in the file and forward the file along with the Invoice for release of payment or with observations to the Assistant Director Accounts.
- 5.51 The Assistant Director Accounts shall examine that the Accountant has applied all relevant checks. He has recorded his recommendation or observations in the file and has 100% checked the Invoice arithmetically.
- 5.52 The Assistant Director Accounts shall conduct 25% test check on the Invoice arithmetically.
- 5.53 After satisfying himself about the accuracy of the recommendation and observations of the Accountant he shall forward the file along with the Invoice to the Deputy Director Accounts.
- 5.54 Deputy Director Accounts shall examine that:
- the General Manager has approved the Invoice for payment.
 - The Invoice is accompanied with all the relevant documents.
 - The Accountant and Assistant Director Accounts have recorded certificates on the file about arithmetic accuracy of the Invoice along with recommendations or observations.
- 5.55 After satisfying himself about the accuracy of the recommendation and observations of the Accountant and Assistant Director Accounts the Deputy Director Accounts shall forward the file along with the Invoice to the Director Accounts.
- 5.56 The Director Accounts, after satisfying himself about the accuracy of the recommendations and observations forwarded to him by the Accounts Section, shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and

return of the Invoice to the General Manager for removal of the deficiencies as pointed out by the Account Section.

RELEASE OF LAND ACQUISITION/RELOCATION OF UTILITIES ADVANCES TO LAC'S

- 5.57 The General Manager or the Project Director concerned after according/obtaining approval of the competent authority, as the case may be, shall forward the cases to the Director Accounts for the issuance of Land Acquisition Advances and Advances for the Removal of Utilities in favor of LAC concerned.
- 5.58 The Director Accounts shall forward the case to Account Section for processing of the case on file.
- 5.59 The Accountant shall examine the case and check that all relevant documents on the basis of which estimates have been prepared are attached.
- 5.60 He shall conduct 100% test check of the arithmetic accuracy of the estimates and approval.
- 5.61 After examining the cases the Accountant shall record his observations /recommendations as the case may on the file and forward the case to the Assistant Director Accounts.
- 5.62 The Assistant Director Accounts shall conduct 25% test check about the arithmetic accuracy of the estimates and approvals and after recording his recommendations/observations on file forward the case to the Deputy Director Accounts.
- 5.63 The Deputy Director Accounts after satisfying himself about the correctness of the recommendations/observations of the Assistant Director Accounts shall forward the case along with file to the Director Accounts.
- 5.64 The Director Accounts after satisfying himself about the accuracy of the recommendations and observations forwarded to him by the Accounts

Section, shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the case to the General Manager for removal of the deficiencies as pointed out by the Account

PAYMENT OF ESTABLISHMENT CHARGES

- 5.65 The Account Section shall process the pay & allowances of the project office as per the sanctioned strength in the PC-I.
- 5.66 All other charges to be charged to the Project shall be governed under the various procedures as laid down by the Authority for TA/DA, Loans and Advances, House Hiring, Official Transport, Utilities Charges, Medical Charges, etc.
- 5.67 The General Manager after according/obtaining approval of the competent authority, as the case may be, shall forward the cases to the Director Accounts for Establishment Charges.
- 5.68 The Director Accounts shall forward the case to Account Section for processing of the case on file.
- 5.69 The Accountant shall examine the case and check that all relevant documents on the basis of which the cases have been prepared are attached.
- 5.70 He shall conduct 100% test check of the arithmetic accuracy of the cases and approval.
- 5.71 After examining the cases the Accountant shall record his observations /recommendations as the case may on the file and forward the case to the Assistant Director Accounts.
- 5.72 The Assistant Director Accounts shall conduct 25% test check about the arithmetic accuracy of the cases and approvals and after recording his

recommendations/observations on file forward the cases if not with in his competence to the Deputy Director Accounts.

5.73 The Deputy Director Accounts after satisfying himself about the correctness of the recommendations/observations of the Assistant Director Accounts shall forward the cases if not with in his along with file to the Director Accounts.

5.74 The Director Accounts after satisfying himself about the accuracy of the recommendations and observations forwarded to him by the Accounts Section, shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the case to the General Manager for removal of the deficiencies as pointed out by the Account

LOAN MANAGEMENT

5.75 Loan Fees and Charges as out lined in the Loan Agreement; comprise of following categories:

- Commitment Fee
- Management Fee, Legal Fee, etc
- Design Fee
- Interest on Loan
- Default Interest on Delayed Payment of Interest
- Repayment of Installments Principal of Loan
- Default Interest on Delayed Payment of Installments of Principal of Loan

5.76 The General Manager of the Project concerned shall forward the approved claim of the Lender/Contractor to the Director Accounts for processing of Payments.

- 5.77 The Director Accounts shall forward the claim to the Accounts Section for the conductance of Pre-audit and exercise of other relevant internal financial controls.
- 5.78 The Accountant concerned shall exercise all the relevant pre-audit checks and internal controls keeping in view provisions of the loan agreement, formulas for working out the rates and schedule of payments.
- 5.79 He shall check the claim and certify on the file that the case has been checked 100% arithmetically and in accordance with the provisions of the loan agreement.
- 5.80 The Accountant concerned shall record his recommendations in the file and forward the file along with the claim for release of payment or with observations to the Assistant Director Accounts.
- 5.81 The Assistant Director Accounts shall examine that the Accountant has applied all relevant checks and controls. He has recorded his recommendation in the file and has certified that the case has been examined in accordance with the provisions of loan agreement.
- 5.82 The Assistant Director Accounts shall test check the case 25% arithmetically.
- 5.83 After satisfying himself about the accuracy of the recommendation and observations of the Accountant he shall forward the file along with the claim to the Deputy Director Accounts.
- 5.84 Deputy Director Accounts shall examine that:
 - the Consultant and General Manager have approved the claim for payment.
 - The claim is accompanied with all the relevant documents.
 - The Accountant and Assistant Director Accounts have recorded the certificates in the file about arithmetic accuracy of the case.
 - The Accountant and Assistant Director Accounts have also recorded their recommendations and observations on file.

- 5.85 After satisfying himself about the accuracy of the recommendation and observations of the Accountant and Assistant Director Accounts the Deputy Director Accounts shall forward the file along with the IPC to the Director Accounts.
- 5.86 The Director Accounts, after satisfying himself about the accuracy of the recommendations and observations forwarded to him by the Accounts Section, shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the case to the General Manager for removal of the deficiencies as pointed out by the Account Section.

PAYMENT PROCEDURES FOR THE REGIONAL ACCOUNTS OFFICES

- 5.87 The Regional Accounts offices shall process following types of payments as per authorization by Member Finance:
- Payments to contractors against Maintenance and Original works
 - Payments to supervisory consultants
 - Release of Land Acquisition/Relocation of Utilities Advances to LAC's
 - Payment of Establishment charges
- 5.88 The Officer manning Regional Accounts offices shall be fully authorized to process and approve all payments. He may, however, delegate powers for approval of bills upto Rs. 50,000/ in each case to his immediate subordinate officer in respect of certain payments or classes of payments to be decided by him.

- 5.89 The procedure for the processing, approval and release of the five categories of payments as detailed above is enumerated in the succeeding clauses.

PAYMENTS TO CONTRACTORS AGAINST MAINTENANCE AND ORIGINAL WORK DONE.

- 5.90 The General Manager of the Region concerned shall forward the approved claim (IPC) of the contractor to the Deputy Director Accounts for processing of Payments to contractors against original work done.
- 5.91 The Deputy Director Accounts shall forward the IPC to the Accounts Section for the conductance of Pre-audit and exercise of other relevant internal financial controls.
- 5.92 The Accountant concerned shall exercise all the relevant pre-audit checks and internal controls.
- 5.93 He shall check the bill and certify on the Measurement Book that the IPC has been checked 100% arithmetically.
- 5.94 The Accountant concerned shall record his recommendations in the file and forward the file along with the IPC for release of payment or with observations to the Assistant Director Accounts.
- 5.95 The Assistant Director Accounts shall examine that the Accountant has applied all relevant checks and controls. He has recorded his recommendation in the file and has certified on the Measurement Book that the IPC has been checked 100% arithmetically.
- 5.96 The Assistant Director Accounts shall test check the IPC 25% arithmetically and countersign the Measurement Book.

- 5.97 After satisfying himself about the accuracy of the recommendation and observations of the Accountant he shall forward the file along with the IPC to the Deputy Director Accounts.
- 5.98 Deputy Director Accounts shall examine that the Consultant and General Manager have approved the IPC for payment. The IPC is accompanied with all the relevant contract documents. The Accountant and Assistant Director Accounts have recorded the certificates in the Measurement Book about arithmetic accuracy of the IPC. The Accountant and Assistant Director Accounts have recorded also recorded their recommendations and observations on file. After satisfying himself about the accuracy of the recommendation and observations of the Accountant and Assistant Director Accounts the Deputy Director Accounts shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the IPC to the General Manager for removal of the deficiencies as pointed out by the Account Section.

PAYMENTS TO SUPERVISORY CONSULTANTS

- 5.99 The General Manager of the Region concerned shall forward the approved claim /Monthly Invoice of the consultant to the Deputy Director Accounts for processing of Payments.
- 5.100 The Deputy Director Accounts shall forward the Invoice to the Accounts Section for the conductance of Pre-audit and exercise of other relevant internal financial controls.
- 5.101 The Accountant concerned shall exercise all the relevant pre-audit checks and internal controls.
- 5.102 He shall check the Invoice both arithmetically (100%) and as per provisions of the consultancy agreement and specified man months.

- 5.103 The Accountant concerned shall record his recommendations in the file and forward the file along with the Invoice for release of payment or with observations to the Assistant Director Accounts.
- 5.104 The Assistant Director Accounts shall examine that the Accountant has applied all relevant checks. He has recorded his recommendation or observations in the file and has 100% checked the Invoice arithmetically.
- 5.105 The Assistant Director Accounts shall conduct 25% test check on the Invoice arithmetically.
- 5.106 After satisfying himself about the accuracy of the recommendation and observations of the Accountant he shall forward the file along with the Invoice to the Deputy Director Accounts.
- 5.107 Deputy Director Accounts shall examine that the General Manager has approved the Invoice for payment. The Invoice is accompanied with all the relevant documents. The Accountant and Assistant Director Accounts have recorded certificates on the file about arithmetic accuracy of the Invoice along with recommendations or observations. After satisfying himself about the accuracy of the recommendation and observations of the Accountant and Assistant Director Accounts the Deputy Director Accounts shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the Invoice to the General Manager for removal of the deficiencies as pointed out by the Account Section.

RELEASE OF LAND ACQUISITION/RELOCATION OF UTILITIES ADVANCES TO LAC'S

- 5.108 The General Manager after according/obtaining approval of the competent authority, as the case may be, shall forward the cases to the Deputy

Director Accounts for the issuance of Land Acquisition Advances and Advances for the Removal of Utilities in favor of LAC concerned.

- 5.109 The Deputy Director Accounts shall forward the case to Account Section for processing of the case on file.
- 5.110 The Accountant shall examine the case and check that all relevant documents on the basis of which estimates have been prepared are attached.
- 5.111 He shall conduct 100% test check of the arithmetic accuracy of the estimates and approval.
- 5.112 After examining the cases the Accountant shall record his observations /recommendations as the case may be on the file and forward the case to the Assistant Director Accounts.
- 5.113 The Assistant Director Accounts shall conduct 25% test check about the arithmetic accuracy of the estimates and approvals and after recording his recommendations/observations on file forward the case to the Deputy Director Accounts.
- 5.114 The Deputy Director Accounts after satisfying himself about the correctness of the recommendations/observations of the Assistant Director Accounts shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the case to the General Manager for removal of the deficiencies as pointed out by the Account

PAYMENT OF ESTABLISHMENT CHARGES

- 5.115 The Account Section shall process the pay & allowances of the Regional office as per the sanctioned strength in the approved PC-I. of the projects being run in its jurisdiction.

- 5.116 All other charges to be charged to the Regional office accounts shall be governed under the various procedures as laid down by the Authority for TA/DA, Loans and Advances, House Hiring, Official Transport, Utilities Charges, Medical Charges, etc.
- 5.117 The General Manager after according/obtaining approval of the-competent authority, as the case may be, shall forward the cases to the Deputy Director Accounts for Establishment Charges.
- 5.118 The Deputy Director Accounts shall forward the case to Account Section for processing of the case on file.
- 5.119 The Accountant shall examine the case and check that all relevant documents on the basis of which the cases have been prepared are attached.
- 5.120 He shall conduct 100% test check of the arithmetic accuracy of the cases and approval.
- 5.121 After examining the cases the Accountant shall record his observations /recommendations as the case may on the file and forward the case to the Assistant Director Accounts.
- 5.122 The Assistant Director Accounts shall conduct 25% test check about the arithmetic accuracy of the cases and approvals and after recording his recommendations/observations on file forward the cases if not within his competence to the Deputy Director Accounts.
- 5.123 The Deputy Director Accounts after satisfying himself about the correctness of the recommendations/observations of the Assistant Director Accounts, shall on file approve for the release of payment or issue instructions to the Accounts Section for the issuance of Observations and return of the case to the General Manager for removal of the deficiencies as pointed out by the Account.

CHAPTER 6
ESTABLISHMENT ACCOUNTING

PRELIMINARY

- 6.1 The Administration Wing of head office shall supply to the Deputy Director Coordination a project/region-wise list of authorized strength of all employees of the Authority (both Regular as well as PC-I Strength) showing the number of sanctioned posts of each cadre in each office/project along with pay scales (i.e. original/after move over) for onward transmission to the concerned project/regional/head office accounts officers for entry in the Establishment Registers to be maintained for the purpose in each accounts office.

**PREPARATION OF ESTABLISHMENT CLAIMS AND THEIR
PAYMENT**

- 6.2 Establishment and officers' bills shall be prepared by the Superintendent Establishment of the Accounts Section concerned and sent to the Accounts Officer/Drawing and Disbursing Officer concerned.
- 6.3 The Accounts Officer shall pre-audit the bills vis-à-vis the Pay Structure and the rules applicable to the Authority's employees and put his dated signatures on the bill in token of having passed the bill. He shall forward the bills to the Drawing and Disbursing Officer (if he is not himself the Drawing and Disbursing Officer), for payment

- 6.4 The Drawing and Disbursing Officer shall issue checks for the net amount of the bill or include the names of the employees in the consolidated advice to be issued to the bank authorizing credit of the net amounts in the bank accounts of the employees concerned.
- 6.5 Due deductions of advance tax from the pay bills of employees shall be made and the amounts so deducted shall be remitted to the Income Tax Authorities in accordance with the Income Tax Ordinance, 1979 and the rules made thereunder.
- 6.6 Funds for the purpose shall be provided by the Director (Budget & Accounts) to all Project/Regional offices as per Budgeting/Allocation procedure contained in Chapter 2.

MAINTENANCE OF SERVICE DOCUMENTS AND ISSUANCE OF PAY SLIPS

- 6.7 Director Establishment and Accounts (E&A) shall henceforth maintain History of Service of all NHA officers.
- 6.8 Pay slips of all officers shall be issued by the Director Establishment and Accounts (E&A) who shall also be responsible for maintenance of service records of all officers of NHA.
- 6.9 Charge reports and leave applications for issuance of leave availability certificate shall be sent to the Director Establishment and Accounts (E&A).
- 6.10 Claims of arrears of pay in respect of officers pertaining to the period prior to introduction of this Accounting System shall be forwarded to the concerned Accounts Officers for pre-audit and authorizing payment.

RETENTION OF PAY

- 6.11 Fixation of pay of officers and staff on first appointment, promotion, demotion and general revision etc. shall be done by the Project/Regional Accounts Office provisionally and confirmed by the Director Establishment and Accounts (E&A).
- 6.12 All cases of pay fixation shall be sent to the Internal Audit Wing as soon as possible for verification.

PENSIONS

- 6.13 A separate Pension Fund shall be created in a Bank by crediting employers' contribution (along with profit) so far made in respect of all NHA employees whose services have become pensionable. The existing employees' contributions shall remain in the existing Contributory Provident Fund Account which shall, however, be re-designated as Contributory/General Provident Fund.
- 6.14 On receipt of orders sanctioning the pension, the Director Establishment and Accounts (E&A) shall scrutinize the pension case and issue an authority granting the pension addressed to the Regional Accounts officer concerned with a copy to the retired employee.
- 6.15 The Regional Accounts Officer shall issue the Pension Payment Order under intimation to the Pension Sanctioning Authority as well as the retiring NHA employee.
- 6.16 The Regional Accounts officer will issue the Pension Payment Order for payment of pension through the employee's Bank designated in the pension papers under intimation to the Director Establishment and Accounts (E&A).

- 6.17 No Pension Payment Order shall, however, be issued more than a fortnight in advance of the date of retirement of the employee concerned.
- 6.18 All cases of grant of pension shall be forwarded immediately after issue of authority to Internal Audit Wing for audit.
- 6.19 In order to enable the Regional Account Officer to act upon the authority of the Director Establishment and Accounts (E&A), the specimen signatures of the Director Accounts Establishment or of any other officer authorized by him to sign the authorities for grant of pension, shall be supplied in triplicate to all the Regional Accounts Officers.

**MAINTENANCE OF CONTRIBUTORY PROVIDENT GENERAL
PROVIDENT FUND ACCOUNTS**

- 6.20 The Administration Wing of the Authority shall provide separate lists of all officers/staff of the Authority actually working in each project/regional office whose services are pensionable and those who are working on contract basis to the Director Establishment and Accounts (E&A), in duplicate.
- 6.21 Director Establishment and Accounts (E&A) at the head office of the Authority shall maintain General Provident Fund accounts of all the individual subscribers whose services are pensionable.
- 6.22 Contributory Provident Account shall, however, be maintained by the Director Establishment and Accounts (E&A) at head office of the Authority in respect of all employees of the Authority working on contract basis or whose services are not pensionable.
- 6.23 On receipt of the lists the Director Establishment and Accounts (E&A) shall separately assign new account numbers to the subscribers for Contributory Provident Fund as well as General Provident Fund.

- 6.24 The basic principle to be observed in the allotment of Contributory / General Provident Fund Account Numbers is that the number once allotted shall not change during the entire service of the NHA employee. Separate block shall be allotted to Contributory Provident Fund and General Provident Fund Accounts and the officers and establishment of each of various projects/regions keeping in view their authorized strength and the requirement of the new numbers in the next ten years in the following manner:
- The prefix NHC shall be used with the account numbers in respect of Contributory Provident Fund.
 - The prefix NHG shall be used with the account numbers in respect of General Provident Fund.
 - The number in respect of officers shall start from 01 and shall proceed as 02, 03 and so on.
 - The number in respect of Establishment shall start from 11 and shall proceed as 12, 13 and so on.
- 6.25 The Director Establishment and Accounts (E&A) shall forward one copy each of these lists containing the Contributory Provident /General Provident Fund Account Numbers to the Project/Regional Accounts Officers to enable the latter to intimate the new Contributory Provident /General Provident Fund Account Numbers to the subscribers and note the same in the monthly Contributory Provident /General Provident Fund schedules.
- 6.26 The list shall be consolidated Project/Regional Accounts Office-wise and these consolidated lists duly signed by Director Establishment and Accounts (E&A) shall be forwarded in triplicate to the Contributory Provident Fund/General Provident Fund Section at the head office of the Authority who shall arrange to get the details of the balances noted in relevant columns of each of the three copies of the list against the name of

the subscriber if there are no missing credits or discrepancies in the account as per record of his office. In case of discrepant accounts the words "will follow" shall be recorded in relevant column of the lists. The pages of the list shall then be totaled to arrive at grand total of consolidated lists. The amounts on account of refund of Contributory Provident /General Provident fund advances shall be noted in the column of respective month below the amount of Contributory Provident /General Provident Fund contribution and included in the total in the relevant column of the list. Separate list of withdrawals made by the subscribers shall also be prepared in duplicate by the Contributory Provident Fund/General Provident Fund Section and the total amount of withdrawals so made shall be deducted from the total sum payable as balance. One copy of the lists so prepared shall be retained in the Contributory Provident Fund Section/ General Provident Fund Section as office record while the other one shall be circulated by the Director Accounts Establishment to the concerned Project/Regional Accounts Officers for onward supply to the subscribers for verification.

- 6.27 As for the missing credits/discrepant items in the accounts, the Contributory Provident/ General Provident Fund Section shall continue to deal with them till the entire amount has been adjusted and credited to the accounts of the subscribers concerned. On 25th of each month the Contributory Provident Fund/ General Provident Fund Section shall issue a supplementary list of all the accounts which have been reconciled during the previous month till all the accounts stand reconciled. The particulars of the original lists will be given in the supplementary list/lists by the Contributory Provident Fund/ General Provident Fund Section for facility of reference in the office of the Director Establishment and Accounts (E&A).

- 6.28 The existing Contributory Provident Fund Account maintained in the Bank shall be used as Contributory/General Provident Fund and the checks/bank drafts on account of Contributory Provident /General Provident Fund contribution and refund of Contributory Provident /General Provident Fund advances received from the Project/Regional Accounts Officers shall be recorded in the Cash Book and credited to the said Contributory Provident Fund Account by the Director Establishment and Accounts (E&A). All the payments of Advances/Final payments shall be made out of this account.
- 6.29 When an officer/employee is transferred to another department of the Government permanently, the balance lying in his Contributory Provident /General Provident Fund Account shall be paid in cash by the Director Establishment and Accounts (E&A) to his new accounts officer. The interest for part of an year in which an account is transferred shall however not be allowed to be paid in cash. It shall be credited by the new accounts officer.
- 6.30 All such cases of final payment authorized will be forwarded to Internal Audit Wing for audit.
- 6.31 The annual interest on Contributory Provident /General Provident Fund accounts will be calculated in the same manner as is done at present in the Contributory Provident Fund Section. The amount of interest and the closing balance for the year will, however, be noted in pencil in the Ledger Cards. The annual interest calculated shall, however, be accounted for in the Cash Book of the Director Accounts. The pencil entries in the ledger cards will be linked and balance slips issued to the subscribers.
- 6.32 Life Insurance Policies and Nomination Forms of the NHA employees now in the custody of the Project/Regional Accounts Offices shall be transferred by them against proper receipt to the Director Establishment and Accounts' (E&A) safe custody. The record of new Nomination Forms

and Life Insurance Policies will similarly be kept by the Director Establishment and Accounts (E&A).

LOANS AND ADVANCES TO EMPLOYEES

- 6.33 The Accounts Section Establishment who are at present maintaining the accounts of advances like Cycle / Motor Car / Motor Cycle / House Building advances of the Officers and staff of NHA will prepare Project/Region-wise and minor head-wise lists of the outstanding balances on the date of introduction of this System They will intimate the amount of these outstanding balances to the Project/Regional Accounts Officers concerned. On receipt of this information the Project/Regional Accounts Officers shall ensure that monthly deductions on account of advances drawn by employees on their respective payrolls or interest accrued thereon are invariably made from their salaries and remitted to the Director Establishment and Accounts monthly in the form of crossed checks/bank drafts.
- 6.34 The Bank Drafts / Checks from the Project/Regional Accounts Officers representing recoveries of interest on loans and advances shall be accounted for in the Cash Book of the Director Establishment and Accounts and deposited into the relevant Bank Account. The receipt will be credited to the respective subsidiary account of the control account "Interest on Loans and Advances by the Authority."
- 6.35 For keeping a proper watch over the recoverable amounts of various Loans and Advances to the employees of NHA, an appropriate account like "House Building Advances-Employees of NHA" shall be opened and updated with each addition/recovery of advance.
- 6.36 The Ministry of Communications shall be requested to make separate allocation of funds under the head "Loans and Advances" in the Annual

Establishment Budget. Out of the budget grant, the General Manager Finance shall distribute the budget grant for Loans and Advances to the various projects/regions and other formations of NHA. The accounting arrangement will be the same as are applicable to the budget grant for other Establishment Charges.

- 6.37 The payment shall be made by the Project/Regional Accounts Officers to the employees of their respective area against sanction issued by the competent authority and charged to the appropriate head under "Loans and Advances". The paid voucher may be sent to the Director Establishment and Accounts with the monthly accounts, who will maintain the accounts of "Loans and Advances."

ESTABLISHMENT PAYMENTS

- 6.38 While conducting scrutiny of establishment payments following aspects are required to be examined.
- Budget appropriation.
 - Approval/sanction of the Competent Authority.
 - Admissibility under laid down rules, regulations and procedures.
 - The bill/claim should be correct and complete in all respects.

PAY AND ALLOWANCES:

- 6.39 Pay Rules framed by Finance Division shall apply where no rules of the Authority have been notified.
- 6.40 Allowances shall be paid as per the rules, regulations and procedures of the Authority.
- 6.41 While making payments of pay and allowances, it shall be ensured that the authorized scales/strength of each cadre is not exceeded.

TRAVELLING ALLOWANCES/DAILY ALLOWANCES:

- 6.42 The rules regulations and procedures of the Federal Government shall be followed for working out the admissibility of the travelling and daily allowances.
- 6.43 For working out the daily allowance the pay scale structure of the Federal Government shall be adopted as reference.

HOUSE HIRING:

- 6.44 The entitlements as fixed and revised by the Authority from time to time shall be applicable for payment of House Hiring
- 6.45 All the rules, regulations and procedures of the Authority and Federal Government shall be followed as and where applicable.

MEDICAL CHARGES

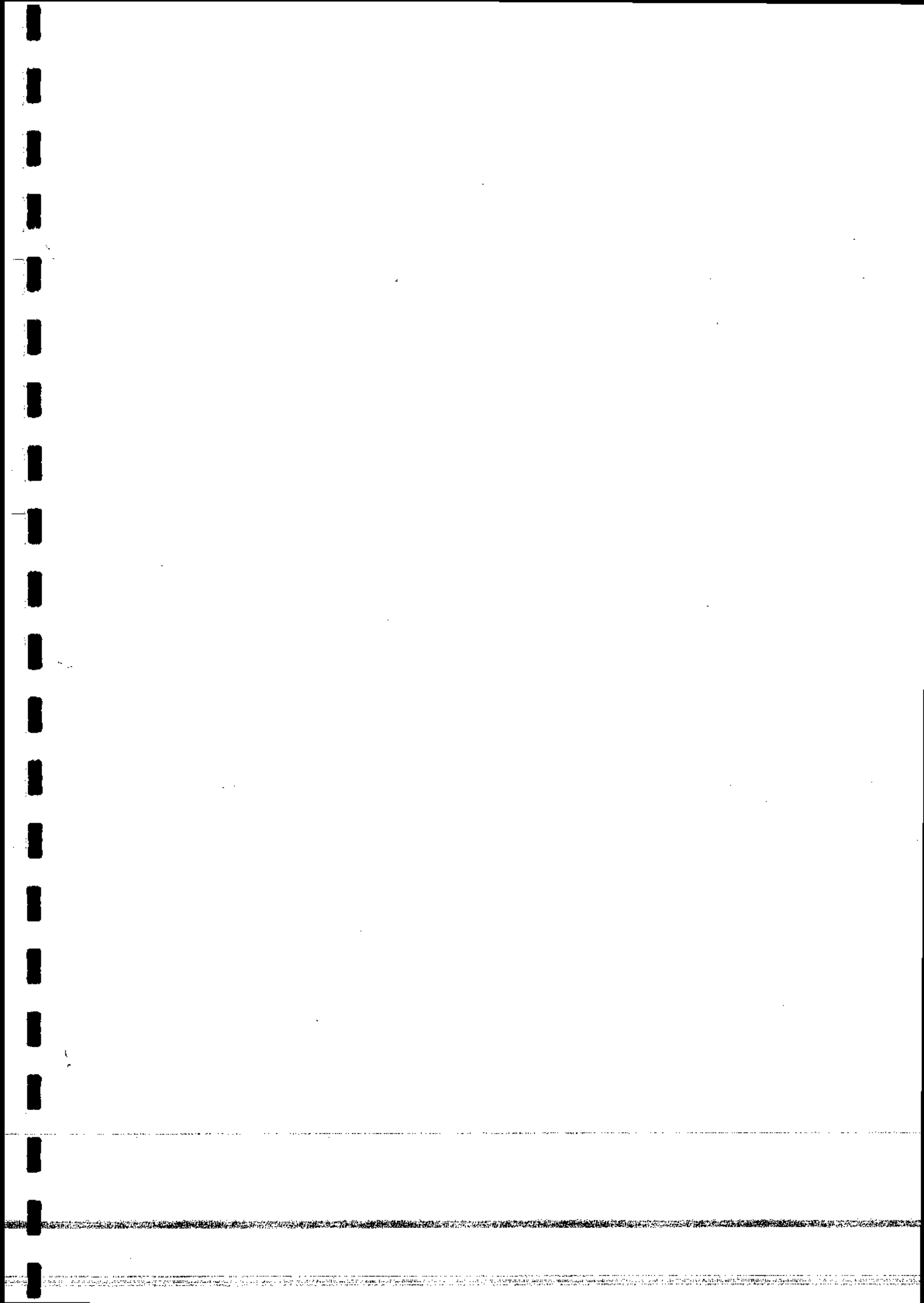
- 6.46 Expenditure on account of Medical cover to the employees of the Authority, deputationists their families and dependants shall be governed under NHA's medical policy and the rules of the Federal Government.

TRANSPORT CHARGES

- 6.47 Expenditure on account of transportation and vehicles on the pool of NHA shall be governed under the Transport Policy of NHA.

MISCELLANEOUS CHARGES

- 6.48 Expenditure on account of Miscellaneous Charges, e.g., official telephones, purchase of office tool and plants, furniture and fixture, rents and taxes, purchase of stationary, etc shall be watched as per the "Delegation of Powers" and specified authorization and entitlement.



CHAPTER 7

CHART OF ACCOUNTS

INTRODUCTION

- 7.1 Chart of accounts is a logical and scientific arrangement of the accounts with flexibility for incorporation of new accounts without disturbing the original scheme of accounts. It facilitates the easier handling of accounts and quick retrieval of required information and data.
- 7.2 The chart of accounts has been devised to maintain the accounting records in manual as well as electronic data processing (EDP) environment to achieve the following main objectives:
- Maintenance of accounting records in order to meet the different requirements of the management;
 - Accurate and expeditious compilation of periodical financial statements and reports;
 - Prompt and accurate provision of sufficient information to the management regarding operating results of the Authority for quick decision making; and
 - Facilitate the preparation of financial analysis and management information reports.

CODIFICATION

7.3 03. The coding scheme for the chart of accounts has been formulated keeping in view the easy handling of accounts and quick retrieval of required information. Each accounting code comprises of six digits as explained below:

00 00 00

00

00

00

Account Code

Control Code

Sub Control Code

Detail Code

CONTROL CODE

7.4 04. The control code representing the first two digits has been allocated to the main groups of Authority's transactions. Some of the control codes are:

- 01 00 00 Fixed assets cost - NHA possession
- 02 00 00 Fixed assets cost - Consultants/Contractors possession
- 03 00 00 Accumulated depreciation/amortization - Fixed assets in possession of NHA
- 04 00 00 Accumulated depreciation/amortization - Fixed assets in possession of consultants/contractors of NHA
- 05 00 00 Capital projects in progress

06 00 00	Assets acquired under finance lease arrangements
07 00 00	Accumulated amortization of assets subject to finance lease
08 00 00	Long term investments
09 00 00	Long term deposits
10 00 00	Long term loans to employees
11 00 00	Long term prepayments
12 00 00	Deferred costs

SUB CONTROL CODE

7.5 The third and fourth digits of each account code represent the subsidiary groups of the control accounts e.g., under the head "Fixed assets cost - NHA possession" (Control code 01.00.00), the following sub control codes shall be used:

01 00 00	FIXED ASSETS COST - NHA POSSESSION	Control
01 01 00	Freehold land	Sub control
01 02 00	Leasehold land	Sub control

01 03 00	Roads on freehold land	Sub control
01 04 00	Roads on leasehold land	Sub control
01 05 00	Bridges	Sub control
01 06 00	Building and civil construction on freehold land	Sub control
01 07 00	Building and civil construction on leasehold land	Sub control
01 08 00	Plant and machinery	Sub control
01 09 00	Vehicles	Sub control
01 10 00	Drawing survey and testing equipments	Sub control
01 11 00	Office equipment	Sub control
01 12 00	Computers	Sub control
01 13 00	Electric and gas installations	Sub control
01 14 00	Telecommunication installations	Sub control
01 15 00	Furniture and fixtures	Sub control
01 16 00	Library books	Sub control
01 17 00	Arms and ammunition	Sub control

DETAIL CODE

7.6 Fifth and sixth digits of each account code represent the detail codes showing the details of the sub control accounts. e.g; for "Establishment expenses" (Account code 71.00.00), the last two digits shall be used for detail classification of a certain expense as explained below:

71 00 00	ESTABLISHMENT EXPENSES	Control
71 18 00	Rental charges	Sub control
71 18 01	Rental charges - NHA offices	Detail
71 18 02	Rental charges-Employees/staff accommodation	Detail
71 18 03	Rental charges - Guest houses	Detail
71 21 00	Motor vehicle running expenses	Sub control
71 21 01	Motor vehicle POL charges	Detail
71 21 02	Motor vehicle repair and maintenance expenses	Detail
71 21 03	Motor vehicle insurance expenses	Detail
71 21 04	Motor vehicle other running expenses	Detail

ACCOUNT TYPE

7.7 As mentioned in the annexed chart of accounts, account type expresses the kind of account as explained below:

- Account type "1" represents the main control accounts in which direct posting of transactions is not permitted and all relevant sub-control/detail accounts with account type "2" and/or "3" shall be accumulated in this voucher type.
- Account type "2" refers to the sub control accounts where direct entry of vouchers is not allowed and all relevant detail accounts with account type "3" shall be accumulated in this voucher type.
- Account type "3" expresses the detail or sub-control accounts in which direct voucher entry is permitted.
- Account type "4" denotes the main control accounts which allows the direct voucher entry.

7.8 Hypothetically, account types are explained below:

Account Code	Description	Account Type	Nature of Account
35.00.00	Provision for doubtful receivables	4	Main control - Transactions allowed
71.00.00	Establishment expenses	1	Main control - Transactions not allowed

Account Code	Description	Account Type	Nature of Account
71.01.00	Salaries	3	Sub control - Transactions allowed
71.02.00	Wages	3	Sub control - Transactions allowed
71.03.00	Overtime	3	Sub control - Transactions allowed
71.04.00	Medical expenses	3	Sub control - Transactions allowed
71.05.00	Utilities to staff	2	Sub control - Transactions not allowed
71.05.01	Utilities to staff - Electricity	3	Sub control - Transactions allowed
71.05.02	Utilities to staff - Telephone	3	Sub control - Transactions allowed
71.05.03	Utilities to staff - Gas	3	Sub control - Transactions allowed

53 01 00 0002 Retention money/security deposits Subsidiary
 from contractors - Messrs XYZ Ltd.

WORK CODE

7.11 It is designed to facilitate the project/work wise classification and analysis of transactions and balances appearing in the subsidiary ledger accounts of consultants, contractors and suppliers etc.

7.12 Work code consists of four digits. It is in addition to subsidiary account code and is explained below:

Main Account Code	Subsidiary Ledger Code	Work Code	Description	Classification
53 00 00			Retention money/security deposits	Control
53 01 00			Retention money/security deposits from contractors	Sub control
53 01 00	0001		Retention money/security deposits from contractors - Messrs ABC Ltd.	Subsidiary

Main Account Subsidiary Ledger Work

Code	Code	Code	Description	Classification
53 01 00	0001	0001	Retention money/security deposits from contractors - Messrs. ABC Ltd. - Project A	Subsidiary with work code
53 01 00	0001	0002	Retention money/security deposits from contractors - Messrs. ABC Ltd. - Project B	Subsidiary with work code
53 01 00	0001	0003	Retention money/security deposits from contractors - Messrs. ABC Ltd. - Project C	Subsidiary with work code

7.13 As evident from above, by using the work code facility, one shall be able to analyze that how much of the total amount of security deposits of Messrs. ABC Limited pertains to each project/work being carried out by the company.

AMENDMENT IN CHART OF ACCOUNTS FILE AND OPENING OF NEW ACCOUNTS

7.14 No amendment or addition in main chart of accounts shall be made by any regional/project office without prior written approval of head office. However, amendments or additions/deletions in subsidiary ledger files and work code files can be made by the respective regional/project offices by themselves.

7.15 In case if any regional/project office requires any addition or amendment in main chart of accounts file, a written request to the head office in this regard shall be addressed

by the respective regional/project office. The head office, after evaluating the demand, may allow or disallow the request. Permission of head office for any amendment or addition in chart of accounts shall be evidenced through an official circular from the office of the head of the finance and accounting department.

7.16 These official circulars for amendment or addition in chart of account file shall be sent by the head office to all regional/project offices including the requisitioning regional/project office in order to enable each regional/project office to update their respective chart of accounts files.

CHART OF ACCOUNTS

7.17 The complete chart of account is set out below:

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
01.00.00	1	FIXED ASSETS COST - NHA POSSESSION
✓ 01.01.00	3	Freehold land
01.02.00	3	Leasehold land

ACCOUNT ACCOUNT

CODE	TYPE	TITLE OF ACCOUNT
01.03.00	3	Roads on freehold land
01.04.00	3	Roads on leasehold land
01.05.00	3	Bridges
01.06.00	3	Buildings and civil construction on freehold land
01.07.00	3	Buildings and civil construction on leasehold land
01.08.00	3	Plant and machinery
✓ 01.09.00	3	Vehicles
01.10.00	3	Drawing, survey and testing equipment
✓ 01.11.00	3	Office equipment
✓ 01.12.00	3	Computers
01.13.00	3	Electric and gas installations
01.14.00	3	Telecommunication installations
✓ 01.15.00	3	Furniture and fixtures

ACCOUNT ACCOUNT

CODE	TYPE	TITLE OF ACCOUNT
01.16.00	3	Library books
01.17.00	3	Arms and ammunition
02.00.00	1	FIXED ASSETS COST - CONSULTANTS/ CONTRACTORS POSSESSION
02.08.00	3	Plant and machinery
02.09.00	3	Vehicles
02.10.00	3	Drawing, survey and testing equipment
02.11.00	3	Office equipment
02.12.00	3	Computers
02.13.00	3	Electric and gas installations
02.14.00	3	Telecommunication installations
02.15.00	3	Furniture and fixtures

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
02.16.00	3	Library books
02.17.00	3	Arms and ammunition
03.00.00	1	ACCUMULATED DEPRECIATION/AMORTIZATION - FIXED ASSETS IN POSSESSION OF NHA
03.02.00	3	Leasehold land
03.03.00	3	Roads on freehold land
03.04.00	3	Roads on leasehold land
03.05.00	3	Bridges
03.06.00	3	Building and civil construction on freehold land
03.07.00	3	Building and civil construction on leasehold land
03.08.00	3	Plant and machinery
03.09.00	3	Vehicles
03.10.00	3	Drawing, survey and testing equipment

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
03.11.00	3	Office equipment
03.12.00	3	Computers
03.13.00	3	Electric and gas installations
03.14.00	3	Telecommunication installations
03.15.00	3	Furniture and fixtures
03.16.00	3	Library books
03.17.00	3	Arms and ammunition
04.00.00	1	ACCUMULATED DEPRECIATION - FIXED ASSETS IN POSSESSION OF CONSULTANTS/CONTRACTORS OF NHA
04.08.00	3	Plant and machinery
04.09.00	3	Vehicles
04.10.00	3	Drawing, survey and testing equipment
04.11.00	3	Office equipment

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
04.12.00	3	Computers
04.13.00	3	Electric and gas installations
04.14.00	3	Telecommunication installations
04.15.00	3	Furniture and fixtures
04.16.00	3	Library books
04.17.00	3	Arms and ammunition
05.00.00	1	CAPITAL PROJECTS IN PROGRESS
05.01.00	2	Head office projects in progress
05.02.00	2	Baluchistan regional office projects in progress
05.03.00	2	NWFP regional office projects in progress
05.04.00	2	Punjab - North regional office projects in progress
05.05.00	2	Punjab - South regional office projects in progress
05.06.00	2	Sindh regional office projects in progress

05.06.01	3	Kotri Bridge & Hyderabad Bypass
05.07.00	2	Lahore - Islamabad motorway projects in progress
05.07.01	3	Lahore Islamabad motorway project (work in progress)
05.07.25	3	General Expenses (LIMP)
05.08.00	2	Indus highway projects in progress
05.08.01	3	Indus highway project - Section 1
05.08.02	3	Indus highway project - Section 2
05.08.03	3	Indus highway project - Section 3
05.08.04	3	Indus highway project - Section 4
05.08.05	3	Indus highway project - Section 5
05.08.06	3	Indus highway project - Section 6
05.08.07	3	Indus highway project - Section 7
05.08.08	3	Indus highway project - Section 8
05.08.09	3	Indus highway project - Section 9
05.08.10	3	Indus highway project - Section 10

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.08.11	3	Indus highway project - Section 11
05.08.12	3	Indus highway project - Section 12
05.08.13	3	Indus highway project - Section 12 A
05.08.14	3	Indus highway project - Section 12 B
05.08.15	3	Indus highway project - Section 13
05.08.25	3	Indus highway project - General expenses
05.09.00	2	Fourth highway projects in progress
05.09.01	3	Fourth highway projects - Contract # 01
05.09.02	3	Fourth highway projects - Contract # 02
05.09.03	3	Fourth highway projects - Contract # 03
05.09.04	3	Fourth highway projects - Contract # 04
05.09.05	3	Fourth highway projects - Contract # 05
05.09.06	3	Fourth highway projects - Contract # 06

Chapter 7—Chart Of Accounts III

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.09.07	3	Fourth highway projects – Contract # 07
05.09.08	3	Fourth highway projects – Contract # 08
05.09.09	3	Fourth highway projects – Contract # 09
05.09.10	3	Fourth highway projects – Contract # 10
05.09.11	3	Fourth highway projects – Contract # 11
05.09.12	3	Fourth highway projects – Contract # 12
05.09.13	3	Fourth highway projects – Contract # 13
05.09.14	3	Fourth highway projects – Contract # 14
05.09.15	3	Fourth highway projects – Contract # 15
05.09.16	3	Fourth highway projects – Contract # 16
05.09.17	3	Fourth highway projects – Contract # 17
05.09.18	3	Fourth highway projects – Contract # 18
05.09.19	3	Fourth highway projects – Contract # 19

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.09.20	3	Fourth highway projects – Contract # 20
05.09.21	3	Fourth highway projects – Contract # 21
05.09.22	3	Fourth highway projects – Contract # 22
05.09.23	3	Fourth highway projects – Contract # 23
05.09.24	3	Fourth highway projects – Contract # 24
05.09.25	3	Fourth highway projects – Contract # 25
05.09.26	3	Fourth highway projects – Contract # 26
05.09.27	3	Fourth highway projects – Contract # 27
05.09.28	3	Fourth highway projects – Contract # 28
05.09.29	3	Fourth highway projects – Contract # 29
05.09.30	3	Fourth highway projects – Contract # 30
05.09.31	3	Fourth highway projects – Contract # 31
05.09.32	3	Fourth highway projects – Contract # 32

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.09.33	3	Fourth highway projects - Contract # 33
05.09.34	3	Fourth highway projects - Contract # 34
05.09.35	3	Fourth highway projects - Contract # 35
05.09.36	3	Fourth highway projects - Contract # 36
05.09.37	3	Fourth highway projects - Contract # 37
05.09.38	3	Fourth highway projects - Contract # 38
05.09.39	3	Fourth highway projects - Contract # 39
05.09.40	3	Fourth highway projects - Contract # 40
05.09.41	3	Fourth highway projects - Contract # 41
05.09.42	3	Fourth highway projects - Contract # 42
05.09.43	3	Fourth highway projects - Contract # 43
05.09.44	3	Fourth highway projects - Contract # 44
05.09.45	3	Fourth highway projects - Contract # 45

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.09.46	3	Fourth highway projects – Contract # 46
05.09.47	3	Fourth highway projects – Contract # 47
05.09.48	3	Fourth highway projects – Contract # 48
05.09.49	3	Fourth highway projects – Contract # 49
05.09.50	3	Fourth highway projects – General expenses
05.10.00	2	Fifth highway projects in progress
05.11.00	2	Flood Damages Rehabilitation Projects
05.11.01	3	Flood Damages Rehabilitation Projects – Mangla Bridge
05.11.02	3	Flood Damages Rehabilitation Projects – Karote Bridge
05.11.03	3	Flood Damages Rehabilitation Projects – Kohala Bridge
05.11.04	3	Flood Damages Rehabilitation Projects – Gari Habibullah Br.
05.11.05	3	Flood Damages Rehabilitation Projects – on N-5
05.11.06	3	Flood Damages Rehabilitation Projects – Removable Bridges

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.11.07	3	Flood Damages Rehabilitation Projects – AJK Bridges
05.11.08	3	Flood Damages (FD-94) 1151 (on N-55)
05.11.09	3	Flood Damages (FD-94) 1152 (on N-70)
05.11.10	3	Flood Damages (FD-94) 1153 (on N-70)
05.11.11	3	Flood Damages (FD-94) 162 (on N-40)
05.11.12	3	Flood Damages (FD-94) 163 (on N-50)
05.11.13	3	Flood Damages (FD-94) 164 (on N-65)
05.11.14	3	Flood Damages (FD-94) 165 (on N-70)
05.11.15	3	Flood Damages (FD-94) Sakhi Sarwar Nullah
05.11.16	3	Flood Damages (FD-94) Mithawar Nullah
05.11.17	3	Flood Damages (FD-94) Girdu Nullah
05.11.99	3	Flood Damages – General expenses
05.12.00	2	Transport sector projects in progress

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.12.01	3	Transport sector project
05.13.00	2	Feasibility studies
05.13.01	3	Feasibility study- Sheikhpura, Multan, DG Khan Motorway
05.13.02	3	Feasibility study - Kalat, Mastung, Quetta
05.13.03	3	Feasibility study- Lakpass, Nowkundi
05.13.04	3	Feasibility study - Harrow Park
05.13.05	3	Feasibility study- Gawadar to Ratodero Road
05.13.06	3	Feasibility study- D.I. Khan, Mughalkot Road
05.13.07	3	Feasibility study - Sukkar Bypass
05.13.08	3	Feasibility study - NHA Head Office Building
05.13.09	3	Feasibility study- Dargai, Saidu, Kalam
05.13.10	3	Feasibility study- Makran Coastal Road
05.13.11	3	Feasibility study-- General Specification of projects

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.13.12	3	Feasibility study- Lowari Tunnel project
05.13.13	3	Feasibility study- Kotli Sattian
05.13.14	3	Feasibility study- Additional Carriageway (N-5)
05.13.15	3	Feasibility study- Other schemes, Design review of structures
05.13.16	3	Feasibility study- Taxila overhead bridge
05.13.17	3	Feasibility study- Lahore Bypass
05.13.18	3	Feasibility study- Islamabad Murree dual carriageway
05.13.19	3	Feasibility study- Jhika Gali, Satra Mile
05.13.20	3	Feasibility study- Sarab - Kalat road project
05.13.21	3	Feasibility study- Karachi-Hub-Dharoji-Kakkar Road
05.13.22	3	Feasibility study- Pakpattan
05.13.23	3	Feasibility study- General, N-25, Quetta, Chamman
05.13.24	3	Feasibility study - Pindi Bhattian (Gojra Section)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.13.25	3	Feasibility study - Larkana - Nowdero road
05.13.26	3	Feasibility study - Fine collection (Weigh bridges at Margala)
05.13.27	3	Feasibility study - Chitral - Ishkashim Highway
05.13.28	3	Feasibility study - Survey & design of Topi - Darband road
05.13.29	3	Feasibility study - Overhead Bridge at Shahdara
05.15.00	2	Abandoned projects
05.15.01	3	Islamabad-Peshawar Motorway Project (IPMP)
05.16.00	2	IHP sub-office projects in progress
05.16.01	3	Kharian - Rawalpindi project
05.16.02	3	Garu - Ketti Bandar project
05.16.03	3	Lassan Nawab - Seri Dhanakka project
05.16.04	3	Abbotabad - Hassan Abdal project (N-35)
05.16.05	3	Chablat - Nowshera road project

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.16.06	3	Barian Nathiagali road project
05.16.07	3	Maintenance projects
05.16.08	3	Mansehra Chilas road project
05.16.09	3	Karakoram Highway project (KKH)
05.16.10	3	Benazir Avenue (Kuri Road)
05.16.11	3	Afghanistan road project
05.12.12	3	Chaman - Kandhar road project
05.17.00	2	Lahore - Okara project
05.17.01	3	Lahore - Okara project section I (FHP)
05.17.02	3	Lahore - Okara project section II
05.17.05	3	Lahore - Okara project - General expenses
05.18.00	2	4th HP sub-office projects in progress
05.18.01	3	Lahore bypass project

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.19.00	2	Halla Mianchunnu project
05.19.01	3	HMP - Hala Sakrand section
05.19.02	3	HMP - Sakrand Moro (I) section
05.19.03	3	HMP - Sakrand Moro (II) section
05.19.04	3	HMP - Moro - Kotri Kabir section
05.19.05	3	HMP - Kotri Kabir - Baberlo section
05.19.06	3	HMP - Baberlo - Ghotki section
05.19.07	3	HMP - Ghotki - Ubaro section
05.19.08	3	HMP - Rohro bypass bridge
05.19.09	3	HMP - Ubaro - Rahim Yar Khan section
05.19.10	3	HMP - Bahawalpur - Multan section
05.19.11	3	HMP - Multan - Mianchunnu section
05.19.12	3	HMP - Lahore - Gujranwala section

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.19.15	3	HMP - General expenses
05.20.00	2	Karachi to Chamman Highway (N-25)
05.20.01	3	N-25 - Uthal Bella section
05.20.02	3	N-25 - Sorab Kalat section
05.20.03	3	N-25 - Ratodero - Shahdad Kot section
05.20.04	3	N-25 - Shahdad Kot - Khuzdar section
05.21.00	2	Dalbadin - Nowkandi project in progress
05.21.01	3	Dalbadin - Nowkandi project - section III A
05.21.02	3	Dalbadin - Nowkandi project - section III B
05.22.00	2	Headquarters sub-office's other projects in progress
05.22.01	3	Traffic Count Programme Project
05.22.02	3	Traffic Engineering Unit
05.22.03	3	Construction supervision of Sukkur Bypass

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.22.04	3	Chiniot bridge
05.22.05	3	Islamabad, Murree (Satra Mile)
05.22.06	3	Wazirabad Overhead bridge
05.22.07	3	Farm to Market road project
05.22.08	3	Provincial highway project - Talibwala bridge
05.22.09	3	2 nd. Highway Project
05.22.10	3	Road Safety Study
05.22.11	3	Kohat Tunnel Project
05.22.12	3	ADP Cell – Grant for its operations
05.22.13	3	Tameer-e-Pakistan
05.23.00	2	Maintenance Backlog Reduction Programme (MBRP)
05.23.01	3	MBRP – Contract # 1
05.23.02	3	MBRP – Contract # 2 (C-7002 on N-25)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.23.03	3	MBRP - Contract # 3 (C-7002B on N-25)
05.23.04	3	MBRP - Contract # 4 (7003A; N-35)
05.23.05	3	MBRP - Contract # 5 (7003B; N-35)
05.23.06	3	MBRP - Contract # 6 (7004; N-5)
05.23.07	3	MBRP - Contract # 7 (7004, Bridge N-5)
05.23.08	3	MBRP - Contract # 8 (7005; N-25)
05.23.09	3	MBRP - Contract # 9 (7006A; N-35)
05.23.10	3	MBRP - Contract # 10 (7006; N-35)
05.23.11	3	MBRP - Contract # 11(7007)
05.23.12	3	MBRP - Contract # 12 (7008)
05.23.13	3	MBRP - Contract # 13 (7009)
05.23.14	3	MBRP - Contract # 14 (7010)
05.23.15	3	MBRP - Contract # 15 (7011A; N-5)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.23.16	3	MBRP - Contract # 16 (7011B; N-5)
05.23.17	3	MBRP - Contract # 17 (7011C; N-5)
05.23.18	3	MBRP - Contract # 18 (7012; N-5)
05.23.19	3	MBRP - Contract # 19 (7013; N-5)
05.23.20	3	MBRP - Contract # 20 (7014; N-5)
05.23.21	3	MBRP - Contract # 21 (7015)
05.23.22	3	MBRP - Contract # 22 (7016)
05.23.23	3	MBRP - Contract # 23 (7017)
05.23.24	3	MBRP - Contract # 24 (7018)
05.23.25	3	MBRP - Contract # 25 (7019)
05.23.26	3	MBRP - Contract # 26 (7020)
05.23.27	3	MBRP - Contract # 27 (7021)
05.23.28	3	MBRP - Contract # 28 (7022)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.23.29	3	MBRP – Contract # 29 (7023)
05.23.30	3	MBRP – Contract # 30 (7024)
05.23.31	3	MBRP – Contract # 31 (7025)
05.23.32	3	MBRP – Contract # 32 (7026)
05.23.33	3	MBRP – Contract # 33 (7027)
05.23.34	3	MBRP – Contract # 34 (7028)
05.23.35	3	MBRP – Contract # 35 (7029)
05.23.36	3	MBRP – Contract # 36 (7030)
05.23.37	3	MBRP – Contract # 37 (7031)
05.23.38	3	MBRP – Contract # 38 (7032)
05.23.39	3	MBRP – Contract # 39 (7033)
05.23.40	3	MBRP – Contract # 40 (7034)
05.23.41	3	MBRP – Contract # 41 (7035A; N-25)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.23.42	3	MBRP - Contract # 42 (7035B; N-25)
05.23.43	3	MBRP - Contract # 43 (7035D; N-25)
05.23.44	3	MBRP - Contract # 44 (7035E; N-25)
05.23.45	3	MBRP - Contract # 45 (7035F; N-25)
05.23.46	3	MBRP - Contract # 46 (7035G; N-25)
05.23.47	3	MBRP - Contract # 47 (FD-151)
05.23.48	3	MBRP - Contract # 48 (FD-150)
05.23.99	3	MBRP - General expenses
05.24.00	2	Resurfacing Strengthening Programme (RSP)
05.24.01	3	RSP - Contract # 7101 (N-5)
05.24.02	3	RSP - Contract # 7102 (N-5)
05.24.03	3	RSP - Contract # 7103 (N-5)
05.24.04	3	RSP - Contract # 7104 (N-5)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.05	3	RSP - Contract # 7105 (N-5)
05.24.06	3	RSP - Contract # 7106 (N-5)
05.24.07	3	RSP - Contract # 7107 (N-5)
05.24.08	3	RSP - Contract # 7108 (N-5)
05.24.09	3	RSP - Contract # 7109(N-55)
05.24.10	3	RSP - Contract # 7109T (N-55)
05.24.11	3	RSP - Contract # 7110 (N-65)
05.24.12	3	RSP - Contract # 7111 (N-25)
05.24.13	3	RSP - Contract # 7111A (N-25)
05.24.14	3	RSP - Contract # 7112 (N-65)
05.24.15	3	RSP - Contract # 7113 (N-40)
05.24.16	3	RSP - Contract # 7114 (N-40)
05.24.17	3	RSP - Contract # 7115 (N-40)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.18	3	RSP - Contract # 7116 (N-50)
05.24.19	3	RSP - Contract # 7117 (N-55)
05.24.20	3	RSP - Contract # 7118 (N-5)
05.24.21	3	RSP - Contract # 7119 (N-5)
05.24.22	3	RSP - Contract # 7120 (N-5)
05.24.23	3	RSP - Contract # 7121
05.24.24	3	RSP - Contract # 7122
05.24.25	3	RSP - Contract # 7123A (N-5)
05.24.26	3	RSP - Contract # 7123B (N-5)
05.24.27	3	RSP - Contract # 7124 (N-5)
05.24.28	3	RSP - Contract # 7124T (N-5)
05.24.29	3	RSP - Contract # 7125 (N-5)
05.24.30	3	RSP - Contract # 7126A (N-50)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.31	3	RSP - Contract # 7126B (N-50)
05.24.32	3	RSP - Contract # 7126C (N-50)
05.24.33	3	RSP - Contract # 7127 (N-55)
05.24.34	3	RSP - Contract # 7128 (N-55)
05.24.35	3	RSP - Contract # 7129 (N-65)
05.24.36	3	RSP - Contract # 7130 (N-65)
05.24.37	3	RSP - Contract # 7130A (N-65)
05.24.38	3	RSP - Contract # 7131A (N-65)
05.24.39	3	RSP - Contract # 7131B (N-65)
05.24.40	3	RSP - Contract # 7131C (N-65)
05.24.41	3	RSP - Contract # 7132
05.24.42	3	RSP - Contract # 7133 (N-70)
05.24.43	3	RSP - Contract # 7134

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.44	3	RSP - Contract # 7135
05.24.45	3	RSP - Contract # 7136 (N-5)
05.24.46	3	RSP - Contract # 7137 (N-5)
05.24.47	3	RSP - Contract # 7138 (N-5)
05.24.48	3	RSP - Contract # 7139 (N-50)
05.24.49	3	RSP - Contract # 7140 (N-5)
05.24.50	3	RSP - Contract # 7141 (N-5)
05.24.51	3	RSP - Contract # 7142 (N-5)
05.24.52	3	RSP - Contract # 7143A (N-70)
05.24.53	3	RSP - Contract # 7143B (N-70)
05.24.54	3	RSP - Contract # 7144
05.24.55	3	RSP - Contract # 7145
05.24.56	3	RSP - Contract # 7146

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.57	3	RSP - Contract # 7147
05.24.58	3	RSP - Contract # 7148 (N-55)
05.24.59	3	RSP - Contract # 7149
05.24.60	3	RSP - Contract # 7150
05.24.61	3	RSP - Contract # 7151A (N-5)
05.24.62	3	RSP - Contract # 7151B (N-5)
05.24.63	3	RSP - Contract # 7151C (N-5)
05.24.64	3	RSP - Contract # 7151D (N-5)
05.24.65	3	RSP - Contract # 7151E (N-35)
05.24.66	3	RSP - Contract # 7151F (N-35)
05.24.67	3	RSP - Contract # 7152
05.24.68	3	RSP - Contract # 7153
05.24.69	3	RSP - Contract # 7154

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
05.24.70	3	RSP - Contract # 7155
05.24.71	3	RSP - Contract # 7156
05.24.72	3	RSP - Contract # 7157
05.24.73	3	RSP - Contract # 7158
05.24.74	3	RSP - Contract # 7159
05.24.75	3	RSP - Contract # 7160
05.24.76	3	RSP - Contract # 7161 (N-65)
05.24.77	3	RSP - Contract # 7162A (N-65)
05.24.78	3	RSP - Contract # 7162B (N-65)
05.24.79	3	RSP - Contract # 7163
05.24.80	3	RSP - Contract # 7164
05.24.81	3	RSP - Contract # 7165A (N-65)
05.24.82	3	RSP - Contract # 7165B (N-65)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
24.83	3	RSP - Contract # 7166 (N-5)
24.84	3	RSP - Contract # 7167 (N-5)
24.99	3	RSP - General expenses
25.00	2	Land Management and Environment Affairs
25.01	3	Land management and environment affairs
00.00	1	ASSETS ACQUIRED UNDER FINANCE LEASE
00.00	1	ACCUMULATED AMORTIZATION OF ASSETS SUBJECT TO FINANCE LEASE
00.00	1	LONG TERM INVESTMENTS
00.00	1	LONG TERM DEPOSITS
01.00	3	Security deposits against electricity connections
02.00	3	Security deposits against telephone connections
03.00	3	Security deposits against gas connections
04.00	3	Security deposits against water connections

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
13.06.00	3	Sind regional office
13.07.00	3	Lahore - Islamabad motorway project office
13.08.00	3	Indus highway project office
13.09.00	3	Fourth highway project office
13.10.00	3	Fifth highway project office
13.11.00	3	Fourth Highway sub Office
13.12.00	3	Indus Highway Sub Office
13.13.00	3	Head Quarters- Sub Office
13.14.00	3	Head Quarters - One percent special allocation - 7 5/100 - 9/100
13.16.00	4	GM Land Management & Environmental Affairs - 7 1/100 - 1/100
13.17.00	3	Islamabad Peshawar Motorway Project Office
13.18.00	3	Pindi Bhattian Faisalabad Motorway Project Office
13.19.00	3	Karachi Hyderabad Motorway Project

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
13.20.00	3	GM Northern Areas & KKH
		CURRENT ASSETS
17.00.00	1	STORES, SPARES AND LOOSE TOOLS
17.01.00	3	Stores
17.02.00	3	Spares
17.03.00	3	Loose tools
17.04.00	3	Stores in transit
18.00.00	1	DEPOSITS/WORKS IN PROGRESS
18.01.00	2	NHA head office
18.02.00	2	Baluchistan regional office
18.03.00	2	NWFP regional office
18.04.00	2	Punjab regional office - North
18.05.00	2	Punjab regional office - South

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
18.06.00	2	Sind regional office
18.07.00	2	Lahore - Islamabad motorway project office
18.08.00	2	Indus highway project office
18.09.00	2	Fourth highway project office
18.10.00	2	Fifth highway project office
18.11.00	2	Fourth highway sub office
18.12.00	2	Indus highway project office
18.13.00	2	Headquarters sub office
18.16.00	2	GM Land management & environmental affairs office
18.17.00	2	Islamabad Peshawar Motorway Project Office
18.20.00	2	GM Northern Areas and KKH
19.00.00	1	OTHER PROJECTS AND WORKS IN PROGRESS
20.00.00	1	ADVANCES TO LAND ACQUISITION COLLECTOR AGAINST ACQUISITION

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
20.09.50	3	Advance to LAC - Fourth highway project
20.12.02	3	Advance to LAC - Dalbandin Nowkundi road project
20.13.07	3	Advance to LAC - Construction of Sukkur Bridge
20.15.01	3	Advance to LAC - Islamabad Peshawar Motorway Project
20.16.05	3	Advance to LAC - Chablat Nowshera road project
20.16.06	3	Advance to LAC - Barian, Nathiagali road project
20.17.05	3	Advance to LAC - Lahore Okara road project
20.18.01	3	Advance to LAC - Lahore Bypass project
20.19.01	3	Advance to LAC - Indus Highway Project
20.19.02	3	Advance to LAC - Kohat Tunnel Project
20.20.03	3	Advance to LAC - Ratodero - Shahdadkot road project
20.20.04	3	Advance to LAC - Khuzdar - Shahdadkot road project
20.36.00	3	Advance to LAC- from One percent Special Allocation

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
21.00.00	1	ADVANCES TO CONTRACTORS
✓ 21.01.00	2	Mobilization advances to contractors
✓ 21.01.01	3	Mobilization advance to contractors local currency
✓ 21.01.02	3	Mobilization advance to contractors foreign currency
✓ 21.02.00	3	Secured advances to contractors
21.03.00	3	Other advances to contractors
22.00.00	4	ADVANCES TO CONSULTANTS
✓ 22.01.00	3	Advances to consultants – Local currency
✓ 22.02.00	3	Advance to consultants – Foreign currency
23.00.00	4	ADVANCES TO SUPPLIERS
23.01.00	3	Advances to suppliers
24.00.00	1	ADVANCES TO EMPLOYEES
✓ 24.01.00	3	Advances to employees for expenses against projects in progress (Imprest Accounts of Project Directors)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
✓ 24.02.00	3	Advances to employees for miscellaneous expenses
24.03.00	3	Advances to employees against salaries
25.00.00	1	OTHER ADVANCES
✓ 25.01.00	3	Advances to lawyers
26.00.00	1	RECEIVABLE FROM DONOR AGENCIES AGAINST PAYMENTS TO CONTRACTORS/CONSULTANTS
27.00.00	1	RECEIVABLES AGAINST ADP CREDIT
27.01.00	2	Grants receivables
28.00.00	1	OTHER RECEIVABLES
✓ 28.01.00	3	Toil income receivable
✓ 28.02.00	3	Profit/return receivable on deposits with bank
✓ 28.03.00	3	Rentals receivable
28.04.00	3	Fees, fines and penalties receivables
28.05.00	3	Receivable against deposit works

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
28.06.00	3	Receivable against hire charges of machinery
28.07.00	3	Interest/mark-up receivable on advances to contractors/ consultants
28.08.00	3	Receivable from employees against excess use of utilities
28.09.00	3	Other receivables
28.10.00	3	Receivable from provincial government and agencies against transfer of roads and bridges
28.11.00	3	Adjustment Account
29.00.00	1	SHORT TERM INVESTMENTS
29.01.00	2	Special deposit accounts - Local currency
29.02.00	2	Special deposit accounts - Foreign currency
30.00.00	1	SHORT TERM DEPOSITS
30.01.00	2	Letters of Credit
30.01.01	3	IHP - Contract 01

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
30.01.02	3	IHP - Contract 02
30.01.03	3	IHP - Contract 03
30.01.04	3	IHP - Contract 04
30.01.05	3	IHP - Contract 05
30.01.06	3	IHP - Contract 06
30.01.07	3	IHP - Contract 07
30.01.08	3	IHP - Contract 08
30.01.09	3	IHP - Contract 09
30.01.10	3	IHP - Contract 10
30.01.11	3	IHP - Contract 11
30.01.12	3	IHP - Contract 12
30.01.13	3	IHP - Contract 12-A
30.01.14	3	IHP - Contract 12-B

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
30.01.15	3	IHP - Contract 13
31.00.00	1	SHORT TERM PREPAYMENTS
✓ 31.01.00	3	Prepaid rent
✓ 31.02.00	3	Prepaid insurance
31.03.00	3	Other prepayments
31.03.00	3	Other prepayments
32.00.00	1	ACCRUED INCOME
✓ 32.01.00	3	Accrued rental income
32.02.00	3	Accrued profit/return on deposits
32.03.00	3	Other accrued income
35.00.00	4	PROVISION FOR DOUBTFUL RECEIVABLES
36.00.00	1	CASH IN HAND
36.01.00	2	NHA head office

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
36.02.00	2	Baluchistan regional office
36.03.00	2	NWFP regional office
36.04.00	2	Puhjab regional office - North
36.05.00	2	Punjab regional office - South
36.06.00	2	Sind regional office
36.07.00	2	Lahore - Islamabad motorway project office
36.08.00	2	Indus highway project office
36.09.00	2	Fourth highway project office
36.10.00	2	Fifth highway project office
36.11.00	2	4th Highway project (Sub office)
36.12.00	2	Ist Highway project (Sub office)
36.13.00	2	Head office (Sub)
36.14.00	2	Transport sector project office

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
37.00.00	1	CASH WITH BANKS ON CURRENT ACCOUNTS
37.01.00	2	NHA head office
37.01.01	3	United Bank Limited - RDFC Branch Account No # 786-3
37.01.02	3	National Bank of Pakistan - Sector H-9 Account No # 705-8
37.01.03	3	United Bank Limited - RDFC Branch Account No.904-3 (Retention Money Account)
37.01.04	3	National Bank of Pakistan - Sector H-9 Account No.808-4 (Retention Money Account)
37.01.05	3	National Bank of Pakistan - Sector H-9 Account No.781-5 (Profit and Loss Account)
37.01.06	3	Habib Bank Limited - Super Market Branch Account No.11022-9 (Retention Money Account)
37.01.07	3	National Bank of Pakistan - Main Branch Account No.5021-6 (IBRD-2814#FHP)
37.01.08	3	National Bank of Pakistan - Main Branch Account No.5024-3 (IBRD-3241#TSP)

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
37.01.09	3	National Bank of Pakistan - Main Branch Account No.4962-0 (IDA.2468#Flood Relief)
37.01.10	3	National Bank of Pakistan - Main Branch Account No.4977-3 (ADB-1209#Flood Relief)
37.01.11	3	United Bank Limited - RDFC Branch - Account No. 930-2 (LIMP Imprest)
37.02.00	2	Baluchistan regional office
37.03.00	2	NWFP regional office
37.04.00	2	Punjab regional office - North
37.05.00	2	Punjab regional office - South
37.06.00	2	Sind regional office
37.07.00	2	Lahore - Islamabad motorway project office
37.08.00	2	Indus highway project office
37.09.00	2	Fourth highway project office
37.10.00	2	Fifth highway project office

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
37.11.00	2	4th Highway project (Sub)
37.12.00	2	1st Highway project (Sub)
37.13.00	2	Head office (Sub)
38.00.00	1	CASH WITH BANK ON DEPOSIT ACCOUNT
38.01.00	2	NHA head office
38.02.00	2	Baluchistan regional office
38.03.00	2	NWFP regional office
38.04.00	2	Punjab regional office - North
38.05.00	2	Punjab regional office - South
38.06.00	2	Sind regional office
38.07.00	2	Lahore - Islamabad motorway project office
38.08.00	2	Indus highway project office
38.09.00	2	Fourth highway project office

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
38.10.00	2	Fifth highway project office
38.11.00	2	4th Highway project (Sub)
38.12.00	2	Indus highway project sub office
38.13.00	2	Headquarters sub office
41.00.00	1	NHA FUNDS
41.01.00	3	Grants in aid
41.02.00	3	Accumulated surplus/(deficit)
42.00.00	1	RESERVES
43.00.00	4	DEFERRED REVENUE
44.00.00	1	RECEIPT AGAINST DEPOSIT WORKS
45.00.00	1	LONG TERM LOANS AND FINANCES
45.01.00	3	Long term advances - Overseas Economic Corporation Fund Loan (IHP)
45.02.00	2	Government of Pakistan Development Loans

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
45.02.01	3	Government of Pakistan Development Loan - 1995-96
45.02.02	3	Government of Pakistan Development Loan - 1996-97
45.02.03	3	Government of Pakistan Development Loan - 1997-98
45.02.04	3	Government of Pakistan Development Loan - 1998-99
45.09.00	2	IBRD Loan for Fourth highway project
45.09.01	3	IBRD Loan - Direct payments
45.09.02	3	IBRD Loan (Reimbursements of Claims)
45.09.03	3	IBRD Loan (Advances)
46.00.00	1	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE
47.00.00	1	DEFERRED LIABILITIES AGAINST RETIREMENT BENEFITS
48.00.00	1	PROVISION FOR TAXATION
49.00.00	1	PROVISION FOR COST OF INCOMPLETE WORKS OF COMPLETED PROJECTS

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
51.00.00	1	CURRENT MATURITY OF LONG TERM LOANS AND FINANCES
52.00.00	1	COMPENSATION PAYABLE
52.01.00	3	Compensation payable to affectees
52.02.00	3	Compensation payable to contractors
52.03.00	3	Compensation payable to consultants
52.04.00	3	Compensation payable to others
53.00.00	1	RETENTION MONEY AND SECURITY DEPOSITS
✓ 53.01.00	3	Retention money and security deposits from contractors
✓ 53.02.00	3	Retention money and security deposits from consultants
✓ 53.03.00	3	Retention money and security deposits from suppliers
53.04.00	3	Retention money and security deposits from others
✓ 53.05.00	3	Call deposits against tenders and bids

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
54.00.00	4	PAYABLE TO CONTRACTORS
55.00.00	4	PAYABLE TO CONSULTANTS
56.00.00	4	PAYABLE TO SUPPLIERS
57.00.00	1	PAYABLE AGAINST DEPOSIT WORKS
58.00.00	1	TAX DEDUCTED AT SOURCE PAYABLE
✓ 58.01.00	3	Income tax deducted at source - Staff
✓ 58.02.00	3	Income tax deducted at source - Contractors/Consultants
✓ 58.03.00	3	Income tax deducted at source - Suppliers
✓ 58.04.00	3	Professional tax deducted at source payable
59.00.00	1	ACCRUED AND OTHER LIABILITIES
59.01.00	3	Salaries and wages payable
59.02.00	3	Unclaimed salaries and wages
59.03.00	3	Medical expenses payable

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
59.04.00	3	Gratuity payable
59.05.00	3	Pension contribution payable
59.06.00	3	Payable to provident fund trust
59.07.00	3	Group insurance payable
59.08.00	3	Electricity expenses payable
59.09.00	3	Telecommunication expenses payable
59.10.00	3	Gas charges payable
59.11.00	3	Water charges payable
59.12.00	3	Rent payable
59.13.00	3	Payable against utilities to staff/employees
59.14.00	3	Interest/mark up payable on local currency loan
59.15.00	3	interest/mark up payable on foreign currency loan
59.16.00	3	Lease finance charges payable

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
59.17.00	3	Provision for unforeseen expenses
59.18.00	3	Miscellaneous expenses payable
59.19.00	3	Amount with held
59.24.00	3	Gratuity funds
59.25.00	3	Group insurance
59.26.00	3	Employees welfare fund
REVENUE		
61.00.00	1	GRANTS IN AID
✓ 61.01.00	3	Grants in aid - Government of Pakistan
✓ 61.01.01	3	Government of Pakistan Grants (Maintenance)
✓ 61.01.02	3	Government of Pakistan Grants (Establishment)
✓ 61.02.00	3	Grants in aid - Foreign

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
62.00.00	1	TOLL INCOME
62.01.00	3	Toll income – Talibwala Bridge
62.02.00	3	Toll income – Chanab Bridge
62.03.00	3	Toll income – Harrow Bridge
62.04.00	3	Toll income – Chiniot Bridge
62.05.00	3	Toll income – Tarakki Toll Plaza
62.06.00	3	Toll income – Mangla Bridge
62.07.00	3	Toll income – Lahore Islamabad Motorway
62.08.00	3	Toll income – Kurram Bridge
62.09.00	3	Toll income – Petaro Bypass
62.10.00	3	Toll income – Kandkot Bypass
63.00.00	1	OTHER INCOME
63.01.00	3	Fees, fines and penalties

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
✓ 63.02.00	3	Sale of tender documents
✓ 63.03.00	3	Fee for pre-qualification of consultants/contractors
✓ 63.04.00	3	Rental income
63.05.00	3	Gain on completion of deposit works
63.06.00	2	Gain / Loss on disposal of fixed assets
63.06.01	3	Gain / Loss on disposal of vehicles
63.06.02	3	Gain / Loss on disposal of books
63.06.03	3	Gain / Loss on disposal of furniture / fixtures
63.07.00	3	Interest/mark up on advances to contractors
63.08.00	3	Interest/mark up on advances to consultants
✓ 63.09.00	3	Income from investments
63.10.00	3	Return on bank deposits
63.11.00	3	Hire charges of machinery

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
63.12.00	3	Gain / Loss on Foreign Currency due to rate fluctuation
✓ 63.12.00	2	Miscellaneous income
12 63.12.01	3	Miscellaneous income - Income from laboratory
✓ 63.12.02	3	Miscellaneous income - Income from Auction
✓ 63.12.03	3	Miscellaneous income - Others
65.00.00	4	COST RECOVERED
66.00.00	1	COST CAPITALIZED
66.01.00	3	Cost capitalized - Capital works
66.02.00	3	Cost capitalized - Deposit works
66.03.00	3	Cost capitalized - Repair and maintenance works
		EXPENSES
71.00.00	1	ESTABLISHMENT EXPENSES
71.01.00	3	Salaries

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71.02.00	3	Honorarium
71.03.00	3	Overtime
71.04.00	3	Medical expenses
71.05.00	2	Utilities to staff
71.05.01	3	Utilities to staff - Electricity
71.05.02	3	Utilities to staff - Telephone
71.05.03	3	Utilities to staff - Gas
71.05.04	3	Utilities to staff - Water
71.06.00	3	Pension contribution
71.07.00	3	Provident fund contribution
71.08.00	3	Group insurance
71.09.00	3	Uniform and liveries
71.10.00	3	Staff training
71.11.00	3	Staff welfare
71.12.00	3	Electricity expenses

71.13.00	3	Telecommunication charges
71.14.00	3	Gas expenses ✓
71.15.00	3	Water charges ✓
71.16.00	3	Postage/courier charges ✓
71.17.00	3	Advertisement and publicity ✓
71.18.00	2	Rental charges ✓
71.18.01	3	Rental charges - Offices ✓
71.18.02	3	Rental charges - Employees/staff accommodation ✓
71.18.03	3	Rental charges - Guest houses ✓
71.19.00	3	Rates and taxes ✓ <i>Leave Salary</i>
71.20.00	3	Printing and Stationery
71.21.00	2	Motor vehicle running expenses
71.21.01	3	Motor vehicle - POL charges
71.21.02	3	Motor vehicle - Repair and maintenance expenses

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71.21.03	3	Motor vehicle - Insurance expenses
71.21.04	3	Motor vehicle - Other running expenses
71.22.00	2	Legal and professional charges
71.22.01	3	Legal expenses
71.22.02	3	Management/financial consultants fee
71.23.00	3	Audit fee and expenses
71.24.00	3	Entertainment
71.25.00	3	Newspapers and periodicals
71.26.00	3	Sports promotion
71.27.00	2	Traveling and conveyance
71.27.01	3	Traveling abroad
71.27.02	3	Inland traveling
71.27.03	3	Local conveyance
71.27.04	3	Traveling/daily allowance
71.28.00	3	Fees and subscription

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
71.29.00	2	Repair and maintenance expenses
71.29.01	3	Repair and maintenance - Roads on freehold land
71.29.02	3	Repair and maintenance - Roads on leasehold land
71.29.03	3	Repair and maintenance - Bridges
71.29.04	3	Repair and maintenance - Building and civil construction on freehold land
71.29.05	3	Repair and maintenance - Building and civil construction on leasehold land
71.29.06 ✓	3	Repair and maintenance - Plant and machinery
71.29.08	3	Repair and maintenance - Drawing, survey and testing equipment
71.29.09	3	Repair and maintenance - Office equipment
71.29.10	3	Repair and maintenance - Computers
71.29.11	3	Repair and maintenance - Electric and gas installations
71.29.12	3	Repair and maintenance - Telecommunication installations

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
71.29.13	3	Repair and maintenance - Furniture and fixtures
71.29.15	3	Repair and maintenance - Arms and ammunition
71.30.00	2	Depreciation/amortization charged on fixed assets in possession of NHA
71.30.01	3	Amortization on leasehold land
71.30.02	3	Depreciation on roads on freehold land
71.30.03	3	Depreciation on roads on leasehold land
71.30.04	3	Depreciation on bridges
71.30.05	3	Depreciation on building and civil construction on freehold land
71.30.06	3	Depreciation on building and civil construction on leasehold land
71.30.07	3	Depreciation on plant and machinery
71.30.08	3	Depreciation on vehicles
71.30.09	3	Depreciation on drawing, survey and testing equipments

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
71.30.10	3	Depreciation on office equipment
71.30.11	3	Depreciation on computers
71.30.12	3	Depreciation on electric and gas installations
71.30.13	3	Depreciation on telecommunication installations
71.30.14	3	Depreciation on furniture and fixtures
71.30.15	3	Depreciation on library books
71.30.16	3	Depreciation on arms and ammunition
72.31.00	2	Depreciation charged on fixed assets in possession of consultants and contractors of NHA
71.31.01	3	Depreciation on plant and machinery in possession of contractors/consultants
71.31.02	3	Depreciation on vehicles in possession of contractors/consultants
71.31.03	3	Depreciation on drawing, survey and testing equipments in possession of contractors/consultants

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
71.31.04	3	Depreciation on office equipment in possession of contractors/ consultants
71.31.05	3	Depreciation on computers in possession of contractors/ consultants
71.31.06	3	Depreciation on electric and gas installations in possession of contractors/consultants
71.31.07	3	Depreciation on telecommunication installations in possession of contractors / consultants
71.31.08	3	Depreciation on furniture and fixtures in possession of contractors/consultants
71.31.09	3	Depreciation on library books in possession of contractors/ consultants
71.31.10	3	Depreciation on arms and ammunition in possession of contractors/consultants
71.32.00	3	Bad debts and receivables
71.33.00	3	Miscellaneous establishment expenses
75.00.00	1	FINANCIAL EXPENSES

ACCOUNT CODE	ACCOUNT TYPE	TITLE OF ACCOUNT
75.01.00	3	Mark up/interest on long term loans
75.02.00	3	Lease finance charges
75.03.00	3	Bank charges and commission
75.04.00	3	Other financial charges
76.00.00	1	OTHER CHARGES
76.01.00	3	Loss on foreign exchange fluctuation
76.02.00	3	Loss on sale of fixed assets
76.03.00	3	Loss on completion of deposit works
76.04.00	3	Rest
99.00.00	4	PRIOR PERIOD ADJUSTMENTS

SUBSIDIARY ACCOUNTS

CAPITAL PROJECTS IN PROGRESS

(ACCOUNT CODE 05.00.00)

SUBSIDIARY
CODE

DESCRIPTION

0001	Land acquisition
0002	Consultancy - project feasibility and planning
0003	Project execution/monitoring consultancy
0004	Civil works
0005	Construction machinery, equipment and vehicles
0006	Relocation of utilities
0007	Road side plantation and forestation
0008	Financial Charges
0009	Project escalation charges

SUBSIDIARY CODE	DESCRIPTION
0010	Contingencies - Civil Work
0011	Contingencies - Others
0012	Salaries and allowances
0013	Overtime
0014	Medical
0015	Group Insurance
0016	Uniform and liveries
0017	Staff training
0018	Staff welfare
0019	Traveling and conveyance allowance
0020	Electricity expenses
0021	Telecommunication expenses
0022	Gas charges

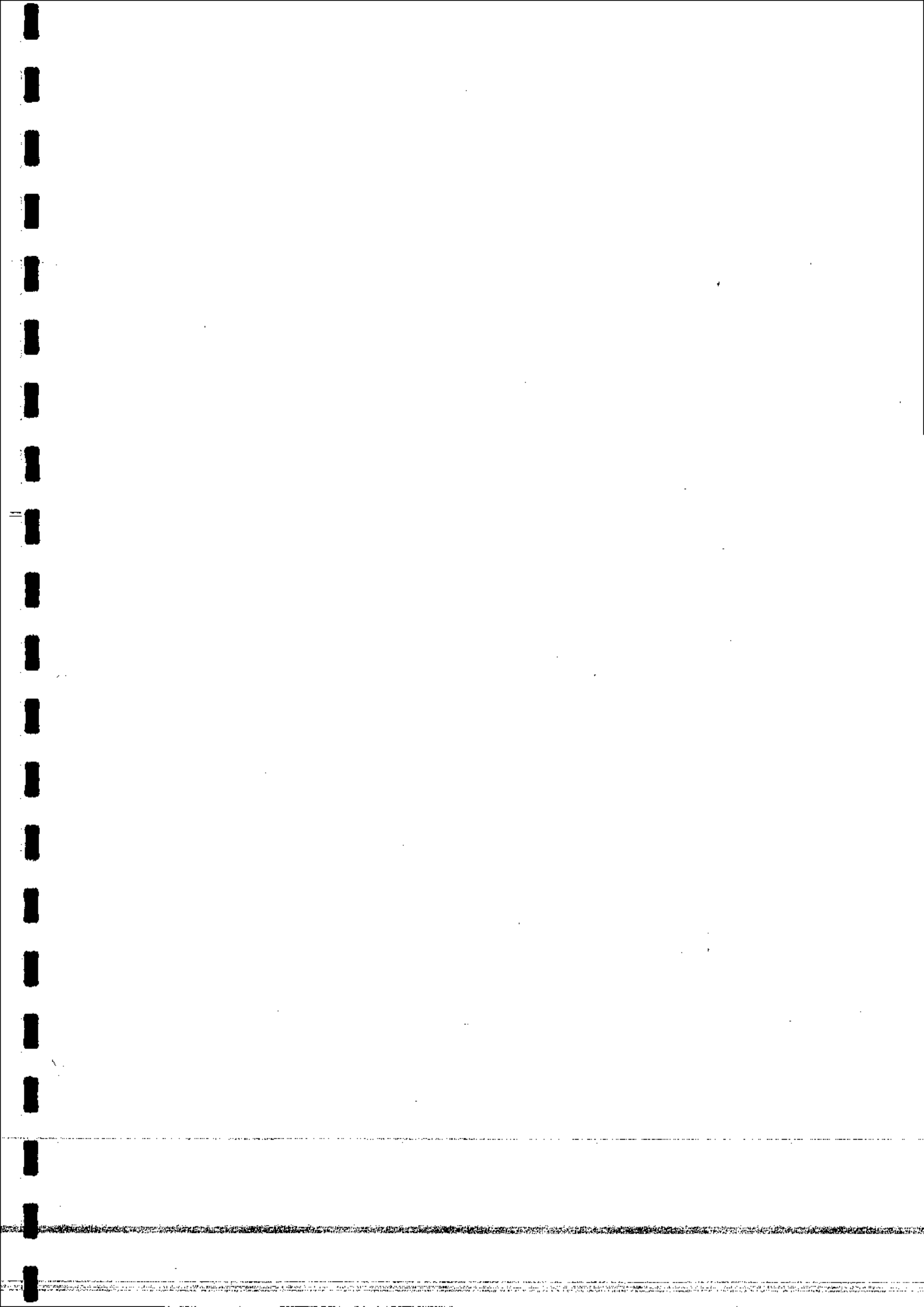
**SUBSIDIARY
CODE****DESCRIPTION**

0023	Water charges
0024	Advertisement and publicity
0025	Printing and stationery
0026	Rental charges - Office
0027	Rental charges - Guest house
0028	Rental charges - Staff accommodation
0029	Rates and taxes
0030	Motor vehicles POL charges
0031	Motor vehicles repair and maintenance
0032	Motor vehicles insurance expenses
0033	Other motor vehicles running expenses
0034	Legal expenses
0035	Management/Financial consultants fee

SUBSIDIARY
CODE

DESCRIPTION

0036	Entertainment
0037	Newspaper and periodicals
0038	Fee and subscription
0039	Repair and maintenance - Building and Civil Constructions
0040	Repair and maintenance - Plant and Machinery
0041	Repair and maintenance - Laboratory and office equipments
0042	Repair and maintenance - Computer
0043	Repair and maintenance - Electric, gas and telecommunication installations
0044	Repair and maintenance - Others
0045	Miscellaneous establishment expenses
0046	Depreciation
47	Postage & Telegrams



CHAPTER 8

BOOKKEEPING AND FINANCIAL STATEMENTS

INTRODUCTION

- 8.1 This Chapter covers the basic principles of double entry book keeping, preparation of source documents and financial statements. A system to ensure correct classification of accounts, maintenance of books of accounts, compilation of trial balances and financial statements has been prepared and is under implementation in NHA. This system is described below. The Chart of Accounts has already been described in detail in Chapter-7.
- 2 Double entry book keeping takes cognizance of the fact that every transaction that takes place has a bi-fold aspect. The system accordingly requires entries to be made in the books of account to give effect to both aspects of the transactions. For example if a payment of Rupees 150 000 is made to purchase a computer, NHA has spent a real sum of Rupees 150 000 which will be lessened (credited) from the bank balance or cash account. The computer will be added (debited) to the record of NHA's assets. Thus the transaction shows the double effect, i.e., the payment of Rupees 150 000 resulted in receipt of a computer of the value of corresponding payment.
- 8.3 A few advantages of double entry book keeping are highlighted as under:
- It provides a complete record of every transaction.
 - It provides an arithmetical check on the records since total of the debit entries must equals the total of the credit entries and as a consequence total of the debit balances must equal to the total of the credit balances.

- The end products of the double entry book keeping are the financial statements. With the help of financial statements (Balance Sheet and Income and Expenditure Account) one can assess the financial position and efficiency of the organization.
- With the help of subsidiary accounts, the amounts due to and due from different parties can be ascertained.
- In association with a reliable system of internal accounting controls, it reduces the risks and facilitates the detection of errors and frauds.

PRINCIPLES OF ACCOUNTING

8.4 The basic and fundamental rules of double entry book keeping are briefly described as below:

- Assets are debited, liabilities credited
- Expenses are debited, income credited
- Things coming into the business are debited, things going out of the business are credited
- Losses are debited, gain credited

8.5 The entire double entry accounting rests on the above principles.

8.6 All the transactions taking place in the Authority will be recorded in the books of account manually and through accounting software. The transactions will be evidenced by vouchers.

VOUCHERS (SOURCE DOCUMENTS)

8.7 Source documents or vouchers are prepared to evidence transactions and their authorization. Transactions will be recorded through accounting software. All the supporting documents to evidence a transaction are attached with the relevant voucher. The following types of vouchers will be prepared by the book keeping and accounting sections of the Authority to record the transactions manually as well as through accounting software:

Payment Voucher	(Form VIII-1)
Receipt Voucher	(Form VIII-2)
Journal Voucher	(Form VIII-3)

PAYMENT VOUCHER

8.8 All payments will be made after the approval of payment vouchers. Payment vouchers will be supported with bills or other documents on the basis of which the payment is to be made. All such bills and payment evidences will be scrutinized by the respective section of the department of accounting and finance prior to their submission for sanction of payment before the relevant competent authority in accordance with the approved schedule of financial powers.

8.9 All payments will, preferably, be made through cross cheques except for petty cash payments which can be made through petty cash imprest maintained by the cashier or other persons, authorized in this respect, to meet routine petty expenses.

- 8.10 The name of payee, cheque number and date, name of drawer bank and bank account number and total amount, in words, of the cheque will invariably, be mentioned on each payment voucher.
- 8.11 A bill payment check list (Form VIII-4) showing, at a glance, task performed for the checking of the bill and the status of contractual conditionalities to be fulfilled by the contractors, consultants and suppliers will also be attached with each payment voucher relating to payments to the contractors, consultants and suppliers. This check list will facilitate the payment approving authorities and cheque signatories to quickly go through the fulfillment, or otherwise, of the contractual obligations by the payee party and correction of the bill.

All payment vouchers will be prepared by Accounts Officer/ Superintendent, checked by the Assistant/Deputy Director and finally approved by the concerned Director. Signature of payee will be obtained on payment voucher at the time of making payment and official receipt of the payee will also be obtained from the recipient. All supporting documents and bills approved for payment by the expenditure sanctioning authority will be marked as "PAID" at the time of making payment and reference of cheque number and payment voucher will also be inserted on these bills and supporting documents.

RECEIPT VOUCHERS

- 8.12 Receipt voucher will be prepared to record the receipts and collections in the relevant cash and bank accounts. Name of payee, number and date of cheque/demand draft/pay order/telegraphic transfer, name and branch of drawee bank, nature and purpose of receipt, NHA's official receipt number and date, amount of voucher in words and name/branch of bank in which amount deposited will be stated on the receipt vouchers. The specimen of NHA's official receipt is given at Form VIII-5.

- 8.13 The voucher will be prepared by the Accounts Officer/Superintendent, checked by the Assistant/Deputy Director and finally approved by the concerned Director.

JOURNAL VOUCHER

- 8.14 Journal voucher is prepared to evidence the authorization to record non-cash transactions. A non-cash transaction is one which does not involve the actual receipt or/and payment of funds but the recognition of which, in the books of account, is fundamental as to properly reflect the operating results and financial position of the Authority.

- 8.15 Journal voucher will be prepared by the Account Officer/Superintendent, checked by Assistant/Deputy Director and approved by the concerned Director.

- 8.16 Unlike receipt and payment voucher, journal voucher is provided with the separate columns for writing the debit and credit amount in front of the relevant account codes. In case of journal vouchers, it is very important to check that sum total of debit column equals the sum total of credit column. If these columns are not balanced, the trial balance will not agree and financial statement could not be prepared, accurately.

VOUCHER PREPARATION - GENERAL INSTRUCTIONS

- 8.17 Location code, voucher type, voucher number and date will be written on each type of voucher, i.e., payment voucher, receipt voucher and journal voucher.

- 8.18 Location code is a two digits numerical expression of the regional/project office to which these vouchers relate. The location code is very important to be mentioned on each voucher in order to identify them in case if voucher of two/more locations are mixed up

with each other. Moreover, the accounting software also requires the identification of region/project into the financial books of which, the entries are being recorded.

8.19 Similar to location code, voucher type is also a two digits numerical description of the nature of voucher (Receipt, payment or journal), nature of transaction (Cash, bank or journal) and also refers to the bank account in case of bank payment or receipt voucher, to which the voucher relates.

8.20 Following is the list of different voucher types:

DESCRIPTION OF VOUCHERS VOUCHER TYPE

Cash receipts	21 to 25
Cash payments	31 to 35
Bank receipts	41 to 60
Bank payments	61 to 80
Journal voucher	81

8.21 In case of cash/bank related transactions, each cash/bank account will be assigned separate voucher types each for receipts and payments. for example:

	<u>VOUCHER TYPE</u>	
	<u>RECEIPTS</u>	<u>PAYMENTS</u>
Habib Bank Limited		
ABC Branch	41	61
XYZ Branch	42	62

Muslim Commercial Bank Limited

ABC Branch	43	63
XYZ Branch	44	64

National Bank of Pakistan

ABC Branch	45	65
XYZ Branch	46	66

8.22 Appropriate and relevant account codes, subsidiary codes and work codes, if any, along with descriptive title of account will be stated on each voucher. The amount against each account code will also be mentioned in the column specified for this purpose. A brief narration explaining the transaction will also be given on the vouchers.

8.23 All the supporting documents, duly approved by the relevant competent authority, evidencing the authenticity and authority of the transaction, will be attached with the relevant vouchers. The number of such supporting documents attached with each voucher will also be mentioned on the specified place on the voucher.

8.24 The persons involved in preparation, checking and approving the voucher will sign it on the places marked for this purpose on the voucher. The person making entry of the vouchers will also sign the vouchers.

GENERAL COST PRINCIPLES

8.25 The cost principles recommended herein classify costs as follows:

- Direct costs;

- Overhead costs;
- General and administrative costs.

DIRECT COSTS

8.26 Direct costs are those costs that can be specifically identified to contracts/projects. They include, but are not limited to, contracts for construction, sub-contracts costs, relocation of utilities, escalation charges, consultancy charges, design fee, professional fee, construction equipments, vehicles, projects execution and monitoring costs, project's establishment costs, financial charges paid or accrued on borrowings obtained for the specific contracts/project.

OVERHEAD COSTS

8.27 Overhead costs are defined as indirect costs that cannot conveniently be identified with nor charged directly to specific contract or project. Examples of overhead costs are general supervision, supplies, quality control and inspection, support services, research and development activities etc.

Allocation of costs to projects

It is important that the following standards be met for allocation of costs:

- (1) all significant costs that can be specifically identified to projects should be charged as direct costs;
- (2) overhead allocation methods should be systematic, rational, and consistently applied;
and
- (3) burden rates should be reviewed frequently and revised as necessary.

8.28 There are numerous ways that overhead can be allocated to projects. Some allocation bases are: direct project cost, direct contract cost, total project cost or output measures.

Obviously, these and other bases are not randomly appropriate, but should be selected only if rational for the type of overhead pool being allocated.

- 8.29 Keeping in view, present activities of the Authority, we recommend to allocate overhead costs to projects in the proportion of the total project cost incurred upon each project during the period for which the charge for overhead is made. Thus if there has been expended Rupees 20 million, Rupees 25 million and Rupees 35 million upon projects A, B and C respectively during a specific (cost) accounting period and indirect expenses/overheads for that period amounts to Rupees 5 million; the project accounts will be charged with the overheads as under:

Project A :	<u>20,000,000</u>	x	5,000,000	=	Rupees	1,250,000
	80,000,000					
Project B :	<u>25,000,000</u>	x	5,000,000	=	Rupees	1,562,500
	80,000,000					
Project C :	<u>35,000,000</u>	x	5,000,000	=	Rupees	2,187,500
	80,000,000					
					Rupees	<u>5,000,000</u>
						=====

GENERAL AND ADMINISTRATIVE COSTS

- 8.30 The distinction between contract/project direct costs and overhead costs has already been discussed. This section examines the factors that distinguish contract/project overhead costs from general and administrative costs. If costs cannot as a matter be associated with

any other period because they provide no discernible future benefits and because they cannot be clearly related to contracts/projects, they should be regarded as period costs.

8.31 It is obvious from above that costs can be classified as general and administrative if they fail to be classified as anything else. Their classification is thus not determined by the common characteristics that they may possess. It is also apparent from the above discussion that the determinations are practical judgements of what is clear and discernible.

8.32 As discussed above, general and administrative costs are, under most circumstances, considered period costs. As such, they are charged to an expense as incurred. Refer also paragraph No. 53 for project accounting.

ACCOUNTING ENTRIES

JOURNALIZATION OF EXPENDITURES

8.33 After approval of bills by the relevant competent authorities, these will be presented to the finance and accounts department for releasing payment to the concerned party. Based upon the approved amount of the bill and keeping in view the deductions to be made from the bill, the book keeping and accounts section will prepare journal voucher except for routine establishment expenses not involving any adjustment on any account in which case a rubber stamp will be marked on the bill, in the following manner, mentioning the account codes to be debited by the disbursing personnel on the payment voucher at the time of making payment:

S. <u>NO.</u>	ACCOUNT <u>CODE</u>	<u>AMOUNT</u> Rupees

8.34 The stamped bill or the journal voucher along with supporting documents will be sent to the disbursement officer who will prepare payment voucher on the basis of account code mentioned on the bill with rubber stamp or journal voucher, whichever is applicable. Serial number of journal vouchers will be controlled through a "JV Sequence Control Register" (Form VIII-6).

8.35 Some of the journal entries are being explained in the succeeding paragraphs. These will be passed by the relevant Accounts Officer/Superintendent on presentation of bills for payment.

CONTRACTOR'S BILLS

3.36 Contractors bills regarding deposit works, repair and maintenance works as well as other works will be journalized on the following basis:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
05.00.00	Capital projects in progress	*	
21.01.00	Mobilization advance to contractor		*
21.02.00	Secured advance to contractor		*
21.03.00	Other advances to contractor		*
53.01.00	Retention money/security deposits from contractors		*
54.00.00	Payable to contractor		*
58.02.00	Income tax deducted at source - Contractor/Consultant		*
58.04.00	Professional tax deducted at source - Contractor/Consultant		*

8.37 Likewise, consultants bill for capital works, deposit works, repair and maintenance works, and other works will also be journalized on the lines similar as above.

SUPPLIERS' BILLS

8.38 Entries on the following basis will be passed for suppliers' bills for all supplies including fixed assets, stores, spares, loose tools, stationery and other office and project supplies:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
01.00.00	Fixed assets - NHA possession	*	
58.03.00	Income tax deducted at source - Suppliers		*
53.03.00	Security deposits - Suppliers		*
23.01.00	Advances to suppliers		*
56.01.00	Payable to suppliers		*

PAYROLL

8.39 At the time of each salary payment period, the following journal entries will be passed on the basis of salary sheet to account for salaries, allowances and deduction etc:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
71.00.00	Establishment expenses (Accounts relating to salary, wages and related allowances only)	*	
10.01.00	Loan to employees against house building		*
10.02.00	Loan to employees against house repair		*
10.03.00	Loan to employees against car purchase		*
10.04.00	Loan to employees against motor cycle/bicycle purchase		*
24.03.00	Advances to employees against salaries		*

58.01.00	Income tax deducted at source - Staff	*
58.04.00	Professional tax deducted at source	*
59.01.00	Salaries and wages payable	*
59.06.00	Payable to provident fund trust	*
59.07.00	Group insurance payable	*

RECORDING OF PAYMENTS

8.40 All the payments will be made through bank except for petty payments which may be made through petty cash imprest. All the payments, including the payment to petty cash imprest holder to recoup the fund, will be recorded through payment vouchers.

8.41 The disbursing personnel will prepare payment voucher and allocate respective accounting code and head of accounts on the payment voucher on the basis of rubber stamp marked on the bill or the journal voucher received from the book keeping and accounts section. The serial number, date of payment, voucher and brief description of the payment will also be mentioned on the payment voucher.

8.42 Petty cash imprest will be maintained by cashier or other persons authorized in this respect. The petty cash imprest float will be reimbursed at regular intervals or whenever float balance touches a minimum level. The petty cash holder will submit a petty cash disbursement statement (Form VIII-7) giving the details of petty cash expenses and attaching with it supporting documents and evidences duly approved by the competent authorities. On receipt of petty cash disbursement statement and fulfillment of procedural formalities, the relevant Accounts Officer/Superintendent will pass a journal voucher by crediting the cash imprest and debiting the accounts codes mentioned on petty cash disbursement statement. After approval of the journal voucher by the relevant director, it

will be sent to the cash disbursing personnel who will issue the cheque to the petty cash holder equivalent to the amount of expenditure to recoup the float at its established level. He will also mention the reference of respective journal voucher on the payment voucher.

JOURNALIZATION OF INCOME

8.43 Following entries will be passed in the books of NHA to recognize income when it is due irrespective of the fact whether or not it has been received:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
(a) Toll income			
28.01.00	Toll income receivable	*	
62.00.00	Toll income		*
(b) Profit/return on bank deposits			
28.02.00	Profit/return receivable on deposits with banks	*	
63.10.00	Return on bank deposits		*
(c) Rental income			
28.03.00	Rentals receivables	*	
63.04.00	Rental income		*
(d) Fees, fines and penalties			
28.04.00	Fees, fines and penalties receivables	*	
63.01.00	Fees, fines and penalties		*
(e) Hire charges of machinery			
28.06.00	Hire charges of machinery receivables	*	
63.11.00	Hire charges of machinery		*

(f) Interest/mark up on advances to consultants/contractors

28.07.00	Interest/mark up receivable on advances to contractors and consultants	*
63.07.00	Interest/mark up on advances to contractors	*
63.08.00	Interest/mark up on advances to consultants	*

(g) Other income

28.08.00	Other receivables	*
63.12.00	Miscellaneous revenue	*

8.44 In order to exercise accounting control over the rental income, all regional and project office must maintain a list of NHA's properties rented out and a "Rent Demand Book" on the format as specified at Form VIII-8.

RECORDING OF RECEIPTS

8.45 All receipts from any source, whatsoever, will be entered in the books of account of the Authority through "Receipt Voucher". All receipts will be banked intact on the same day or the next following day. Till the time of deposit, all monetary documents including cash etc., will be kept in an iron safe under lock and key.

8.46 The receiving personnel in the accounting and finance section will prepare a receipt voucher by allocating the respective accounting codes and head of accounts on the voucher.

INTER BANK TRANSFERS

8.47 For recording of inter-bank transfers, only payment voucher will be prepared to avoid the duplication of accounting. It is very important because if two separate vouchers are prepared one for transferring bank (Payment voucher) and other for transferee bank (Receipt voucher), receipts and payments will be recorded twice. It is explained in next paragraph.

8.48 Payment voucher will credit the transferring bank account and debit the transferee bank account. The same entry will again be passed through receipt voucher by debiting the transferee bank account and crediting the transferring bank account. The result is that each of the transferring and transferee bank accounts are credited and debited twice - once at the time of passing the payment voucher and again at the time of passing the receipt voucher. Therefore, it should be made a policy that only payment voucher be prepared for inter bank transfers to avoid duplication in accounting of inter bank transfers.

INTER OFFICE TRANSACTIONS-

8.49 Appropriate and timely recording of inter office transaction in the books of respective offices is very important and necessary in order to reconcile the inter offices current accounts and exercise control over the transfer of assets and bank remittances by the transferee office.

8.50 The transferring office of NHA should send a "Debit Note" or inter office memo to the transferee office explaining the entry which the transferring office has passed in its book. Similarly transferee office should also send a Credit Note or inter office memo to the

transferring office recognizing the receipt of assets or bank remittances and explaining the nature of entry it has passed in its books. For example, if vehicles and funds are transferred from Head Office to Sind regional office, the following entries will be passed in the books of transferring office (Head Office) books and transferee office (Sind regional office) books:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
(a) Transferring Office (Head Office) Books			
(i) On transfer of vehicles			
13.06.00	Sind Regional Office Current Account	*	
01.09.00	Fixed Assets - NHA possession (Vehicles)		*
(ii) On transfer of funds			
13.06.00	Sind Regional Office Current Account	*	
37.01.00	Relevant bank account		*
(b) Transferee Office (Sind Regional Office) Books			
(i) On receiving the vehicle from head office			
01.09.00	Fixed Assets - NHA possession (Vehicles)	*	
13.01.00	NHA - Head Office Current Account		*
(ii) On receiving the funds from the head office			
37.06.00	Relevant Bank Account	*	
13.01.00	NHA - Head Office Current Account		*

PROJECT ACCOUNTING/CAPITAL PROJECTS IN PROGRESS

8.51 Capital projects in progress refers to the projects undertaken by NHA on its own or under the direction of the government but do not include deposit works, repair and maintenance works and roads rehabilitation works. General cost principles as stated in paragraphs 8.25 to 8.32 will be applied for the project accounting except allocation of general and

administrative cost. General and administrative cost incurred at projects which is conveniently identified with specific contract/project will be included in the overhead cost. The accounting treatment for capital works in progress (project accounting) is mentioned hereunder:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
(a)	On submission of bills by contractor and consultants working on the projects:		
	<u>(i) Contractor bill</u>		
05.00.00	Capital projects in progress (Account code of specific project)	*	
21.01.00	Mobilization advance to contractor		*
21.02.00	Secured advance to contractor		*
21.03.00	Other advance to contractor		*
53.01.00	Retention money/security deposits from contractor		*
58.02.00	Income tax deducted at source-Contractors/Consultants		*
58.04.00	Professional tax deducted at source		*
54.00.00	Payable to contractors		*
	<u>(ii) Consultant's bill</u>		
05.00.00	Capital project in progress (Account code of specific project)	*	
22.00.00	Advances to consultants		*
53.02.00	Retention money/security deposits from consultants		*
58.02.00	Income tax deducted at source-Contractors/ Consultants		*

58.04.00	Professional tax deducted at source	*
55.00.00	Payable to consultants	*

(b) If the project is financed through a loan, then financial charges of that loan will also be charged to that particular project. The following accounting entry will be passed to transfer such financial charges from establishment/financial expenses to the concerned project:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
05.00.00	Capital projects in progress (Account code of specific project)	*	
75.01.00	Mark up/interest on long term loans		*
75.03.00	Bank charges and commission		*
75.04.00	Other financial charges		*

(c) Overheads will also be charged to capital projects in progress on the basis as defined in para 29 to 31. The following accounting entry will be passed on charging/allocation of overhead to the relevant individual projects:

05.00.00	Capital projects in progress (Account code of specific project)	*	
06.01.00	Cost capitalized - Capital projects		*

The amount to the credit of 'Cost Capitalized-Capital Projects' will be lessened from administrative cost at the time of preparation of financial statements.

(d) If a capital project is completed except for some minor works, cost of work completed will be transferred to relevant asset account after making the provision for the cost of incomplete works. In such cases, the following accounting entries will be passed:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
i)			
05.00.00	Capital projects in progress (Account code of specific project)	*	
49.00.00	Provision for cost of incomplete works		*
ii)			
01.01.00	Freehold land	*	
01.02.00	Leasehold land	*	
01.03.00	Roads on freehold land	*	
01.04.00	Roads on leasehold land	*	
01.05.00	Bridges	*	
05.00.00	Capital projects in progress (Account code of specific project)		*

(e) If any completed project is subsequently transferred to a Provincial Government or Agency, the following entries will be passed:

(i) If completed project is financed partially through loan and partially through grants in aid:

28.01.00	Receivable from Provincial Government/Agencies against transfer of assets	*	
42.00.00	Grants	*	
46.00.00	Long term loans and finance	*	
01.03.00	Roads on freehold land	*	
01.04.00	Roads on leasehold land	*	
01.05.00	Bridges	*	

(ii) If transferred project is financed through loan only:

28.10.00	Receivable from Provincial Government/Agencies against transfer of assets	*	
46.00.00	Long term loans and finances	*	
01.03.00	Roads on freehold land	*	
01.04.00	Roads on leasehold land	*	
01.05.00	Bridges	*	

OTHER ADJUSTMENT/JOURNAL ENTRIES

8.52 In addition to the entries as explained in the above text, following are the other main types of journal and adjustment entries to be passed through journal vouchers:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
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Depreciation of fixed assets

71.30.00	Depreciation/amortization charged on fixed assets in possession of NHA	*	
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03.00.00	Accumulated depreciation/amortization on fixed assets in possession of NHA		*
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(Accounting entry on the above basis will be passed for charging of depreciation on fixed assets in the possession of NHA's consultants and contractors.

Resumption of possession of fixed assets from contractors/consultants

01.00.00	Fixed assets - NHA possession (Relevant accounts only)	*	
----------	---	---	--

02.00.00	Fixed assets - Consultants/ Contractors possession (Relevant accounts only)		*
----------	--	--	---

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
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Bad debts/receivable entries

a) To create the provision against doubtful receivables

71.32.00	Bad debts	*	
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35.00.00	Provision for doubtful receivables		*
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b) To write off the doubtful debts against provision for doubtful receivables

35.00.00 Provision for doubtful receivables *

Relevant receivable account *

Entries regarding dishonored cheques

a) In case if the cheque is issued by the Authority

37.00.00 Cash with banks on current accounts *

(Respective bank account)

Relevant payable account *

(Relevant payable account refers to the account which was debited on the payment voucher at the time of making the payment)

b) In case if the cheque is issued by an outside party in favour of the Authority

Relevant receivable account *

37.00.00 Cash with banks on current accounts *

(Respective bank account)

(Relevant receivable account refers to the account which was credited on the receipt voucher at the time of receipt of amount)

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
---------------------	-------------------------	--------------	---------------

Entries regarding assets being acquired under finance lease arrangements

06.00.00 Assets acquired under finance lease arrangements *

47.00.00 Liabilities against assets subject to finance lease *

Entries regarding accrued expenses

71.00.00 Establishment expenses *
(Relevant accounts)

59.01.00 Salaries and wages payable *

59.03.00 Medical expenses payable *

59.04.00 Gratuity payable *

59.05.00 Pension contribution payable *

59.06.00 Payable to provident fund trust *

59.07.00 Group insurance payable *

59.08.00 Electricity expenses payable *

59.09.00 Telecommunication expenses payable *

59.10.00 Gas charges payable *

59.11.00 Water charges payable *

59.12.00 Rent payable *

59.13.00 Payable against utilities to staff *

59.14.00 Interest/mark up payable on local currency loans *

59.15.00 Interest/mark up payable on foreign currency loans *

59.17.00 Miscellaneous expenses payable *

Accrued income

a) **Grants in aid**

27.01.00	Grants receivables	*
61.01.00	Grants in aid - Government of Pakistan	*
61.02.00	Grants in aid - Foreign	*

(Other entries for recording of accrued income have already been explained in para 45 under the head "Journalization of Income")

Charging/allocation of overheads at the end of the year to the relevant individual projects

Allocation of overheads

Overheads refer to indirect expenses which are though not directly attributable to any project but are necessary for project planning and execution, e.g., head office/ regional office expenditure. These overheads will be charged to the projects currently in progress or completed during the current year. Overheads will be allocated to the projects on the basis of expenses incurred on each project. It has been explained in para 29 to 31. The following entry will be passed for allocation of overheads:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
a)	Capital projects		
05.00.00	Capital projects in progress (Account code of specific project)	*	
66.01.00	Cost capitalized - Capital works		*

b) Deposit works

18.00.00	Deposit works in progress	*	
	(Account code of specific project)		
66.02.00	Cost capitalized - Deposit works		*

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
---------------------	-------------------------	--------------	---------------

c) Other projects

19.00.00	Other projects in progress	*	
	(Account code of specific project)		
66.03.00	Cost capitalized - Repair and maintenance works		*

Charging/allocation of financial charges at the end of the year to the relevant individual projects

Financial charges include interest/mark up on loans as well as other expenses relating to loans, e.g. loan commitment charge, project monitoring fee, legal documentation charges etc. All financial charges in respect of a loan obtained for a specific project will be charged to that project by passing the following accounting entry:

a) On accrual of financial charges:

05.00.00	Capital projects in progress	*	
	(Account code of specific project)		
59.14.00	Interest/mark up payable on local currency loans		*
59.15.0	Interest/mark up payable on foreign currency loan		*

b) On marking the payment of accrued/financial charges

59.14.0	Interest/mark up payable on local currency loans	*	
59.15.0	Interest/mark up payable on foreign currency loan	*	
37.00.00	Bank account		*

<u>ACCOUNT</u> <u>CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
-------------------------------	-------------------------	--------------	---------------

c) On marking the payment of financial charges on due
dates not accrued previously:

05.00.00	Capital projects in progress (Account code of specific project)	*	
37.00.00	Bank account		*

Entries on transfer of projects to provincial government and
agencies

a) If the completed project is financed through loans only

28.01.00	Receivable from Provincial Government/ Projects against transfer of assets	*	
46.00.00	Long term loans and finances	*	
01.03.00	Roads on freehold land		*

(Entries on the above lines will be passed on transfer other assets to provincial government and
agencies)

b) If the completed project is financed partially through loans and partially through grants in aid

28.10.00	Receivable from provincial Governments and agencies against transfer of assets	*	
42.00.00	Grants	*	
46.00.00	Long term loans and finances	*	
01.03.00	Roads on freehold land		*

(Entries on the above lines will be passed on transfer of other assets to provincial Government and agencies)

<u>ACCOUNT</u> <u>CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
-------------------------------	-------------------------	--------------	---------------

Disposal of fixed assets

a) Gain

28.08.00	Other receivables	*	
03.00.0	Accumulated depreciation - Fixed assets in NHA possession	*	
01.00.00	Fixed assets cost -		*
63.06.00	Gain on disposal of fixed assets		*

b) Loss

28.08.00	Other receivables	*	
03.00.0	Accumulated depreciation - Fixed assets NHA possession	*	

63.03.00	Loss on disposal of fixed assets	*	
02.00.00	Fixed assets cost - NHA possession		*

Entries on the above basis will be passed to recognize gain/(loss) on disposal of fixed assets in the possession of consultants/contractors of NHA)

Completion of Deposits work

a) Gain

45.00.00	Receipts against deposit work	*	
8.00.00	Deposit work in progress		*
63.05.00	Gain on completion of deposit work		*

b) Loss

45.00.00	Receipts against deposit work	*	
63.05.00	Loss on completion of deposit works	*	
.00.00	Deposit works in progress		*

REPAIR AND MAINTENANCE EXPENSES

8.53 Policy regarding accounting treatment of repair and maintenance expenses is stated in para 8.87 of this Chapter. All repair and maintenance expenses resulting the increase in the useful life of the assets will be capitalized and depreciated according to normal depreciation policy of the Authority as stated in para 8.85 of this manual. however, normal repair and maintenance expenses will be charged to establishment expenses.

8.54 The following accounting entries will be passed regarding repair and maintenance expenses:

<u>ACCOUNT CODE</u>	<u>TITLE OF ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>
---------------------	-------------------------	--------------	---------------

a) In case of repair and maintenance expenses are to be capitalized:

01.00.00	Fixed assets - Cost	*	
37.00.00	Bank account		*
(With the amount of repair and maintenance bills paid)			

b) In case of normal repair and maintenance expenses:

71.00.00	Repair and maintenance expenses	*	
37.00.00	Bank account		*
(With the amount of repair and maintenance bills paid)			

° 55. In addition to above journal entries, journal voucher will also be prepared to pass entries for opening balances as well as rectification of errors etc.)

DATA ENTRY AND PROCESSING

8.56 The approved source documents (Payment, receipt and journal vouchers) for a specified period will be filed in different file covers according to their voucher types to form the distinct batches of data. Before forwarding of vouchers to computer section for data entry, a final scrutiny of voucher will be carried out by book keeping section to ensure correct allocation of location code, voucher type, voucher number and dates and account codes.

8.57 A data control desk will be established in the EDP section of department of accounting and finance to manage, control and coordinate data entry and processing in an efficient manner. All the source documents from the book keeping section will be sent to the

Account Officer (EDP) who will be responsible for all EDP functions with regard to computerized accounting. Before data entry, he will ensure the correct allocation of location codes, account codes, voucher types, date-wise arranging of vouchers, checking of serial sequence of vouchers etc. After data entry, the Accounts Officer (EDP) will manage to check the edit lists, ensure the corrections of errors, if any. Accounts Officer (EDP) will ensure the timely processing of data and printing and timely distribution of reports to the authorized persons.

- 8.58 In order to efficiently coordinate all the data entry activities, the Accounts Officer (EDP) will maintain a data control register (Form VIII-9).

BOOKS OF ACCOUNT

- 59 These include general ledger and subsidiary ledgers to be kept through accounting software.
- 8.60 General ledger is the chief book of accounts containing all the transactions relating to all assets, liabilities, income and expenditure. All control accounts listed in the chart of accounts will be maintained in the general ledger.
- 8.61 Subsidiary ledger has been introduced in order to lessen the volume of accounts in general ledger. The concept of subsidiary ledger is necessitated by the fact that there are many general ledger accounts with number of individual accounts in respect of which individual control is also desirable along with cumulative control.
- 8.62 Some of the control accounts for which subsidiary ledgers are to be introduced are given below:

8.63

ACCOUNT
CODETITLE OF ACCOUNT

05.00.00	Capital projects in progress
10.01.00	Loan to employees against house building
10.02.00	Loan to employees against house repair
10.03.00	Loan to employees against car purchase
10.04.00	Loan to employees against motor cycle/bicycle purchase
21.01.00	Mobilization advances to contractors
21.02.00	Secured advances to contractors
21.03.00	Other advances to contractors
22.00.00	Advances to consultants
23.00.00	Advances to suppliers
24.01.00	Advances to employees for expenses against projects in progress
24.02.00	Advances to employees for miscellaneous expenses
24.03.00	Advances to employees for salaries
25.00.00	Other advances
28.03.00	Rentals receivables
28.06.00	Receivable against hire charges of machinery
53.01.00	Retention money and security deposits from contractors
53.02.00	Retention money and security deposits from consultants
53.03.00	Retention money and security deposits from suppliers
53.04.00	Retention money and security deposits from other
54.00.00	Payable to contractors
55.00.00	Payable to consultants
56.00.00	Payable to suppliers

TRIAL BALANCE

- 8.64 Trial balance is a summary of balances of accounts appearing in the general ledger at the end of a specified period. Trial balance will be printed out by the accounting software after data entry and processing of vouchers.
- 8.65 As a basic principle of double entry book keeping, the debit amounts resulting from each transaction must equal the credits from that transaction. Consequently, the sum of all debits in general ledger must be equal to the sum of all credit balances in the general ledger. Trial balance, therefore, is a test of arithmetical accuracy of the vouchers as well as postings thereof in the general ledger. Financial statements comprising of balance sheet and income and expenditure accounts along with explanatory notes/schedules are prepared on the basis of trial balance.

FINANCIAL STATEMENTS

- 8.66 Financial statements give information which is used by a variety of users, especially management, regulatory authorities, financial analysts, funding/donor agencies, creditors (present and potential) etc. The term "Financial Statements" covers balance sheet, income and expenditure account, cash flow statement and other schedules, statements and materials which are identified as being part of financial statements and are also necessary for understanding the financial statements.

8.67 As stated above, the books of account will be maintained through accounting software. Similarly, the financial statements will also be prepared and generated through this computer package. The accounting software will prepare financial statements on region/project office as well as consolidated basis. The consolidation process will be run at head office on the basis of data sent by regional/project offices on floppy diskettes.

68. Financial statements are explained below:

Balance Sheet

8.68 A balance sheet presents a summary statement of the Authority's financial position at a given point of time. It is a statement of those assets and liabilities of the Authority that can be given a value in term of money. It shows on the one hand the amount and form of funds employed (grants in aid, loans and liabilities) and on the other hand the form in which such funds are employed on the various assets. It balances Authority's assets (What it owns) against its funds and borrowings (What it owes).

8.69 With the help of a balance sheet, one can assess the financial position of the Authority in terms of its solvency, liquidity and efficiency. Balance sheet is supported by a number of schedules:

BALANCE SHEET SCHEDULES

- income and expenditure account;
- cash flow statements; and
- statements/schedules and other explanatory material/notes describing accounting conventions and policies used in preparation of financial statements, details of assets and liabilities etc.

8.70 Balance sheet must necessarily refer to a particular date because the financial position of the Authority keeps on changing from time to time depending upon whether additional resources are brought in by way of loans or grants in aid, whether some assets are acquired. It would, therefore, be useful to visualize the balance sheet in term of resources of the Authority and the uses to which such sources of the Authority are subjected to at the balance sheet date.

8.71 The format of balance sheet is given at Form VIII-10.

Income and Expenditure Account

8.72 A balance sheet shows assets of a company and how they are financed at a particular date; it needs to be supplemented by a document showing Authority's activity in terms of receipt of income and expenditure of for the period under report. Such a document, which is attached to the balance sheet, is known as income and expenditure account.

8.73 The information given in income and expenditure account is usually considered the most important information provided by financial accounting because operating efficiency is of paramount concern to those interested in the Authority. The format of income and expenditure account is presented at Form VIII-11.

Cash Flow Statement

8.74 A cash flow statement (Form VIII-12) is presented with the balance sheet and the income and expenditure account as an integral part of the financial statements. The inclusion of such a statement is useful to improve the understanding of the activities of the Authority for the reporting period.

- 8.75 The cash flow statement is prepared from financial data generally identifiable in the balance sheet, income and expenditure account and related notes. This statement presents information which may not be readily available in a usable and easily understandable manner in other two statements and notes thereto.
- 8.76 This statement deals with the presentation of a statement which summarizes, for the period under report, the resources made available to finance the activities of the Authority and uses to which such resources have been put. It matches the opening cash and bank balances with closing cash and bank balances by adding/(lessening) the cash inflows/(outflows) for the reporting period.

ACCOUNTING POLICIES

- 8.77 Accounting policies encompass the principles, bases, conventions, rules and procedures adopted by the management in preparing and presenting financial statements. There are many different accounting policies in use even in relation to the same subject; judgment is required in selecting and applying those which, in the circumstances of the NHA are best suited to present properly its financial position and results of its operations.
- 8.78 The International Accounting Standard - 1 requires that the management of any organization should undertake the following considerations at the time of selection and application of the appropriate accounting policies and the preparation of financial statements:
- (a) **Prudence**
- Uncertainties inevitably surround many transactions. This should be recognized by exercising prudence in preparing financial statements. Prudence does not, however, justify the creation of secret or hidden reserves.

(b) **Substance Over Form**

8.79 Transactions and other events should be accounted for and presented in accordance with their substance and financial reality and not merely with their legal form.

(c) **Materiality**

8.80 Financial statements should disclose all items which are material enough to affect evaluations or decisions.

8.81 Accounting policies stated in the succeeding paragraphs will be adopted by the Authority for preparation of its financial statements.

Accounting conventions

8.82 The accounts will be prepared on historical cost conventions subject to the effect of foreign exchange differences as discussed in subsequent clauses.

Fixed Capital Expenditure and Depreciation

8.83 Operating fixed assets except land and capital work-in-progress will be stated at cost less accumulated depreciation. Freehold land and capital work-in-progress will be stated at cost. Leasehold land will be stated at cost less accumulated amortization. Cost of leasehold land will be amortized over the lease period.

8.84 Depreciation on operating fixed assets will be provided on reducing balance method so as to write off the historical cost of the asset over its estimated useful life. Leasehold land will be amortized over the lease period. Fixed assets will be depreciated using the following rates:

	<u>RATE</u>
	% P.A.
Freehold land	Nil
Buildings	05
Roads and bridges	10

Construction plant and machinery	25
Vehicles	20
Drawing, survey and other equipments	25
Office, equipments and computer	25
Electric and gas installation	20
Furniture and fixtures	20
Arms and ammunitions	20
Library books	20

- 8.85 Full year's depreciation will be charged on additions while no depreciation be charged on assets deleted during the year.
- 8.86 Major renewals and improvements resulting in increase of useful life of fixed assets will be capitalized whereas minor renewals, replacements, maintenance and repairs charged to income and expenditure account as and when incurred.
- 8.87 Gain or loss on disposal of fixed assets will be charged to current year's income and expenditure account.

Assets subject to Finance Lease

- 8.88 Assets subject to finance lease will be stated at the lower of present value of minimum lease payments under the lease agreement and fair value of the assets less depreciation at the rates and basis applicable to Authority's own assets. The related obligations of the lease will be accounted for as liabilities.

Deferred Cost

- 8.89 Research and development costs relating to any projects before its execution will be deferred till the final decision of the Authority and will be capitalized as a part of the cost of completed project. However, if the Authority, finally, decides not to execute a project after incurring research and development costs, these will immediately be charged to income and expenditure account.

Stores, Spares and Loose Tools

- 8.90 Usable stores, spares and loose tools will be valued at moving average basis while items considered obsolete are recorded at token value of Rupee 1 for each item. Items in transit will be valued at cost comprising the invoice values plus other charges paid thereon till the balance sheet date.

Capital works/projects in progress

- 8.91 These will be stated at costs incurred thereon upto the date of balance sheet including overhead cost and financial charges on the borrowings obtained for the specific project/contract.

Deposit works

- 8.92 All expenditures incurred and the related recoveries on deposit works-in-progress will be shown in the financial statements under the heads "Deposit works-in-progress" and "Receipts against deposit works-in-progress" respectively. Furthermore all expenditures

incurred on deposit works fully executed will be adjusted against the related receipts and the resulting short or excess receipts will be shown under the heads "Receivables or payable against deposit works" respectively.

Foreign currency transactions

- 8.93 Transactions in foreign currencies will be recorded in the books of account using the rates of exchange ruling at the date of respective transactions. All assets and liabilities in foreign currencies will be translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date. Gains and losses on foreign exchange transactions will be capitalized and included in the respective assets and liabilities.

Grants

- 8.94 Grants received for capital works will be treated as deferred credit and will be amortized on rational basis on useful life of related assets.
- 8.95 In case if the assets are transferred to any provincial Government/agency, the cost of such asset and corresponding grant will be transferred to the related provincial Government/agency.
- 8.96 Grants in aid received to meet the cost of repair and maintenance works will be amortized on matching principle over the period of incurring the corresponding expenses.
- 8.97 Grants in aid received for establishment expenses will be recognized as income in the related period.

General

8.98 The above stated accounting policies should be kept under constant review in order to bring these upto date by incorporating the changes required by any change in the circumstances of the Authority, any pronouncements of professional accounting bodies or as required under any law for the time being, in force.

8.99 In addition to above significant accounting policies, there are certain fundamental accounting assumption underlying the preparation of financial statement. These fundamental accounting assumptions are:

(a) Going Concern

8.100 The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.

(b) Consistency

8.101 It is assumed that accounting policies are consistent from one period to another.

(c) Accrual

8.102 Revenues and costs are accrued, that is, recognised as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate.

8.103 If any of the above fundamental accounting assumptions are not followed by the Authority, the fact is required to be disclosed specifically so that the user of the financial statements could evaluate the financial position of the Authority in the absence of fundamental accounting assumptions. However, in case of application of above fundamental accounting assumptions, no disclosure is required in this regard.

STATEMENTS AND
RETURNS

FORM: I-1

National Highway Authority

Name of Office (Head Office/Region/Project) _____

CASH BOOK FOR THE MONTH OF _____, 19__.

RECEIPTS										
Serial No.	Date of Receipt	Voucher No. & Date	From Whom Received	CASH RECEIVED						
				In Office	In Bank			Account		
					Establishment Account	Maintenance Account	Project Account	Receipts Account	Code	Type
1	2	3	4	5	6	7	8	9	10	11

DISBURSEMENTS										
Serial No.	Date of Payment	To Whom Paid	Voucher No. & Date	CASH PAID						
				By Cash	By Cheque			Account		
					Establishment Account	Maintenance Account	Project Account	Receipts Account	Code	Type
12	13	14	15	16	17	18	19	20	21	22

FORM 1-2

National Highway Authority

Name of Office (Head Office/ Region/ Project) _____

MONTHLY STATEMENT OF ACCOUNT

PART-I: PROJECTS ACCOUNT

I. Amount Received

Serial No.	Account Code	Name of Project	PC-I Cost	ADP Allocation for the Year	Source of Funds				
					Transfer from Head Office For				
					Contractor's Payment	Consultant's Payment	Advance for Land Acquisition	Advance for Utilities	Establishment
1	2	3	4	5	6	7	8	9	10
1									
2									
3									
					Total _____				

Opening Balance _____

Others (Give Details in Remarks)	Total			Remarks
	Upto Last Month (Progressive)	This Month (Col 6 to 11)	Total (Progressive)	
11	12	13	14	15

II. Disbursements

Type of Disbursement											
Serial No.	Account Code	Name of Project	Contractor's Payment		Consultant's Payment		Payment of Land Acquisition				
			PC-I Provision	Amount Paid (Progressive) (Form I-2 (A))	PC-I Provision	Amount Paid (Progressive) (Form I-2 (B))	PC-I Provision	Amount Paid (Progressive)	Unadjusted Balance of Advance		
1	2	3	4	5	6	7	8	9	10		
			Total								

Payment for Utilities		Establishment (Form I-2 (C) Refers			Total			Remarks
PC-I Provision	Amount Paid (Progressive)	Unadjusted Balance of Advance	PC-I Provision	Amount Paid (Progressive) (Scale-wise Authorised/Posted Strength Attached)	Upto Last Month	This Month	Total	
11	12	13	14	15	16	17	18	19

Closing Balance: _____ (Bank Reconciliation & Bank Statement Attached)

PART II: MAINTENANCE ACCOUNT

I. Amount Received

Serial No.	Account Code	Name of Region	Annual Regional Allocation	Amount Received					Remarks
				Upto Last Month (Progressive)	This Month			Total (Progressive) (Col 5 +8)	
					From Head Office	Others (Give Details in Remarks)	Total		
1	2	3	4	5	6	7	8	9	10
1									
2									
3									

Total

II. Disbursements

Serial No.	Account Code	Name Of Maintenance Unit	Details of Disbursements						Establishment (Grade-wise Authorised/Posted Strength Attached)
			Payments to Maintenance Contractors					Progressive Payment	
			Name of Highway	Reference to Reach	Name of Contractor	Contract Value			
1	2	3	4	5	6	7	8	9	

Total

Total Progressive Payment in r/o		Total Disbursement		
Maintenance Unit	Highway	Upto Last Month	This Month	Total
10	11	12	13	14

Closing Balance: _____ (Bank Reconciliation & Bank Statement Attached)

PART III: ESTABLISHMENT ACCOUNT (252 Regular Posts(Grade-wise List Attached))

I. Amount Received

Opening Balance: _____

Serial No.	Account Code	Name of Region	Annual Regional Allocation	Upto Last Month (Progressive)	Amount Received				Remarks
					This Month			Total (Progressive) (Col 5 +8)	
					From Head Office	Others (Give Details in Remarks)	Total		
1	2	3	4	5	6	7	8	9	10
1									
2									
3									

Total _____

II. Disbursements

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks
				Upto Last Month	This Month	Total (Progressive)			
						Proportionate	Actual		
1	00000'	ESTABLISHMENT CHARGES	4	5	6	7	8	9	10
1	01100'	Pay of Officers							
2	01200'	Pay of Staff							
3	02000'	Regular Allowances							
		Total							
	03000'	OTHER CHARGES							
4	03100'	Overtime Allowance							
5	03300'	Honourarium							
6	03400'	Medical Charges							
7	03700'	Contingencies							
8	03800'	Leave Salary/Pension Contribution							
9	03900'	Other Allowances							
		Total							

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks	
				Upto Last Month	This Month	Total (Progressive)				
						Proportionate	Actual			
1	2	3	4	5	6	7	8	9	10	
	10000	PURCHASE OF DURABLE GOODS								
10	11000	Transport								
11	12000	Machinery & Office Equipment								
12	13000	Furniture & Fixtures								
		Total								
	40000	REPAIR/MAINTENANCE OF DURABLE GOODS								
13	41000	Transport								
14	42000	Machinery & Office Equipment								
15	43000	Furniture & Fixtures								
16	44100	Office Buildings								
17	44200	Residential Buildings								
18	49000	Others - Gardens								
		Total								
	50000	COMMODITIES & SERVICES								
19	51100	TA/DA Officers & Staff								
20	51300	P.O.L.								
21	51400	Conveyance/Carriage/Shipping Charges								
22	52100	Postage, Stamps & Telegrams								
23	52200	Telephones, Trunk Calls & FAX								
24	53100	Sui Gas								
25	53300	Electricity								
26	54000	Stationery								
27	55000	Printing & Publications								
28	56000	Newspapers, Periodicals & Library Books								
29	5700	Uniform and liveries								
30	58100	Rent of Office Building								
31	58200	Rent of Residential Building								
32	59500	Publicity and Advertisement Charges								
33	59900	Others								
		Total								

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks
				Upto Last Month	This Month	Total (Progressive)			
						Proportionate	Actual		
1	2	3	4	5	6	7	8	9	10
	60000	<u>TRANSFER PAYMENTS:</u>							
34	66500	Gratuity/Pension							
35	66900	Other(C.P.Funds) NHA							
36	67000	Entertainment & Gift Charges							
		Total							
	80000	<u>LOAN & REPAYMENTS:</u>							
37	85100	House Building Advance							
38	85201	Motor Car Advance to Officer							
39	85301	Motor Cycle Advance to Staff							
40	85401	Cycle Advance to Staff							
		Total							
	90000	<u>MISCELLANEOUSEXPENDITURE</u>							
41	91100	Construction and Subscription for Group Insurance & Benavelant Funds							
42	91200	Subscription to PIARC.							
43	95000	Misc. Expenditure- Conference/Seminars Workshops/Sumpoium							
		Total							
		Total Other Charges							
		Grand Total							

Closing Balance: _____ (Bank Reconciliation & Bank Statement Attached)

PART IV: RECEIPTS ACCOUNT

Opening Balance: _____

I. Amount Received

Serial No.	Account Code	Type of Receipt	Annual Regional Target	Amount Received			Remarks
				Upto Last Month (Progressive)	This Month	Total (Progressive) (Col 5 + 6)	
1	2	3	4	5	6	7	8
1		Tolls {(Details Attached on Form I-2(D))}					
2		Sale of Tender Firms					
3		Sale of Assets					
4		Sale of Land					
5		Sale of Vehicles					
6		Profit on Bank Accounts					
7		Fines					
8		Lease Rents					
9		Others					
		Total					

(No Disbursements allowed from Receipts Account)

Closing Balance: _____

(Bank Reconciliation & Bank Statement Attached)

{Form I-2 (A)}

National Highway Authority

Name of Office. (Head Office/Region/Project) _____

Details of Payments Made to Contractors

During the Month _____, 19__.

Serial No.	Account Code	Name of Project	Name of Sub Section	Name of Contractor	Contract Value	Paid Upto Last Month	This Month Paid			Total Paid (Progressive)	Gross Value of Work Done Paid For (Progressive)	Remarks
							Particulars of Bill/IPC Paid	Net Amount of Bill	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13

{Form I-2 (B)}

National Highway Authority

Name of Office. (Head Office/Region/Project) _____

Details of Payments Made to Consultants

During the Month _____, 19__.

Serial No.	Account Code	Name of Project	Name of Sub Section	Name of Consultant	Contract Value	Paid Upto Last Month	This Month Paid			Total Paid (Progressive)	Gross Value of Work Done Paid For (Progressive)	Remarks
							Particulars of Bill/IPC Paid	Net Amount of Bill	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13

{Form I-2 (C)}
 {Form I-2 (A) Refers}

National Highway Authority

Name of Office. (Head Office/Region/Project) _____

Details of Disbursements of Establishment Charges (Project Establishment)

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks
				Upto Last Month	This Month	Total (Progressive)			
						Proportionate	Actual		
1	2	3	4	5	6	7	8	9	10
	00000'	ESTABLISHMENT CHARGES							
1	01100'	Pay of Officers							
2	01200'	Pay of Staff							
3	02000'	Regular Allowances							
		Total							
	03000'	OTHER CHARGES							
4	03100'	Overtime Allowance							
5	03300'	Honourarium							
6	03400'	Medical Charges							
7	03700'	Contingencies							
8	03800'	Leave Salary/Pension Contribution							
9	03900'	Other Allowances							
		Total							
	10000	PURCHASE OF DURABLE GOODS							
10	11000	Transport							
11	12000	Machinery & Office Equipment							
12	13000	Furniture & Fixtures							
		Total							
	40000	REPAIR/MAINTENANCE OF DURABLE GOODS							
13	41000	Transport							
14	42000	Machinery & Office Equipment							
15	43000	Furniture & Fixtures							
16	44100	Office Buildings							
17	44200	Residential Buildings							
18	49000	Others - Gardens							
		Total							

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks
				Upto Last Month	This Month	Total (Progressive)			
						Proportionate	Actual		
1	2	3	4	5	6	7	8	9	10
	50000	COMMODITIES & SERVICES							
19	51100	TA/DA Officers & Staff							
20	51300	P.O.L.							
21	51400	Conveyance/Carriage/Shipping Charges							
22	52100	Postage, Stamps & Telegrams							
23	52200	Telephones, Trunk Calls & FAX							
24	53100	Sui Gas							
25	53300	Electricity							
26	54000	Stationery							
27	55000	Printing & Publications							
28	56000	Newspapers, Periodicals & Library Books							
29	5700	Uniform and liveries							
30	58100	Rent of Office Building							
31	58200	Rent of Residential Building							
32	59500	Publicity and Advertisement Charges							
33	59900	Others							
		Total							
	60000	TRANSFER PAYMENTS:							
34	66500	Gratuity/Pension							
35	66900	Other(C.P.Funds) NHA							
36	67000	Entertainment & Gift Charges							
		Total							
	80000	LOAN & REPAYMENTS:							
37	85100	House Building Advance							
38	85201	Motor Car Advance to Officer							
39	85301	Motor Cycle Advance to Staff							
40	85401	Cycle Advance to Staff							
		Total							
	90000	MISCELLANEOUSEXPENDITURE							
41	91100	Construction and Subscription for Group Insurance & Benavelant Funds							
42	91200	Subscription to PIARC.							
43	95000	Misc. Expenditure- Conference/Seminars Workshops/Sumpoium							

Serial No.	Account Code	Head	Annual Regional Allocation	Details of Disbursements				Funds Required (if any)	Remarks
				Upto Last Month	This Month	Total (Progressive)			
						Proportionate	Actual		
1	2	3	4	5	6	7	8	9	10
		Total							
		Total Other Charges							
		Grand Total							

Closing Balance: _____ (Bank Reconciliation & Bank Statement Attached)

{Form I-2(D)}

National Highway Authority

Name of Office. (Head Office/Region/Project) _____

Details of Tolls Collected

During the Month _____, 19____.

Serial No.	Account Code	Particulars of Toll Point	Annual Regional Target	Amount Received			Remarks
				Upto Last Month (Progressive)	This Month	Total (Progressive) (Col 5 + 6)	
1	2	3	4	5	6	7	8

1
2
3
4
5
6

Total _____

FORM II-1

(Referred to in Clause 2.7 of Chapter 2)

PROFORMA FOR APPROVED YEARLY PRIORITY LIST OF NEXT YEAR'S ADP

(TO BE CIRCULATED BY PLANNING WING BY EVERY 1ST SEPTEMBER)

S. No.	Name of the Project	Preliminary Cost Estimates	Salient Features of the Work	Estimated Completion Time	Remarks
1	2	3	4	5	6

FORM II-2

(Referred to in Clause 2.8 to 2.10 of Chapter 2)

(To be supplied by the Planning/Highways/Motorways Wings and Project Accounts Sections to Budget Section by 15th November)

NATIONAL HIGHWAY AUTHORITY
PUBLIC SECTOR DEVELOPMENT PROGRAM FOR THE NEXT FINANCIAL YEAR.

Sr. No.	Name Location of the Scheme	Approval Status Approved/Unapproved	Estimated Cost		Actual Expenditure upto June 30 of Last Year	Estimated expenditure during Current Fin. Year			Cumulative Expenditure upto June 30, Next Year 6+9
			Total	Foreign Aid		Upto December, This Year	upto June, Next Year	Total Current Fin. Year	
1	2	3	4	5	6	7	8	9	10

% age Utilization		Demand for PSDP of Next Financial Year						Component of total Cost		
Upto June, Last Year 6%4	upto June, Next Year 10%4	Total	Rupees Financing through Budget	Foreign Aid Channeled through Budget	Bank Credit / Market Loan	Self Financing	Foreign Loan Equity	IDC#	Duties Etc.	Balance Rupee Component (13-19-20)
11	12	13	14	15	16	17	18	19	20	21

Donor Agency	Brief Project Profile	Proposed Work During Next Financial Year	Justification of Demand	Demand for Fin. Year after Next Financial Year					
				Total	Rupees Financing through Budget	Foreign Aid Channeled through Budget	Bank Credit / Market Loan	Self Financing	Foreign Loan Equity
22	23	24	25	26	27	28	29	30	31

Demand for Fin. Year after Next Financial Year					
Total	Rupees Financing through Budget	Foreign Aid Channeled through Budget	Bank Credit / Market Loan	Self Financing	Foreign Loan Equity
32	33	34	35	36	37

FORM II-3

(Referred to in Clause 2.13 of Chapter 2)

REVIEW OF PSDP FOR THE Current Financial Year.

Table - I Project History											
S.No.	Name of Project	Total Project Cost			Approval Status of PC-I	Progressive Expenditure upto June 30 last year			Balance Cost to Complete the Project		
		L/C	F/C	Total		L/C	F/C	Total	L/C	F/C	Total
1	2	3	4	5	6	7	8	9	10	11	12

Table - II Status Financial For Current Financial Year.											
PSDP Current Financial Year			Actual Value of Work Done upto November 30, This Year			Payment Released upto November 30, This Year			Value of Work Expected to be Done upto June 30, Next Year "		
L/C	F/C	Total	L/C	F/C	Total	L/C	F/C	Total	L/C	F/C	Total
13	14	15	16	17	18	19	20	21	22	23	24

Table - II (Contd.) Status Financial For Current Financial Year											
Minimum Payment to be released upto 'June 30,' Next Year			Total Requirement Current Financial Year			Requirement Over and Above PSDP Current Financial Year					
L/C	F/C	Total	L/C	F/C	Total	L/C	F/C	Total			
25	26	27	28	29	30	31	32	33			

FORM II-4

(Referred to in Clause 2.18 of Chapter 2)

NATIONAL HIGHWAY AUTHORITY

**REVISED ESTIMATES CURRENT FINANCIAL YEAR AND BUDGET ESTIMATES IN RESPECT OF
MAINTENANCE OF NATIONAL HIGHWAYS
FOR THE NEXT FINANCIAL YEAR**

Name of Section Of National Highway	Estimated Cost During Current Financial Year	Budget Estimates Current Financial Year (Approved)	Supplementary Grant Current Financial Year	Revised Estimates Current Financial Year	Proposed Estimates Current Financial Year	Remarks
1	2	3	4	5	6	7

ANNEX-I TO FORM II-5

**STATEMENT SHOWING PAY AND ALLOWANCES OF THE OFFICERS AND STAFF
(BUDGET ESTIMATES NEXT FINANCIAL YEAR)**

S.No	Name	Designation & Basic Scale	Initial Pay	Basic Pay as on December 1 of This Year including Increment	Total Monthly Allowances (See Col:18 of Appendix)	Total Monthly Emoluments (Col:5+6)	Amount Required for Five Months (July-November, Next Year) (Col:7X5)
1	2	3	4	5	6	7	8

Basic Pay as on December 1, Next Year including Increment	Total Monthly Allowances (See Col:18 of Appendix)	Total Monthly Emoluments As on December 1, Next Year. (Col:9+10)	Amount Required for Seven Months (December, Next Year-June, Year after Next Year) (Col:11X7)	Total Amount Required for the Next Financial Year (Col:8+12)
9	10	11	12	13

FORM II-5

(Referred to in Clause 2.20 of Chapter 2)

NATIONAL HIGHWAY AUTHORITY

STATEMENT OF COMPARATIVE POSITION OF THE ADMITTED BUDGET ESTIMATES FOR THE NEXT FINANCIAL YEAR AND THE SANCTIONED GRANT AND REVISED ESTIMATES FOR THE CURRENT FINANCIAL YEAR—AND THE PAST ACTUALS

GRANT NO FOR CURRENT YEAR: 23 – OTHER EXPENDITURE OF MINISTRY OF COMMUNICATIONS

GROUP SUB HEAD OF CURRENT GRANT: ADMINISTRATION

Code NO.	Classification of Expenditure	Actual for the last three years			Actual for the last 12 months			Total Column 6 & 7
		Year prior to Year before Last Financial Year	Year before Last Financial Year	Last Financial Year	Last eight month of the previous Financial year Last Financial Year	First four month of the current financial Current Financial Year		
1	2	3	4	5	6	7	8	

Position of the Current Financial year			Proposed Budget for the Next Financial Year			
Sanctioned Grant for the Current year	Revised estimates after 50% Cut	Foreign Exchange component of the Revised Estimates	As Proposed By NHA	As Admitted by the Financial Advisor	Foreign Exchange Component of The admitted Budget Estimates	Remarks
9	10	11	12	13	14	15

APPENDIX TO ANNEX-1 TO FORM II-5

S.No.	Name	Designation & Basic Scale	Living Allowance	Adhoc Relief	Deputation Pay	Qualification Pay	Special Pay
1	2	3	4	5	6	7	8

Personal Allowance	Orderly Allowance	Sr. Post/ Dress Allowance	Entertainment Allowance	Washing Allowance	Dusting Allowance
9	10	11	12	13	14

House Conveyance Allowance	Rent Allowance	Other Allowance	Grant Total
15	16	17	18

FORM II-6

(Referred to in Clause 2.23 of Chapter 2)

**REVISED ESTIMATES FOR CURRENT FINANCIAL YEAR AND BUDGET ESTIMATES
IN RESPECT OF DISBURSEMENT OF FOREIGN ECONOMIC ASSISTANCE
FOR THE NEXT FINANCIAL YEAR**

Donor Country/Agency	Name of Project and Project No.	Project Allocation	Disbursement		Aid Availability @
			Actual During Current Financial Year	Progressive upto 30-6-98	
1	2	3	4	5	6

Current Financial Year				Aid Availability	Figures in Millions Next Financial Year Budget Estimates
Budget Estimates	Revised Estimates				
	Actual July - October, This Year	Estimated November - June, Current Financial Year	Total		
7	8	9	10	11	12

FORM II-7

(Referred to in Clause 2.25 of Chapter 2)

FOREIGN EXCHANGE (OWN RESOURCES) BUDGET

S.No	Name of Scheme/ Project	Status of Scheme/ Project	Approved OR Unapproved & Date of Approval	Total Cost	Estimated Cost of the Scheme			Foreign Exchange Provision (Own Resources)	
					Foreign Aid	F.E. Comp. (Own Res.)	Total	Current Financial Year Budget	Current Financial Year Revised
1	2	3	4	5	6	7	8	9	10

Total Foreign Exchange Expenditure (OwnRes.) upto 30-6-98	Next Financial Year Budget Estimates (Own Resources)		
	Cash	Commodity Aid	Total
11	12	13	14

ANNEX TO FORM. II-8

**NATIONAL HIGHWAYS AUTHORITY
FOREIGN EXCHANGE BUDGET FOR NEXT FINANCIAL YEAR
INVISIBLE (DEVELOPMENT)**

Particulars	Actual Current Financial Year	Budget Estimates for Current Financial Year	Revised Estimates for Current Financial Year	Budget Estimates for Next Financial Year
1	2	3	4	5
Name of Project _____ a) Expenditure on Experts/Consultants b) Expenditure on consultants or preparation of feasibility studies c) Other <u>Total:</u>				

FORM II-9

(Referred to in Clause 2.26 of Chapter 2)

REVISED ESTIMATES CURRENT FINANCIAL YEAR AND BUDGET ESTIMATES IN RESPECT OF REVENUE RECEIPTS

Classification	Name of Receipt	Actuals Last Financial Year	Budget Current Financial Year	Actual Collection upto 31-12-98	Revised Estimates Current Financial Year	Budget Estimates Next Financial Year	Remarks
1	2	3	4	5	6	7	8

QUARTERLY STATEMENT SHOWING BUDGET FOR NEXT FINANCIAL YEAR AND ACTUAL COLLECTION

IN RESPECT OF NON-TAX REVENUE RECEIPTS COLLECTED BY _____

FOR THE QUARTER ENDING _____

Description of Non-Tax Revenue Receipts	Budget for Next Financial Year	Proportionate Budget Estimates for the Quarter	Actual Collection During the Quarter	Variations	Reasons for Variation
1	2	3	4	5	6

FORM II-10

(Referred to in Clause 2.29 of Chapter 2)

**BUDGET ESTIMATES IN RESPECT OF REPAYMENT CASH DEVELOPMENT LOAN, FOREIGN LOANS AND ADVANCES
AND INTEREST ACCRUED THEREON
FOR THE NEXT FINANCIAL YEAR**

A) FOREIGN LOANS

Particulars of Loan (Loan Number etc.)	Date of Obtaining Loan	Loan Amount		Date of Maturity	Amount Repaid Upto June 30, This Year (Principal)
		Principal	Interest		
1	2	3	4	5	6

(Rupees in Millions)

Repayment Schedule Current Financial Year		Amount Outstanding as on July 01, Next Year		Remarks
Principal	Interest	Principal	Interest	
7	8	9	10	11

B) DOMESTIC CASH DEVELOPMENT /OTHER LOANS

Particulars of Loan (Loan Number etc.)	Date of Obtaining Loan	Loan Amount		Date of Maturity	Amount Repaid Upto June 30, This Year (Principal)
		Principal	Interest		
1	2	3	4	5	6

Repayment Schedule Current Financial Year		Amount Outstanding as on July 01, Next Year		Remarks
Principal	Interest	Principal	Interest	
7	8	9	10	11

FORM II-11

(Referred to in Clause 2.33 of Chapter 2)

ESTIMATES OF RECEIPTS OF DIVIDEND ON INVESTMENTS
IN _____

Financial Year	Amount
1	2
Year prior to Year before Last Financial Year (Actuals) (With supporting paid challans etc.)	
Year before Last Financial Year (Actuals) (With supporting paid challans etc.)	
Last Financial Year (Actuals) (With supporting paid challans etc.)	
Current Financial Year (Budget)	
Current Financial Year (Revised)	
Next Financial Year (Budget)	

Authorized Capital	Paid up Capital	NHA's Investment in Paid up Capital
1	2	3

FORM II-12

(Referred to in Clause 2.50 of Chapter 2)

PHYSICAL AND FINANCIAL PROGRESS REPORT IN RESPECT OF ON-GOING PROJECTS

A) PHYSICAL TARGETS AND ACHIEVEMENTS

S.No	Name of Project	Targets Current Financial Year				Achievements Current Financial Year				Remarks
		Q.I	Q.II	Q.III	Q.IV	Q.I	Q.II	Q.III	Q.IV	
1	2	3	4	5	6	7	8	9	10	11

B) FINANCIAL ALLOCATION/UTILIZATION

S.No	Name of Project	Current Financial Year Allocation	Quarterly Proportionate Allocation Current Financial Year				Utilization Current Financial Year				Remarks
			Q.I	Q.II	Q.III	Q.IV	Q.I	Q.II	Q.III	Q.IV	
1	2		3	4	5	6	7	8	9	10	11

FORM: III-1

National Highway Authority

STATUS REPORT IN RESPECT OF PROJECT/REGIONAL BANK ACCOUNTS

FOR THE MONTH: _____, 19____.

Serial No.	Particulars of Bank Account	Purpose of Bank Account	Source of Funds Placed at the credit of Bank Account	Authority for Opening of the Account	Credit Balance at the close of Month under Report	Remarks
1	2	3	4	5	6	7

FORM: III-2

National Highway Authority

Name of Office (Head Office/Region/Project) _____

BANK RECONCILIATION STATEMENT

FOR THE MONTH: _____ 19__

Description	Establishment Account		Maintenance Account		Project Account		Receipts Account		Total
Balance per Bank Statement									
<i>Add:</i>									
Checks Deposited But Not Recorded by Bank.	Appx. A		Appx. B		Appx. C		Appx. D		
<i>Deduct:</i>									
Checks issued but not presented in Bank.	Appx. I		Appx. II		Appx. III		Appx. IV		
<i>Adjusted Balance</i>									
Balance per Cash Book									
<i>Add:</i>									
Collections By Bank (if any)	Appx. 1		Appx. 2		Appx. 3		Appx. 4		
<i>Deduct:</i>									
Bank Service Charges (As per Bank Statt.)	Appx. (i)		Appx. (ii)		Appx. (iii)		Appx. (iv)		
<i>Adjusted Balance</i>									

(Note: In addition to above there may be some recording errors either by the Bank or in the Cash Book. The effect of these errors is reversed by adding or deducting the due amount from the relevant balance)

FORM: V-1

National Highway Authority

Name of Office (Head Office/Region/Project) _____

REGISTER OF BILLS RECEIVED IN ACCOUNTS SECTION _____

FOR THE MONTH: _____ 19____

Serial Number	Payee's			Net Amount of Bill	Voucher	
	Account Code	Name	On What Account		Number	Date
1	2	3	4	5	6	7

Date Passed By							Receipt in Disbursement Section			Remarks
Assistant	Supdt.	AD	DD	Director	GM	Member (Fin)	Date	Received By		
								Name	Signatures	
8	9	10	11	12	13	14	15	16	17	18

FORM: V-2

National Highway Authority

Name of Office (Head Office/Region/Project) _____

VOUCHERS REGISTER

FOR THE MONTH: _____, 19__.

Serial Number	Voucher Number	Account Section's Reference		Payee's			Paid		Net Payable
		Bill Register Number	Name of Accounts Section	Account Code	Name	On What Account	Date	Check No.	
1	2	3	4	5	6	7	8	9	Cr. 10

Advances									
Advances on Projects									
Contractors					Consulatants				
Mobilization		Secured			Others		Land Acquisition		
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
11	12	13	14	15	16	17	18	19	20

Utilities						Advances to Employees Dr. Or Cr.	
		Others					
		Imprests		Others			
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
21	22	23	24	25	26	27	28

Liabilities Dr OR Cr for Various Deductions from Contractors/Consultants' Bills.									
Taxes Deducted					Contractors/Consultants Securities				
Income Tax		Other Taxes			Retention Money		Others Securities		
Dr.	Cr.	Account	Dr.	Cr.	Dr.	Cr.	Account	Dr.	Cr.
29	30	31	32	33	34	35	36	37	38

Expenses Dr.				Any other Accounts Dr. OR Cr.					
Capital Projects in Progress	Maintenance of National Highways	Regular Establishment	Special Establishment (HO)	Account Code	Name of Account	Post. Ref.	Amount		Remarks
Dr.	Dr.	Dr.	Dr.				Dr.	Cr.	
39	40	41	42	43	44	45	46	47	48

Note: Subsidiary Details of all of the Accounts mentioned above to be maintained by the respective Accounts Section.

FORM V-3

National Highway Authority

Name of Office (Head Office/Region/Project) _____

CHECKS (CHEQUES) REGISTER OF ACCOUNTS SECTION _____

FOR THE MONTH: _____, 19____.

Date	Check Number	Payee's Name	Voucher Number	Net Payable Dr.	Projects Account	
					Amount	Balance
1	2	3	4	5	6	7

Cash in Bank Cr.						Remarks
Maintenance Account		Establishment Account		Receipts Account		
Amount	Balance	Amount	Balance	Amount	Balance	
8	9	10	11	12	13	14

NATIONAL HIGHWAY AUTHORITY
BILL PAYMENT CHECKLIST

CURRENT BILL NO. _____

CURRENT BILL DATE: _____

Contractor/Consultant's Name: _____
 Contract Description _____
 Contract Value (Rupees) _____

(Rupees)	(Rupees)
Financial statistics before current bill:	FUND POSITION
Amount billed	Total amount allocated _____
Amount approved and paid	Funds received upto _____
Deductions:	Funds utilized upto _____
Retention money/Security deposit	
Mobilization advances	
Secured advances	
Income tax	
Professional tax	
Others	
Balance amount payable _____	Balance available before current payment _____

	YES	NO	N/A	REMARKS	INITIALS
1. Checked arithmetical accuracy of:					
a) Measurement book					
b) Bills of quantities					
c) Bill for payment					
2. Checked rates on bills as per contract or afterward amendments thereto.					
3. Deductions:					
a) Mobilization advance					
b) Secured advance					
c) Other advances					
d) Retention money/Security deposit					
e) Income tax					
f) Professional tax					
g)					
h)					
i)					
j)					
4. Validity checked					
a) Insurance guarantee/Performance bond					
b) Contract period					
5. Approved by the competent officials					
6. Relevant documents attached and verified					

CHECKED BY _____

REVIEWED BY _____

FORM VIII-5

NATIONAL HIGHWAY AUTHORITY
OFFICIAL RECEIPT

LOCATION CODE

S.NO.

DATE

RECEIVED WITH THANKS FROM _____
THE SUM OF RUPEES _____
BY CASH/CHEQUE/PAY ORDER/DRAFT NO. _____
DATED _____ DRAWN ON _____
ON ACCOUNT OF _____

RUPEES (IN FIGURES)

A/C CODE NO.

RECEIVED BY _____

CHECKED BY _____

APPROVED BY _____

NATIONAL HIGHWAY AUTHORITY

BALANCE SHEET
AS AT _____

	NOTE	*	**
		(RUPEES IN	THOUSANDS)
FIXED CAPITAL EXPENDITURE			
Operating fixed assets			
Capital works in progress			
ASSETS SUBJECT TO FINANCE LEASE			
LONG TERM INVESTMENT			
LONG TERM LOANS, DEPOSITS AND PREPAYMENTS			
DEFERRED COST			
CURRENT ASSETS			
Stores, spares and loose tools			
Projects in progress			
Deposit works in progress			
Loans, advances, deposits and prepayments			
Other receivables			
Cash and bank balances			
TOTAL ASSETS			
FUNDS			
Grants in aid			
Accumulated surplus / (deficit)			
DEFERRED REVENUE			
LONG TERM LIABILITIES			
Long term loans and finances			
Liabilities against assets subject to finance lease			
DEFERRED LIABILITIES			
Deferred liabilities for retirement benefits			
PROVISION FOR TAXATION			
CURRENT LIABILITIES			
Current portion of long term loans and finances			
Receipts against deposit works in progress			
Creditors, accrued and other liabilities			
CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS			
TOTAL FUNDS AND LIABILITIES			

* Current year's figures.

** Previous year's figures.

NATIONAL HIGHWAY AUTHORITY

CASH FLOW STATEMENT

FOR THE YEAR ENDED _____

	*	**
	(RUPEES IN	THOUSANDS)
Surplus / (Deficit) for the current period		
Add / (Less) adjustment for non-cash items:		
Depreciation / amortization on fixed assets		
Gain on disposal of fixed assets		
Provision for gratuity / retirement benefits		
Amortization of grants in aid		
Grants in aids received during the period		
Long term loan and finances		
Sale of investments		
Realization of long term deposits		
Increase / (Decrease) in current liabilities		
TOTAL CASH AVAILABLE		
APPLICATIONS:		
Capital expenditure – Fixed assets		
Capital expenditure – Projects in progress		
Long term investments		
Long term loans, deposits and prepayments		
Repayment of long term loan and finances		
(Increase) / Decrease in current assets		
OPENING CASH AND BANK BALANCES		
CLOSING CASH AND BANK BALANCES		

* Current year's figures.

** Previous year's figures.

NATIONAL HIGHWAY AUTHORITY

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED _____

NOTE	*	**
	(RUPEES IN THOUSANDS)	
GRANTS IN AID		
TOLL INCOME		
OTHER INCOME		
Rental Income		
Profit/return on bank deposits		
Income from investments		
Gain on disposal of fixed assets		
Gain on completion of deposit works		
Fees, fines and penalties		
Sale of tender documents		
Hire charges of machinery		
Miscellaneous revenue		
GROSS REVENUE		
ESTABLISHMENT EXPENSES		
Salaries, wages and benefits		
Travelling and conveyance		
Vehicles running		
Postage, telephone and telex		
Legal and professional charges		
Printing and stationery		
Boarding, lodging and entertainment		
Rent, rates and taxes		
Fee and subscription		
Newspapers and periodicals		
Fuel and power		
Workers' welfare		
Insurance		
Repair and maintenance		
Depreciation/amortization on fixed assets		
- NHA possession		
- Consultants/contractors possession		
Miscellaneous expenses		
REPAIR AND MAINTENANCE OF ROADS AND BRIDGES		
FINANCIAL EXPENSES		
Interest/mark up on long term loans		
Lease finance charges		
Bank charges and commission		
Others		
OTHER CHARGES		
Losses on foreign exchange fluctuation		
Losses on sale of fixed assets		
Losses on completion of deposit works		
Donations		
CURRENT SURPLUS/(DEFICIT)		
PRIOR PERIOD ADJUSTMENTS		
ACCUMULATED SURPLUS/(DEFICIT) BROUGHT FORWARD		
ACCUMULATED SURPLUS/(DEFICIT) CARRIED FORWARD		

* Current year's figure.

** Previous year's figure.