

Handbook on Financial Accountability

for
Chief Controlling Officers,
Subordinate Controlling Officers and
Drawing & Disbursing Officers

(Parts-I & II)



Government of Andhra Pradesh

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CENTRE FOR GOOD GOVERNANCE
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MESSAGE

One of the fundamental principles of democracy is that the government is held responsible to the people. It is essential that the government is accountable for the money it raises and spends. This principle of Financial Accountability necessitates complete, accurate, and timely reporting on the resources allocated to departments and agencies and their expenditure on staff, programmes, schemes and projects.

Accountability and transparency are indispensable pillars of good governance. They compel the state to focus on outcomes, develop result-oriented strategies, monitor and report performance. Through public accountability and transparency, the government can achieve congruence between public policy, implementation and resource use.

The financial administration of the State is being run through Drawing and Disbursing officers scattered across the State at various levels. There is an urgent need to improve their knowledge and skill to enable them to function effectively and observe the canons of financial propriety.

I am happy to note that the Centre for Good Governance (CGG), in collaboration with Finance Department, has brought out the "Handbook on Financial Accountability". This handbook will facilitate all the functionaries of the Government of Andhra Pradesh to improve their awareness of financial accountability and ensure compliance with rules and procedures.

A handwritten signature in black ink that reads "K. Rosiah".

K. ROSAIAH

Minister for Finance, Planning,
Legislative Affairs &
Vice-Chairman, Board of Governors
Centre for Good Governance

Preface

The endeavour of the Government is to review and update the key areas of Public Financial Management and fix Financial Accountability norms. As a first step it is felt necessary that all functionaries involved in drawl and disbursal of funds are made aware of their functions and responsibilities. In order to achieve this, the duties and responsibilities of various functionaries are brought out in the shape of a handbook for guidance and transparency in the functioning of the Departments.

Part-I of the handbook lays down the financial accountabilities of Chief Controlling Officers (CCOs), Subordinate Controlling Officers (SCOs) and Drawing and Disbursing Officers (DDOs).

Part-II of the handbook contains various proformae to be complied with and maintained in order to ensure financial accountability.

This is only for guidance and circulation among the functionaries concerned.

Preface to the Second Edition

The first edition of the Handbook of Financial Accountability was received well and has proved to be helpful to managers at all levels. This second edition of the Handbook has been updated with latest government orders on the subject besides undergoing some revisions. An additional chapter on 'Internal Controls and their significance for ensuring financial accountability' has been added. Readers would be now able to relate the measures for financial accountability discussed in the first few chapters in the light of the role they perform as part of internal control. We would welcome any suggestions for improving the Handbook.

Sri A Venkateswara Rao, Audit Officer, State Audit Department & Manager (Finance & Accounts), Sri N. Manmadha Rao, Audit Officer (Retd.) State Audit Department & Manager (Internal Audit), Sri M Brahmaiah, Director (Finance Management) and Sri A Srinivas Kumar, IA&AS, Dy Executive Director (Finance & Projects) have contributed to bringing out the second edition under the overall guidance and supervision of Dr Rajiv Sharma, IAS, Director General, CGG.

Preface to the Third Edition

The second edition of Hand Book on Financial Accountability has been extensively used in the Financial Management Training Programmes conducted by the Finance department in association with CGG under DISA for the DDOs and the staff who manage finances in the various sub-departments of Health, Medical and Family Welfare Department, Government of Andhra Pradesh. The response from the trainees to the hand book is quite encouraging. Based on their feedback the size and layout of the Hand Book has been modified in this third edition so that it can be carried easily and would be handy for ready reference. All the latest and relevant Government Orders have been incorporated.

The third edition has been thoroughly reviewed and revised by Mr N. Veerabhadraiah, Programme Manager (Health Systems Development), Mr A.Venkateswara Rao, Sr Manager (Finance & Accounts) and Mr N. Manmadha Rao, Internal Auditor under the guidance of Mr M. Brahmaiah, Director (Financial Management) and overall supervision of Dr Rajiv Sharma, IAS Director General, Centre for Good Governance.

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- 5.15 - G.O.Ms.No.80 Finance (IOC & IT) Department,
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Part-I

Financial Accountability

Financial Accountability

Introduction

It is a generally accepted principle that those responsible for the conduct of public activity and the handling of public money should be held fully accountable for: (a) ensuring that public money is safeguarded and properly accounted for (b) conducting activity in accordance with the law and standards; (c) delivering services in an economic, efficient and effective manner and strengthening service delivery performance, by establishing and seeking to achieve targets and meet community expectations of outcomes.

The Constitution of India is the premier source of financial management and accountability provisions. Andhra Pradesh Business Rules were issued by the Governor of Andhra Pradesh State exercising the powers conferred by the Constitution ¹ .

The Business rules confer powers and responsibilities on the Finance Department for development of more detailed rules and procedures, which guide the budget process and financial management of the State. Accordingly, Finance Department has developed four generic Codes and Manuals i.e. Andhra Pradesh Budget Manual, Andhra Pradesh Treasury Code, Andhra Pradesh Financial Code and Andhra Pradesh Accounts Code.

A.P Budget Manual outlines the process for formulation of the budget, changes to the Budget Estimates in Budget execution during the year. In particular, it outlines the accountabilities of line departments in the budget process.

A.P Treasury Code is primary reference source to the Treasury officials. It contains control systems, procedures for withdrawal, payment, custody of monies, responsibilities of officers and forms to be used for discharge of those responsibilities. It also contains detailed instructions to the Drawing & Disbursing Officers in handling of Government monies.

¹ Article 166 of Constitution of India

A.P Financial Code is for departmental use, particularly to guide the work of Drawing & Disbursing Officers in line Departments. It has procedures in all areas of departmental financial management and also contains delegation of financial powers.

A.P Accounts Code sets out how all financial transactions are to be accounted for. The AP Accounts Code comprises the Comptroller and Auditor General's (CAG) rules together with local rulings relating to local AP variations in accounts procedure. The code sets out the general principles, methods of accounts, forms and the directions of CAG relating to initial accounts to be kept and rendered by Treasuries, Public Works and Forest Departments.

These codes are supplemented by Departmental and Functionary Manuals and Government Orders issued from time to time. These codes and manuals tell clearly about the financial accountability of Chief Controlling Officers, Subordinate Controlling Officers and Drawing & Disbursing Officers.

Though much is said about the financial accountability of Chief Controlling Officers, Subordinate Controlling Officers and Drawing & Disbursing Officers in various codes and manuals, there is a gap between the principles and practice. It is also felt that the prescribed norms are strong conceptually but are weakened in implementation. This may be due to a lack of awareness and orientation.

As part of an ongoing fiscal reforms process, the Government of Andhra Pradesh (GOAP) decided to take a number of measures during 2002-03, including completion of a State Financial Accountability Assessment (SFAA) and related Action Programme covering the State Government. The SFAA is a GOAP exercise, undertaken by the Centre for Good Governance (CGG). This exercise has resulted in assessing fiduciary risk and is structured around a series of principles of good practice.

In accordance with the observations of the SFAA Report, a small attempt is made to bring out the **Hand Book on Financial Accountability of CCOs/SCOs/DDOs** by bringing in all relevant portions of various codes and manuals and Government Orders issued from time to time at one place, so that one could lay his hand on one book for efficient financial management. Part I of the handbook deals with detailed instructions to handle their financial transactions i.e. Claim preparation, Cash management asset and inventory management. Part II deals with various forms, registers of accounting and reporting, including various internal controls to reduce fiduciary risks.

The Chief Controlling Officers (CCO), Subordinate Controlling Officers (SCO) and Drawing and Disbursing Officers (DDO) run the financial management in the State on the line department side. Finance Department, Treasuries and Accounts Departments, PAO Hyderabad, Works PAO, State Audit Department and Accountant General are on the regulatory side in the Financial Management.

The responsibility to give an explanation of one's action is accountability and the responsibility towards public money is called Financial Accountability. The responsibility of the Government officer, who is entrusted with duties of dealing with public money is greater than his responsibility towards private money. This activity has different stages right from planning, budgeting, drawl, disbursing, accounting, reconciliation, getting the accounts audited and replying to PAC. Besides this cycle of finances, the money spent creates assets. Hence, asset management also forms part of Financial Accountability. Therefore, accountability on the part of each functionary in financial management is discussed in the following chapters.

1. Financial Accountability of Chief Controlling Officer

The Chief Controlling Officer (CCO) is the Head of a Department or other Officer who submits estimates directly to the Government. He is the Estimating Officer who is primarily responsible for preparing estimates of Receipts and Expenditure of his Department in the form prescribed by the Government. (Para 19.1.1 A.P. Budget Manual). He is responsible to keep the appropriation within the limits and to watch the progress of receipts and expenditure and also for reconciliation with the Accountant General, Andhra Pradesh, report to his administrative Secretary and supervises SCOs working under his control.

1.1 Financial Accountability at CCO level against Revenue

This can be achieved by adopting the following measures:

- a. To identify the sources of Revenue at various levels of the Department.
- b. To prescribe registers to be maintained showing the realization of revenue at various levels.
- c. To maintain the Watch Register for revenues realized.
- d. To ensure proper accounting and reconciliation for all the revenues realized at various levels.
- e. To prescribe periodicity of reporting from various levels.
- f. To review the realization of revenue in an overall manner at periodical intervals.

- g. To make arrangements for an overview of the existing sources of revenue at various levels and quantum of revenue and to suggest any new sources or methods for increasing the revenues in the Department. This can be done by inviting suggestions from various corners and conveying brainstorming sessions.
- h. To ensure reporting and furnishing periodical returns on collection of revenues from various levels of the Department to the accounting authorities and audit authorities.

1.2 Financial Accountability against Expenditure

The following are the responsibilities of the CCO in order to achieve financial accountability towards incurring expenditure:

- a. To ensure compliance of pre-requisites for incurring expenditure at various levels like administrative sanction, technical sanction and availability of budget provision.
- b. To ensure effective and adequate utilization of expenditure incurred, i.e., whether the expenditure on a scheme against specific sanctions are appropriately utilised for the purpose of achieving the contemplated objective and whether done with utmost diligence.
- c. To obtain monthly expenditure reports from SCOs and compare with the budgets authorized to find out exceptions to initiate corrective action.
- d. To maintain an update register of the expenditure incurred as prescribed.

- e. To report the expenditure incurred through monthly accounts of expenditure in the manner and channel as prescribed.
- f. To conduct reviews and inspections of the objects on which the expenditure is incurred.
- g. To conduct reviews and inspections of subordinate offices to monitor the implementation of the prescribed systems like maintenance of registers and submission of prescribed reports.
- h. To conduct intermediary overview of the schemes at regular intervals in order to check the progress on the schemes towards the proposed goals and suggest measures towards economy or to expedite the progress of the schemes for their achievement with minimum investment.
- i. To conduct a final overview on completion of a scheme so as to check whether the proposed objective is achieved or not and to submit a final report to the Government.

The Budget or the Annual Financial Statement of the State is based on the Departmental Estimates submitted by the Estimating Officer/CCO through Number Statements, Budget Estimates and Revised Estimates both under Plan and Non-Plan.

1.3 Preparation of Number Statements

According to Para 16.20.1 of the AP Budget Manual, the Head of the Department and other Estimating Officers are required to submit Number Statements to the Finance Department by 1st August every year. A Statement detailing particulars of posts in each Permanent and Temporary Establishment (both Gazetted and Non- Gazetted),

the sanctioned monthly pay, the special pay, if any, and the fixed allowances attached to the posts or individuals that will be drawn on the 1st April of the following year and the number of officers on the rate of pay for whom provision will be made in the departmental estimates. The provision required under “011 Pay, 012 Allowances shall be exhibited under Detailed Head “010-Salaries”. The provisions required for meeting the expenditure on House Rent Allowanc, City Compensatory Allowanc, Encashment of Earned Leave, Medical Reimbursement, Leave Travel Concession, Educational Concession etc., should be shown under the Sub-detailed Head “012-Allowances”. The details of vacant posts and the period they are likely to be vacant should be indicated in the number statements. Copies of the Government sanctions in respect of all temporary establishments should be enclosed to the Number Statements. The Number Statements in respect of posts under Plan, Non Plan and Grants-in-aid towards salaries should be sent separately under respective Sub-heads and Major Heads of Accounts. All the Heads of Departments and other controlling officers should furnish the Number Statements in the proformae I, II & III prescribed by the Finance Department. (*Annex-1*).

1.4 Preparation of Budget Estimates

The Budget is based on the Departmental Estimates submitted by the Heads of Departments and other Estimating Officers, which are in turn based on the estimates submitted by the subordinate controlling officers of the department.

Heads of Department and other Estimating Officers should prepare their estimates in duplicate in the proforma prescribed by the Finance Department under Sub-head/Scheme and send one copy to the Finance Department and the other to the concerned

Administrative Department of the Secretariat. As laid down in Para 16.9.1 of the AP Budget Manual, all budget estimates should be submitted to the concerned Administrative Departments of the Secretariat with a copy to Finance Department not later than 1st October of every year. The administrative department should send the estimates with their comments so as to reach the Finance Department by 15th October. An explanatory note to justify the provisions under each Detailed/Sub-Detailed Head of account should also be given. The standard Object Heads (Detailed/Sub-detailed Heads) have been revised by the Government vide G.O. Ms. No. 664, Finance (BG I) Department, dated 27.10.2001.

The Estimating Officers should ensure that provisions are included in the Budget Estimates for all items of expenditure, which can be foreseen and avoid obtaining supplementary estimates during the course of the year. They should prepare the estimates accurately. The requirements under the Heads should be based on prevailing infrastructure facilities Provisions for Traveling Allowance, Vehicle Hire Charges, etc., should be based on the actual requirement. Similarly, provisions for telephone bills should also be based on the actual requirement keeping in view the distance from the Headquarters, revised tariff, Internet tariff, etc. The CCO should review with his subordinate officers on estimates and it should be limited to a realistic figure and then submit it to the Government. (*Annex-2*).

1.5 Preparation of Revised Estimates

The Revised Estimates for the year is an estimate of probable receipts and disbursements under each head for that year framed in the course of the year with reference to the actual transactions recorded for the months of that year for which complete accounts

have become available. The revised estimates are *prima facie* the best guide to the coming year's estimates. They should enable the Government to arrive at the appropriate closing balance for the current year, which will become the opening balance for the next year. It is, therefore, essential that Revised Estimates are prepared with great care and should be as close as possible to the actuals. There are three methods for calculation of Revised Estimates under Para 16.6 of the Budget Manual. One of the three methods, considered to be most viable for each particular case, could be adopted.

It should be noted that the Revised Estimates do not authorize any expenditure. If provision is made for additional expenditure, it is necessary to apply separately for the required additional appropriation. Similarly, a reduction in the provision of funds for the revised estimates does not obviate the necessity for the formal surrender of any amount provided in the Budget Estimates.

1.6 Budget estimates relating to Plan

The Heads of Departments and estimating officers should prepare Plan Budget separately and it should not be mixed up or merged with the Non Plan provisions. The Departmental Clearance Committee of the Administrative Department in Secretariat has to clear the continuing Plan schemes. The Project and Programme Approval Committee has to approve the new schemes included in the Plan. Estimates to new schemes should be submitted to the Government in Part-II Estimates. Proposals to the Departmental Clearance Committee/Project and Programme Approval Committee in the prescribed proforma should be furnished to the Administrative Department and Planning Department.

Formulation of schemes should be more realistic so that Budget Estimates should be nearer to reality. Budget Control and distribution of funds to the SCOs / Unit Officer should be practically oriented and releases should be as per actual requirements based on the expenditure figures.

1.7 Standardisation Of Object Heads – on Of Revised Object Heads (as per G.O.Ms.No.664, Fin. (BG I) Dept.Dt.27-10-01.W.E.F.01-04-2002)

010 Salaries	271 Other Expenditure
011 Pay	272 Maintenance
012 Other Allowances	273 Work Charged Establishment
013 DA	280 Professional Services
016 HRA	Incorporated in
017 Med. Rei.	GM No. 23929/1087/A1/BGI/2005
018 EL	dt 20.9.2005
019 LTC	
020 Wages	281 Pleaders Fees
030 Over Time Allowance	282 Payments to Home Guards
040 Pensionery Charges	283 Payments to Anganvadi Workers
041 Pensions	284 Other Payments
042 Gratuities	310 G.I.A.
	300 Other Contractual Services
050 Rewards	311 GIA towards Salaries
110 Domestic	
Travel Expenses	312 Other GIA
111 TA	313 Per Capita Grants
112 Bus Warrants	314 Seignior age Grant

113 TA/ DA to Non-officials	315 EFC Grants
130 Office Expenses	320 Contributions
131 Utility Payments	330 Subsidies
132 Other Office Expenses	340 Scholarships and Stipends
140 Rents, Rates and Taxes	410 Secret Service Expenditure
150 Royalty	420 Lump sum provision
160 Publications	430 Suspense
200 Other Administrative Expenses	450 Interests
210 Supplies and Materials	460 Shares of Taxes/Duties
211 Materials and Supplies	500 Other Charges
212 Drugs and Medicines	501 Compensation
220 Arms and Ammunition	502 Transport Facilities, Other Expenditure
230 Cost of ration/ diet charges	510 Motor Vehicles
240 P.O.L.	520 Machinery and Equipment
250 Clothing and Tentage	521 Purchases
260 Advertising and Publicity	522 Tools and Plant, members
270 Minor Works	523 Deduct Receipts and Recoveries
530 Major works, towards maintenance	610 Depreciation

540 Investments	620 Reserves
550 Loans and Advances	630 Inter Account transfers
560 Repayments of Borrowings	640 Write-off and losses
600 Other Capital Expenditure	700 Deduct recoveries

1.8 Distribution of Funds to the Subordinate Controlling Officers/Unit Officers

The expenditure incurred during the year should be kept within the provision authorised in the Appropriation Act and voted by the State Legislature. The Chief Controlling Officer of the Department should ensure control of expenditure with reference to the details of expenditure reports from the Subordinate Officers and has to distribute the Budget provided under the relevant Sub-Head/ Detailed Head to the Subordinate Controlling Officers/Unit Officers with utmost care as per the actual requirements. The releases should be made on a quarterly basis. From 2nd Quarter onwards the distribution shall be based on actual expenditure of the previous quarter. For this purpose, a Budget Control register should be maintained by the CCO covering the following points:

- (a) The amount provided under each unit of appropriation in Budget Estimates or Supplementary Estimates
- (b) The amount of release made to each SCO/Unit Officer on quarterly basis;
- (c) Savings/unutilized amounts received from them out of the releases made to the unit;
- (d) Amount re-distributed from the savings or amount re-appropriated;

- (e) Final surrenders made by the Department and the resumptions made by the Government at the end of the financial year.

1.9 Budget Control

In order to ensure that the expenditure is kept well within the Budget allotment and to avoid ways and means difficulties, the Government has introduced a system of control over expenditure (with effect from 1.8.1967) with particular reference to the Budget allotment, in respect of controlled items other than salaries, the CCOs should prepare and send the Distribution Statement of Funds made to their Subordinate Officers of Units quarterly-wise, to the Director of Treasuries and Accounts. The Director of Treasuries and Accounts will scrutinize and authorize the Distribution Statements and communicate them to the Treasury Officer for admitting expenditure on quarterly basis. In respect of items which are exempted from Treasury control, the CCO may send the Distribution Statements directly to the Subordinate Controlling Officers (SCOs) and District Treasury Officers for admitting the claims.

The Chief Controlling Officer/Estimating Officer has to incur expenditure under Plan and Non-Plan on quarterly basis except where specific order has been given by the Finance Department in relaxation of quarterly regulations for incurring expenditure. The Government in G.O. Ms. No. 207, Finance & Planning (FW: BG) Department dated 7.12.1997, has insisted on Obtaining Budget authorization from the Director of Treasuries and Accounts in respect of sanctions made by the Government in relaxation of Treasury control orders.

Critical review should be conducted by the CCO based on the demands received from the Units before the quarterly releases are made.

The following Departments are exempted from budget control

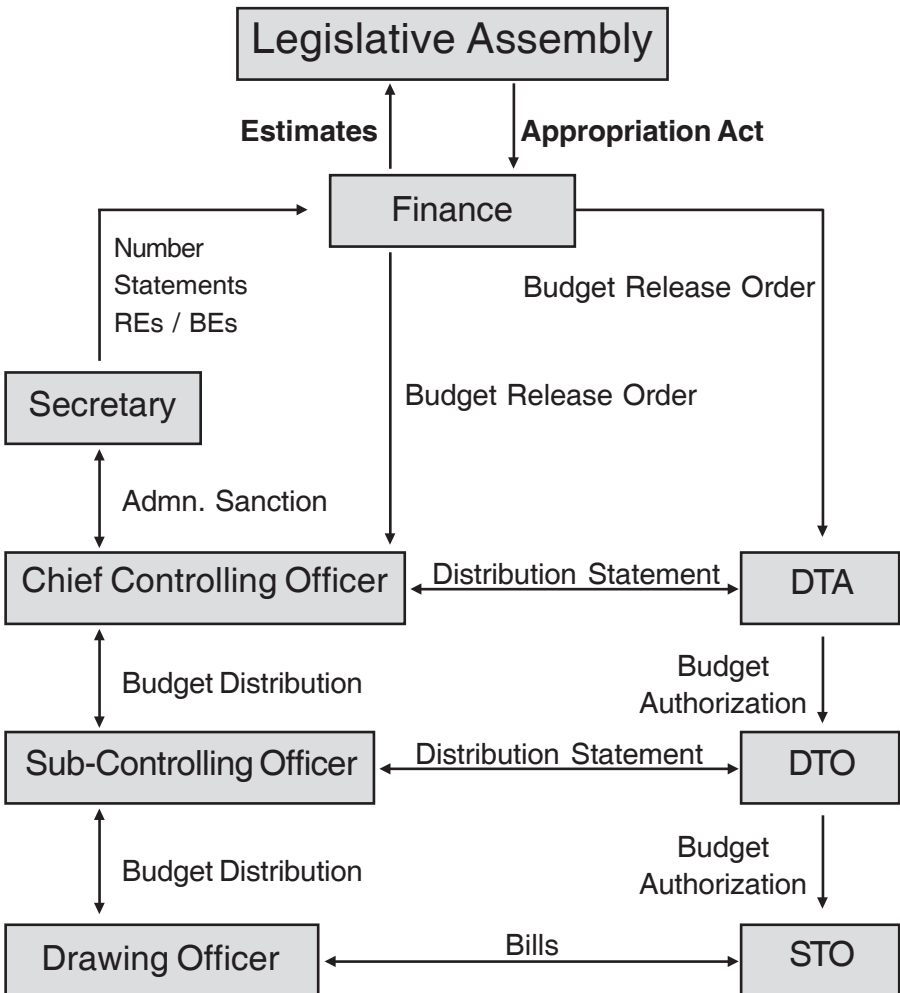
1. Raj Bhavan
2. High Court of A.P. [Memo. No. 56253 /758/Fin [Rev] 67-4 dt. 28-8-67]
3. Legislative Assembly
4. A.P. Administrative Tribunal
5. All Secretariat Departments
6. Andhra Pradesh Public Service Commission
7. Electricity Department
8. Forest Department & PWD where LOC through cheques [G.O.Ms.No. 101 Finance dt. 18-5-1967]
9. A.P. College Service Commission

The following items are exempted from budget control:

1. Salaries
2. Ex-gratia payments
3. FTA
4. Pensions, Gratuities and Commuted value of pension
5. Funeral Charges.

The following Flow Chart shows various stages involved in preparation of budget estimates, and its approval in Legislative Assembly. It also depicts the distribution of funds and exercising of budget control by Treasuries & Accounts Department on user departments.

BUDGET ESTIMATES – BUDGET CONTROL



1.10 Re-appropriation

As a part of fiscal reforms, the Government has delegated certain powers to the Heads of the Department/Chief Controlling Officers to re-appropriate funds at their level, subject to certain restrictions. The delegation of powers are stipulated in Para 20.4 of AP Budget Manual read with Government Memo No. 6413-A/184/BG/A1/2002, dated 11.03.2002.

The re-appropriation of funds between different grants or between revenue, capital and loans within the same grant is not permissible. Re-appropriation should not be sanctioned by Head of the Department from Plan to Non-Plan and vice-versa. A separate register to note the re-appropriation done by the Head of the Department from time to time requires to be maintained. Re-appropriation should be done strictly as per the following guidelines:

- a. Re-appropriation of funds between Revenue-to-Revenue, Capital-to-Capital and Loan-to-Loan within the same grant.
- b. Re-appropriation from one Unit of appropriation (Detailed Head) to another.
- c. Re-appropriation to Detailed/Sub-Detailed Head to 130/131 Utility Payments from other Detailed Heads/Sub-Detailed Heads, but not vice versa.
- d. Re-appropriation from Salaries to Salaries and Travel Expenses to Travel Expenses can be done from one sub-head to another sub-head.

No re-appropriations are permitted in respect of the following cases:

- a. From one Grant to another Grant.
- b. Expenditure constituting new service.
- c. From Plan to Non-Plan and vice versa.
- d. Re-appropriation should not be done to 510 motor vehicles, 530 major works, 270 minor works, 272 maintenance, 520 machinery and equipment, 210 supplies and materials, from other Detailed Heads and vice versa.
- e. From any Detailed/Sub-Head to give loans and advances to the employees under the Section Loan account.
- f. Deliberate re-appropriations from Unit Head to another, as temporary device in the expectation of restoring the debited amount from the savings should not be done.
- g. Re-appropriation should not involve the recurring liability beyond the current financial year.
- h. Re-appropriations under Non Plan for the 4th quarter provisions should not be done after fixing the Revised Estimates of the current financial year.
- i. Re-appropriation should invariably be in multiples of Rs.1000/-.

The Head of the Department should immediately surrender the savings under all Units immediately after their identification. All anticipated savings should be surrendered before 25th of February. In exceptional cases, only the Finance Department will accept surrender of savings upto 25th March with full explanation as to how the savings could not be foreseen. Hence, the proposals for surrender of funds with the savings obtained from Subordinate Controlling Officers should be sent to the Finance Department

as soon as they are foreseen without waiting till the end of the financial year along with the proposals for ratification of the excess expenditure from overall savings of the Department / Grant, if any, to the Government. (*Annex-3*).

1.11 Supplementary Estimates

Unavoidable and unforeseen circumstances may arise in the course of the financial year making it necessary to urgently incur fresh expenditure under one or more detailed heads or on a new service not contemplated in the original budget estimates. In such cases, savings in other appropriations by postponement or curtailment of least urgent expenditure may be re-appropriated except when it is on account of a new service (Para 20.11 of Budget Manual) Expenditure on a “New Service” not contemplated in the Budget Estimates whether the expenditure is charged or voted for the year should not be incurred and it cannot be met by way of re-appropriation until it is included in a supplementary estimate presented to the Legislature and eventually in an Appropriation Act. If the expenditure can be met from the savings within the grant, wholly or in part, it will be sufficient, if a token sum of Rs.1000/- or the balance actually required, as the case may be, is included in the supplementary grant. In another way, pending authorization of funds by the Legislature, an advance may be sanctioned by the Government from the Contingency Fund to enable urgent expenditure being incurred on a new service. Advance from the Contingency Fund does not lapse at the end of a financial year. Proposals for supplementary estimates for recouplement of advances sanctioned and incurred from the Contingency Fund or sanctioned by the Government in relaxation of Treasury Control orders, as additional amount in excess of Budget Provision should be sent by the CCOs

to the Finance Department through the Administrative Department concerned before 5th of February every year. Every care should be taken by the CCO to incorporate all expenditures incurred by the departments, the Budget provision in the supplementary estimates. The CCO should send the Supplementary Estimates through the Administrative Department under a copy to the Secretary, Finance (BG) Department directly. A separate register noting the amounts sanctioned by the Government over and above the budget provision in relaxation of Treasury Control or from Contingent Fund requires to be opened to watch the regularization of amounts sanctioned by the government. (*Annex-4&5*).

1.12 Review of Expenditure

As per Para 19.3.1 of AP Budget Manual, each CCO has to maintain a *Register of Actuals* to know the progress of expenditure and to see that the expenditure under each unit of appropriation (Detailed Head) is within the Budget allotment. However many CCOs are not maintaining the list of actuals resulting in booking of excess expenditure by their subordinate DDOs. Further, the Chief Controlling Officers are required to review the progress of expenditure under each Unit/Sub-Head on monthly/quarterly basis and to assess the actual amount of budget required for the remaining period so that the excess amount can be obtained by way of re-appropriation from the savings of the department in the other sub-heads / schemes or by obtaining Supplementary Estimates. Review of expenditure will not only serve reconciliation but should also serve evaluation of performance. (*Annex-7*).

1.13 Reconciliation of Departmental figures with that of AG

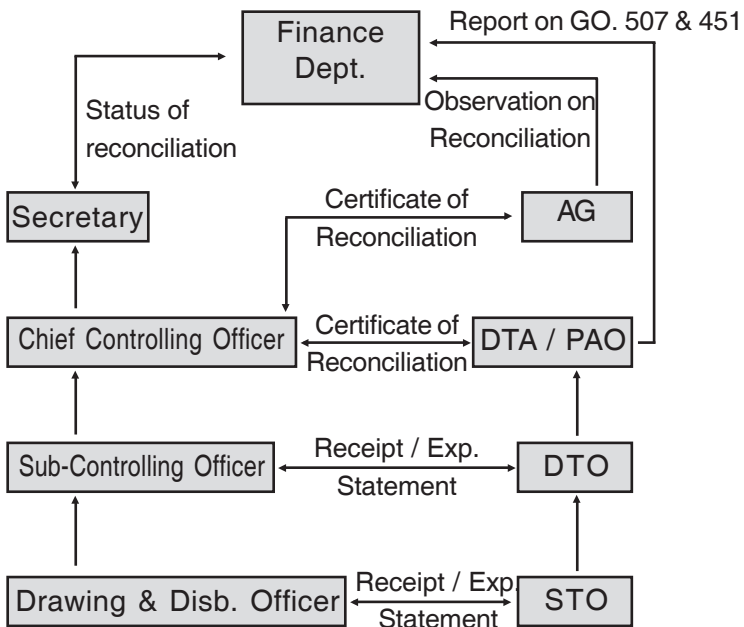
According to Para 19 of AP Budget Manual, every CCO should

watch the progress of expenditure continuously and for this purpose he should require SCOs/Unit Officers to report every month the figures of actual expenditure during the previous month on the liabilities incurred but not yet paid. Each SCO/Unit Officer should maintain a Register of Actuals, which is posted, based on the reconciled expenditure/receipt figures received from DDOs under his control. All the SCOs are required to send their reconciled expenditure/receipt figures to the CCOs by the end of the month. The CCO should consolidate the totals of his own expenditure and that received from the SCOs/Unit Officers. For this purpose, he is required to maintain a register to post and consolidate the reconciled departmental figures received from the SCOs. Then he should send a clerk of his office to the Accountant General's (AG) office with departmental figures on a date to be fixed to each department by the AG. The clerk should, with the assistance of Accountant General's staff, compare the departmental figures with those recorded in the AG's books. A statement of discrepancies will be prepared in duplicate and analyzed in two columns – one showing the adjustments to be made in the AG's books and the other showing the adjustments to be made by the Chief Controlling Officer's books. One copy of the statement of the discrepancies shall be handed over immediately to the AG's Office by the reconciliation clerk for effecting necessary adjustments and another copy taken by the clerk to his Office where necessary adjustments should be effected in the departmental registers. The Chief Controlling Officer should then send a certificate to the AG that this work has been done. Similarly, the AG's Office makes the necessary adjustments in its books and informs the clerk that adjustments have been done. The CCO should send his certificate on a quarterly basis to the Accountant General stating that figures in

his registers have been reconciled with those recorded in the books of Accountant General.

The Chief Controlling Officer/Head of the Department shall get the figures of receipts and expenditure for the entire State reconciled with those in the AG's Office on a quarterly basis by following the above procedure and a certificate to that effect shall be furnished to the Pay and Accounts Officer. The Chief Accounts Officer shall furnish the Pay and Accounts Officer, the designation of the officer in his office entrusted with the responsibility of reconciling, the consolidated statewide figures of receipts and expenditure with the Accountant General, head of account-wise.

The salary of the concerned officer, who is responsible for reconciliation shall not be allowed to be paid by the PAO for the second month in the next quarter, if a certificate of reconciliation with AG's figures is not furnished to the PAO, i.e., if the officer



fails to get the accounts reconciled for the quarter April to June by the end of August, the salary for the month of September of the officer responsible shall not be allowed to be drawn by the PAO. Further, no authorization of Budget would be issued by the Director of Treasuries and Accounts without the certificate stating that the details of Sub-Head-wise expenditure is reconciled with AG up to the previous but one quarter, as per the instructions issued by the Government in G.O. Ms. No. 451, Finance (TFR-I) Department, dated 9.10.2003. A watch Register for Reconciliation shall be maintained by the CCO. (*Annex-6*).

The following Flow Chart shows steps involved in reconciliation of expenditure by user departments with Treasuries and AG, AP, Hyderabad. It also shows enforcement of reconciliation by Treasuries / PAO Hyderabad.

RECONCILIATION

1.14 AG's Inspection of Departmental Accounts

AG conducts audit of departmental accounts every year. There will be two wings in the AG's office to conduct the audit of expenditure and receipts. Major irregularities noticed, paras of similar observations in various offices of the department are clubbed and a draft para is proposed and communicated to the department before inclusion in the C&AG report. If the department does not respond in time and gives reply to the draft para or the reply furnished by the department is not satisfactory to the AG, the para is included in the C&AG report, civil or revenue receipt, based on the nature of observation and discussed in the Public Accounts Committee. A watch register has to be maintained for the AG Audit Paras in each office to give prompt replies to AG and get them dropped. (*Annex-8*).

1.15 Maintenance of cadre strength

The CCO as Head of the Department is responsible for maintenance of unit wise cadre strength register in accordance with cadre strength sanctioned by the Government from time to time and to watch the cadre strength of his office and for the entire department from time to time. (*Annex-14*).

1.16 Final Accounts and Appropriation Accounts

At the end of each financial year and after finalization of Accounts in the AG office, AG will communicate to each department, the budget provision made under each sub-head / detailed head wise by way of Budget Estimates or Supplementary Estimates. The re-appropriations made by the HOD / Government during the year and the expenditure incurred by the department under that sub-head / detailed head wise are also communicated along with variations of excess / savings and calls for the reasons for the variations between the original provision and the final appropriation and between the final appropriation and actual expenditure within 2 weeks from the date of the receipt in the shape of Detailed Appropriation Accounts. If the department does not respond within the stipulated period or the reasons furnished are not satisfactory, such observations are included in the printed appropriation accounts, which are discussed in the Public Accounts Committee. (*Annex-9*).

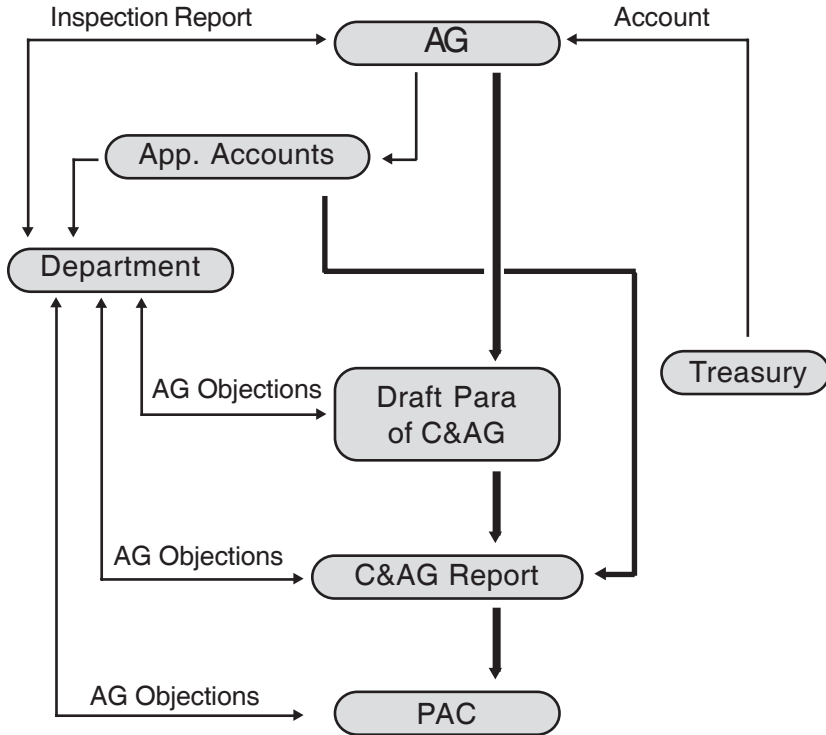
1.17 Answerable to the Public Accounts Committee

The Committee on Public Accounts is a Committee of the Legislative Assembly comprising of Chairman and 15 members generally, who are the members of the State Legislature. It

scrutinizes the reports of the Comptroller and Auditor General relating to the Annual Appropriation Accounts and Audit Report. The Annual Appropriation Account and Audit Report is prepared in such a form as may be prescribed by the Comptroller and Auditor General from time to time every year. The CCO, as the Head of the Department, along with the Secretary of the Administrative Department concerned is answerable to the Public Accounts Committee on Annual Appropriation Accounts and Audit Reports relating to his Department. The Head of the Department should prepare and submit explanatory notes on the variations in the Appropriation Accounts and observations/comments made in the C&AG Report (Civil and Revenue Receipts) through the Administrative Department of the Secretariat and should attend the meeting whenever called for the consideration of the Notes along with the Secretary of the Administrative Department. While preparing the explanatory notes, the HoD should personally go through the original audit report observations/comments and the relevant files/records of his office and satisfy himself before furnishing the explanatory note to the Committee through the Government. The recommendations of the Committee will be embodied in a report and will be communicated to the Department through the Administrative Department concerned. The Head of the Department should implement the recommendations of the PAC in consultation with and with the guidance of the Administrative Department in the Secretariat (Para 21 of AP Budget Manual).

The following Flow chart depicts the AG Audit impact and its culmination into C&AG report, PAC paras and its rectification.

1.18 Maintenance of Registers



As per the provisions of AP Financial Code, A.P. Treasury Code and Government instructions issued from time to time, the CCOs/SCOs/DDOs should maintain all registers like Treasury/PAO Bills Registers, Cash Book, Undisbursed Pay Register, Permanent Advance Register, Non-Government Cash Book, Contingent Bills Register, Stock Registers of Stores and Recovery Watch Registers for long term loans and advances for tracking down the claims and disbursements. It is the primary responsibility of

the CCO to see that all the above registers are maintained at the SCO and DDO level. He is also required to furnish each year a certificate to PAO stating that all the necessary registers are maintained and updated properly in the prescribed format at the start of the financial year, i.e., April, for the previous financial year as per GO.Ms.No.451 Finance (TFR-1) Dept, dt: 09.10.2003.

The following registers are also to be maintained by the CCO:

- 1) Cadre Strength Register
- 2) Budget Control Register/Budget Distribution Register
- 3) Reconciliation Posting/Watch Register
- 4) Supplementary Estimates Register
- 5) Register of Re-appropriations
- 6) Register of Advances from Contingency Fund
- 7) Register of Actuals
- 8) Register of Audit objections
- 9) Register of TA Bills Counter signature
- 10) Register of Advances Sanctioned
- 11) Register of Safe custody of HBA Mortgage deeds

1.19 A. C. Bills

Under Art.113 of A.P. Financial Code Vol.I, the Accountant General will send to each CCO every month a list of A.C.bills encashed by the DDOs under that authority's control for which counter signed, detailed bills have not been received. In spite of repeated instructions, the drawal of A.C. Bills are not adjusted by the Departments with supporting detailed contingent bills. Hence, the Government in GO.Ms.No. 391 Fin. (TFR) dept, dt: 22.03.02 has placed the accountability on the DDOs who have drawn the AC

bills. It should be ensured that all the AC bills drawn during the financial year shall be settled within 3 months from the date of drawal. No 3rd AC bill should be admitted by the PAO or Treasury Officer until the 1st AC bill is settled by the department. The practice of obtaining counter- signature on DC bills from the higher authorities (Controlling Officers) is dispensed with. This shall also be applicable for the pending AC bills drawn before 31.03.2002 but not adjusted. During the course of a workshop held on 02.04.2004 for the CAOs of HODs, Finance Department and officials of AG, the Deputy AG clarified that in respect of long pending AC bills a certificate of expenditure by the HOD / DDO can be issued based on the available records to settle those AC bills as a one time measure to settle long outstanding AC bills. *(Annex-10)*

1.20 Internal Audit

The HOD / CCO should conduct internal audit of all the SCOs / Unit Offices at least to the level of district units every year to check all the accounts maintained by them. For this purpose, separate internal audit units should be created in the department. These internal audit units should check both the expenditure and the receipt accounts maintained by the Department in the subordinate offices. A watch register should be maintained to give prompt replies after taking remedial action for the objections raised by the departmental officers in the internal audit. A yearly calendar should be drawn by each CCO projecting the annual inspection of all SCOs / Units. *(Annex-11)*.

1.21 Financial Accountability of CCOs

The CCO should observe financial norms as stipulated in GO.Ms.No. 451, dt: 09.10.2003. These accountability norms shall

be enforced by PAO Hyderabad / DTA on the CCOs as per the time schedule prescribed therein.

The following table depicts various accountability norms prescribed in the GO.Ms.No.451, dt: 09.10.2003 and penal measures for inaction.

Issue involved	Action required	Responsibility for action	Penalty for inaction
1. Register of Actuals (Cir.Memo.No. 9052 – A/78/TFR-II/A2/04, dt:17.04.04)	Maintenance	SCO , CCO	Further drawals not permitted
2. Reconciliation of Accounts	Reconciliation of Receipts & Expenditure with Treasury / PAO. Reconciliation of Accounts with AG	DDO, CCO	Drawal of funds not permitted to DDO. Further releases are not permitted to CCO
3. BCR, Re-appropriation, Supplementary Registers	Maintenance	CCO	Further releases are not permitted to CCO
4. Other Registers	Maintenance	CCO	Funds will not be released to CCOs

1.22 Sanction of loans and advances to employees

The CCO as the Head of the Department will sanction long terms loans to the employees such as HBA, MCA, MA etc within the

budget provision as authorized by the Government duly following the general principles laid down in Article 227 of Financial Code. He will also distribute the loans sanctioned by the Government to the Unit Officers under his control as laid down in GO.Ms.No 131, Finance & Plg (FW A & L) Dept, dt: 19.08.1997. Further, loan sanctioning authority delegated to DDO vide this G.O. A register should be maintained showing the seniority, amount sanctioned and formalities fulfilled by the employees of this office only. A register showing the seniority of loan applications of districts has to be maintained by him for distribution of amounts (*Annex-12*).

1.23 Disposal of pension cases

A list of all Government servants due to retire during the next 18 months should be prepared every six months on the 1st January and 1st July of each year by the CCO as Head of the Department. He is responsible for the quick disposal of pension cases in his Department and has to review the progress of settlement on pending pension cases periodically. A Watch Register showing disposal of the pension cases should also be maintained at each CCO / HOD level. (*Annex-13*).

2. Financial Accountability of Subordinate Controlling Officer

2.1 Subordinate Controlling Officer (SCO) is an intermediate controlling officer immediately subordinate a Chief Controlling Officer mostly located at District level. He works as the bridge between the DDOs and CCOs. He has to prepare number statements, Budget Estimates and Revised Estimates based on the report received from the DDOs/Officers under his control and also based on the cadre strength. He will see that the budget is re-distributed to DDOs in time, based on the budget distribution made by the CCO to the Unit and authorised by the Director of Treasuries and Accounts. While distributing the budget to the DDOs by the SCOs, special care has to be taken to see that the amounts would be allotted to the DDOs where it is actually required under each Sub-Head/Detailed head. The SCO has to prescribe periodicals to the DDOs under his control and elicit information on various subjects. Further, he is also required to submit various periodicals on several subjects to the CCO as prescribed from time to time.

2.2 As per Para 19.5 of AP Budget Manual, each SCO (District level) is required to submit the figures of receipts and expenditure to the CCO (Head of the Department) duly compiling the figures from the DDOs under his control, including that of his office, and reconciling them with the Treasury every month and submit the consolidated statement of expenditure and revenue to the CCO before the end of the month. Unfortunately, the reconciled figures of expenditure and receipts are not generally received in the office of CCO in time. Due to this, the CCOs are not able to reconcile the departmental figures with the Accountant General in time.

Thereby, the whole exercise is becoming futile. To avoid this, the Government vide G.O. Ms. No. 451, Finance (TFR-I) Department, dated 09.10.2003 is insisting that each SCO should submit the reconciled figures of receipts and expenditure of the previous month to the CCO before the end of every month for the previous month and furnish a certificate to the Treasury/PAO along with their bills to that effect in the prescribed proforma. The District Treasury Officer/Pay and Accounts Officer will insist the above certificate and as an addition to the existing certificates as per G.O. Ms. No. 507, Fin (TFR) Dept., dated 10.04.2002. For this purpose, the SCO has to maintain the following registers, in his office:

- a) **Budget Control/Distribution Register:** In this register, the SCO is required to maintain the budget distribution made to the DDOs under his control. He has to also note in this register the surrenders made by the DDOs and redistribution made within his Unit.
- b) **Reconciliation Watch Register:** In this Register, the SCO has to post the reconciled expenditure/receipt figures received from the DDOs under his control and compile them along with his office figures and to submit them to the CCOs within the time limit. He is also required to keep track of the receipt of reconciled receipt and expenditure figures within the time frame and date of the dispatch of the consolidated figures.
- c) **Register of Actuals:** The SCO has to maintain a Register of Actuals and he has to post the monthly-reconciled expenditure/receipt figures with reference to the Budget releases/ allotments made to his Unit. He has to review the actuals periodically and take appropriate action, wherever necessary.

- d) **Register of Cadre strength:** The SCO has to maintain a Register of Cadre-strength of his Unit DDO-wise/Office-wise.
- e) **Inspection of Subordinate Officers:** Each SCO / Unit Officer is required to inspect all the Subordinate officers under his control at least once in a year and check all the accounts maintained by the DDOs. He should also conduct surprise checks wherever necessary.
- f) **Sanction of loans and advances to employees:** SCO need not maintain this register as he will not sanction loans.

2.3 Registers to be maintained by the SCO

1. Cadre Strength Register
2. Budget control/distribution Register
3. Reconciliation posting/watch Register
4. Register of Actuals
5. Register of Audit objections
6. Register of TA Bills counter signature
7. Register of advances sanctioned
8. Register of safe custody/HBA mortgage

2.4 Maintenance of Cadre Strength

The SCO is responsible for maintenance of unit-wise Cadre Strength Register in accordance with cadre strength sanctioned by the Government from time to time and to watch the cadre strength of the unit offices under his control. (*Annex-14*).

3. Financial Accountability of Drawing and Disbursing Officer

3.1 Drawing & Disbursing Officer (DDO) one who is empowered to draw money from Treasury/PAO on bills and cheques by applying relevant rules, set out in Financial Code, Treasury Code, Budget Manual, and Account Code, who is very critical to minimise the fiduciary risk and reports to his Subordinate Controlling Officer.

Every Government servant should see that proper accounts are maintained for all government transactions/financial transactions with which he is concerned and render accurate and prompt accounts and returns related to them as prescribed. He should check the accounts every day to see that his subordinates do not commit fraud, misappropriation or any other irregularity. The Head of the Office / DDO will be held personally responsible for any loss that may be found due to any neglect of duties laid down upon him. Every DDO should be familiar with the financial rules and exercise a strict and close control over his subordinates with regard to the use of public funds.

3.2 Responsibilities towards receipts:

(Article 2, 7 to 11 of A.P. Financial Code Vol. I)

- a) To assess the demand carefully in advance
- b) To take steps to realize the revenue promptly
- c) To maintain proper accounts of collections
- d) To watch the progress of collection against the total demand
- e) Prompt steps to collect all arrears
- f) To reconcile the figures with the figures of Treasury

- g) To take steps to apply to the competent authority for writing off, the irrecoverable arrears

The receipts realized should not be locked up in the cash chest. It should be remitted into the Treasury under the relevant head of account as frequently as possible, so as to keep the balance of the chest at the minimal. On no account, should the departmental receipts be utilized for incurring any departmental expenditure except in certain cases specified in TR-7 (2). A watch register indicating the amounts remitted into the Government Account should be maintained by the DDO.

3.3 Responsibilities towards incurring expenditure: (Article 3, 4, 38 to 44 and 56 of APFC)

Every Head of the Office should on no account incur any item of expenditure from public funds unless the following conditions are fulfilled:

- a) The expenditure must have been sanctioned by a general or special order of the authority competent to sanction such an expenditure.
- b) Sufficient funds must have been provided for expenditure in the budget of the financial year or by way of re-appropriation of funds or by supplementary estimates sanctioned by the competent authority. Sufficient funds should have been released by the competent authority.
- c) The expenditure should not exceed the Budget provision.
- d) On no account should funds be reserved or appropriated by transfer to a deposit head or drawn from the Treasury and kept in the cash chest to avoid lapse of appropriation.

- e) There should be no undue rush of expenditure towards end of financial year.

Further, every Head of the Office should strictly adhere to the following principles of standards of financial propriety:

- a) The expenditure should not be *prima facie* more than the occasion demands.
- b) He should not pass any order, directly or indirectly, to his own advantage.
- c) Public money should not be utilized for the benefit of a particular person or community.
- d) The amount of any allowance such as Traveling Allowance granted to meet expenditure of a particular type should be so regulated that it is not a source of profit to the recipient.
- e) The Drawing Officer is responsible for the correctness of the amounts drawn.

3.4 Bill Forms in which the amounts should be drawn by the DDOs [G.O.Ms.No. 87 Finance [TFR] Department dt. 31-01-2002 w.e.f. 01-04-2002

read with G.O. Ms. No. 501, Finance (TFR) Dept. dt 27-11-2003]

1 Challan Form -APTC Form 10

2 Employees Advance Bill form — A.P.T.C. Form 40

- a. All Loans and Advance like FA, G.P.F., A.P.E.W.F., GIS, FBF, HBA, MCA, MA, CA etc—APTC FORM 40A shall also be used as Annexure to APTC FORM 40 for GPF withdrawals.
- b. Pay Advance/ TA Advance
- c. Advance for Medial Expenses

3. Salary bill form-A.P.T.C. Form 47

Drawal of pay and allowances for both Gazetted. and Non-Gazetted.,
Encashment of leave, Leave Salary, Educational concessions.

4. TA Bill form-A.P.T.C. Form 52

- | | |
|------------------|--------------------------|
| [a] T.A | [b] TTA |
| [c] F.T.A. | [d] Conveyance Allowance |
| [e] Bus Warrants | [f] L.T.C. |

5. Abstract contingent bill [A.C.bill] - A.P.T.C. form 57

- a. For drawl of all types of advances by the Government Officers, authorized by the Government, with specific Sanction for departmental purposes for which detailed bills are required to be submitted to the AG
- b. Drawals under T.R. 27

6. Fully vouched contingent bill form — A.P.T.C. form 58

- | | |
|---------------------------------------|-------------------------------|
| [a] Over time allowances | [b] Tiffin Charges |
| [c] Medical Reimbursement | [d] Ex-gratia/ adhoc payments |
| [e] Honoraria payments | [f] ESI allowance |
| [g] Wages | [h] Office expenses |
| [i] Professional and Special Services | [j] Rents, rates and taxes |

- [k] Publications
- [l] Advertising, sales & publicity
- [m] Hospitality charges
- [n] Secret services
- [o] Materials and Supplies
- [p] Other charges-legal charges
- [q] Diet charges
- [r] Purchases of all kinds with vouchers
- [s] Recoupment of imprest.
- [t] Monthly honorarium to village servants/anganwadi workers/adult education, extension workers etc.

7. Refund of Revenue Bill - A.P.T.C. Form 62

- [a] Refund of Revenue
- [b] Refund on account of spoiled stamps

8. Deposit repayment bill form — A.P.T.C. Form 64

- [a] Repayment of revenue deposits
- [b] Repayment of court deposits -Civil and Criminal
- [c] Repayment of Earnest Money Deposits
- [d] Repayments of other departmental deposits or security deposits
- [e] Repayment of user charges deposits

9. Pension Bill form — A.P.T.C Form 75 / 76

- [a] First payment of pension
- [b] Lifetime arrears
- [c] Death relief

10. Grants-in-aid bill form — A.P.T.C. Form 102

- [a] Grants-in-aid of all kinds
- [b] Social Security - Exgratia payments
- [c] Exgratia and relief to victims of natural calamities
- [d] Legal aid to poor
- [e] Discretionary grants made to individuals /institutions
- [f] Adjustment of taxes/cess to local bodies such as entertainment tax, professional Tax, water tax, surcharge on stamp duty, motor vehicles tax, mineral cess etc.
- [g] Consolidated pay on 300 contractual services

11. Scholarships and stipends bill form - A.P.T.C. 103 For drawl of all kinds of scholarships and stipends

12. Loan Bill form - A.P.T.C. Form 108

For drawal of loans sanctioned by the Government in favour of institutions and private individuals.

3.5 General Precautions to be taken before the bills are preferred

1. Bill should be signed by the DDO (SR.1 under TR.16)
2. Correct classification up to 7-tier of the Head of the Account to be noted in the boxes on the Bill (SR 2(a) under TR 16).
3. The bill should be preferred in the prescribed form (GO.Ms.No.179 Fin & Plg (FWPFR) dept, dt: 15.05.89 read with SR. 2(b) under TR 16.)
4. Carbon copy of the bill or voucher is not admissible (SR 2 (b) Under TR-16)

5. The bill should contain the office seal of the Department. (SR 2 (c) under TR-16)
6. The bill should contain discharge endorsement and pass order in figures rounded-off to the nearest Rupee. (SR. 2 (c) under TR 16)
7. The bill should contain protective endorsement. (SR. 2 (c) under TR-16)
8. All corrections, alterations and erasures to be attested with full signature of the DDO (SR. 2 (d) Under TR-16)
9. Specimen signature on record and the specimen signature in the bill should be the same.(SR 2(h) under TR-16 read with instructions 1 under TR-29)
10. The claim is covered under proper sanction by the competent authority. (Art 3(a) & 38 of APFC Volume I read with SR 2 (a) of TR 16)
11. Non-drawal certificate should be enclosed (SR 14 under TR 16)
12. Ink signed copy of the sanction order by the competent authority should be enclosed. (Art 45 of APFC Volume I)

3.6 Check list 1 - Contingent Bills

- a) Full particulars of the expenditure with sub-voucher number for individual items should be furnished in the statement enclosed to the bill. All sub-vouchers for payments exceeding Rs.1,000/- should be enclosed to the bill. Sub-vouchers not

exceeding Rs.1,000/- should be cancelled and filed in the Office copy and a certificate to that effect should be furnished on the bill. (SR.18 (e) TR-16)

- b) Invoices attached should be passed for payment and should bear the full signature of the Drawing Officer.
- c) The prescribed sales tax certificate should be recorded on the invoices/bills.
- d) A certificate to the effect that the articles or materials billed for, have been purchased on the Tender system prescribed in Art.125 A.P.F.C. and have been received in good order are of good quality and that the rates paid are not in excess.
- e) A certificate to the effect that the materials have been brought into the respective stock registers, accounted for and verified in the manner laid down in Art.133 – 145 A.P.F.C should be furnished.
- f) Bills of the Telephone/Electricity/Telegraph Department should be enclosed.
- g) A certificate to the effect that all the calls in the telephone bill are official except which are private and action has been taken to recover charges to be furnished.
- h) A certificate to the effect that the limit of number of telephone calls as fixed has not been exceeded, if it exceeds, their charges over and above telephone calls fixed to the Office, have been borne by the individual should be enclosed.
- i) In support of the claims relating to contingent employees, certificate to the effect that all the contingent employees whose

pay has been claimed in this bill were actually entertained in government service should be furnished.

- j) The class to which the menial belongs-skilled, unskilled, part time or full time etc., should be described in the contingent bill (Item 34 (4) Appendix APFC Volume II)
- k) Certificate of reasonableness of rent should be furnished whenever there is change of rent (Instrn.7 TR-16)
- l) The discharge endorsement on the cheque should be made in favour of the party
- m) Whenever Income Tax @ 2% of the gross amount of the bill is recoverable at source or in lieu thereof, a certificate as to the recovery of Income Tax should be recorded.
- n) No contingent bill should be made on ***proforma invoices***, which are only quotations.
- o) All items should be purchased from SSI Units (GO Ms.No. 101, Industry, Commerce & Power (SSI) Department dt. 09-04-1985.
- p) DTA authorization should be enclosed to first bill. The number should be quoted for further bills.
- q) Special sanction from the superior authority, wherever necessary, should be furnished.
- r) Log book entries duly indicating page numbers for the consumption of fuel should be appended, if ceiling prescribed by the Government for consumption of fuel has been exceeded, a sanction order from the next higher authority should be enclosed.

- s) Certificate as required for drawal of third A.C.Bill stating that first AC Bill is cleared should be furnished
- t) While enclosing sanction proceedings, financial powers delegated in GO Ms.No.148, Fin & Plg (FW.Admn.I-TFR) Dept. dt. 21-10-2000 and G.O.Ms. No. 471, F (TFR) Dept. dt. 3-9-01 should be strictly observed.

3.7 Checklist 2: Pay and Allowances

- 1. General Check noted in checklist I should be applied in the first instance.
- 2. Bill should be prepared in the prescribed APTC Form No. 47.
- 3. Separate bill for temporary and permanent and Plan and Non-Plan posts should be prepared (SR 7 of T.R. 16).
- 4. Correct schedules of deductions should be enclosed to the bill (SR 2[1] TR 16).
- 5. Arithmetical accuracy to be verified (SR 7 TR 16).
- 6. In case of **first appointment**:
 - a) Sponsorship by APPSC or Employment Exchange should be verified (Act. 2 of 1994).
 - b) Age and Health certificate should be insisted upon (FR 10).
 - c) If appointment is made on compassionate grounds, the authority and method, including nodal agency, should be verified.
- 7. In case of **Increment**, the periodical increment certificate should be signed by the competent authority (SR 13 of TR 16) and an Increment Watch Register should be maintained. (*Annex-15*)

8. In case of **subsistence allowance**, the provision in FR 53 should be followed.
9. In case of **Foreign service** claim, the sanction of competent authority be observed (FR 127).
10. **Time barred and Arrears claims** (Art. 52 to 55 of APFC Vol. 1 and orders in G.O. Ms. No. 161 Finance and Planning (FW TFR) Dept. dated 27.04.91 & (Circular Memo No. 44942/358/A2/TFR/96, dt 4-2-97)
 - a) Upto 3 years – Appointing authority.
 - b) Ad hoc sanction – Head of the Department.
11. **Additional pay (FR 49). Competent authority:**
 - i) Upto 3 months – Head of the Dept.; Beyond 3 months – Government.
 - ii) Period to exceed 14 working days for FAC and 30 days for Current Duties
 - iii) No Addl. charge shall be given to Class IV, Chowkidars, Drivers and Record Assistants.
 - iv) Addl. charge is not permissible from a retrospective date.
12. **Encashment of Earned Leave (EL):**
 - a) Surrender of E.L. 15 days for each financial year while in service.
 - b) Encashment of E.L. on retirement or death – Maximum 300 days (vide G.O. Ms. No. 232 Finance (FRI) Department, dated 16.9.2005)

13. a) **A.P. Employees Welfare Fund:** Rs. 50/ shall be deducted from fresh appointees; for others Rs. 10/- shall be deducted from the salary of March paid in April in each year. (G.O. [P] No. 173 Finance and Planning (FW. PRO. IV) Dept. dated 28.05.1980). Deductions towards repayment of loans & advances taken is through schedules from Salary Bill.
- b) **Flag Day Contribution:** Rs. 10/- for Gazetted officers and Rs. 5/- for Non-Gazetted staff shall be deducted form the salary of December paid in January each year (G.O. Ms. 603, Home Dept. dated 11.12.92 read with Circular Memo No. 41190/GB/A3/98-1. Home Dept. dated 09.11.98).

14. **Deduction of Income Tax**

Every disbursing officer should make the appropriate deductions of Income Tax in accordance with the provisions of Income Tax Act 1961 (Art. 86 of AP Financial Code)

15. **Payment of Obsequies Charges**

Payment of obsequies charges in respect of deceased employees/pensioners is as follows

- a) for employees who die while in service - Rs. 5000/-
- b) for deceased pensioners - One month pension last drawn subject to a minimum of Rs.5000/- (G.O. (P) No. 250 Fin. Dept. dt. 4-10-2005)

The obsequies charges of a Government employee who retired from service but whose pensionary benefits are not yet released shall be drawn and paid by the DDO from where the employee retired by debiting the amount to MH 2071 Pension head.

16. Subsistence Allowance

- a) Copy of suspension orders issued by the competent authority should be enclosed to the bill. [Authority: FR 53 read with G.O.Ms.No.215 GAD (Ser.C) Dt.17-03-90].
- b) Payment of subsistence allowance up to 3 months from the date of suspension is equal to leave salary on half pay leave “i.e.” half pay + proportionate DA + full HRA and CCA. [Authority: FR 53 [1] [ii] [a]]
- c) After 3 months if suspension is prolonged for reasons not directly attributed to the employee, then the amount of subsistence allowance may be increased by a suitable amount up to 50% [Authority: FR 53 [1] [ii][a] (i)]
- d) In case reasons directly attributable to the employee, then the amount of subsistence allowance may be reduced to a suitable amount up to 50% [Authority: [FR 53 [1] [ii] [a] [ii]]
- e) During suspension, the subsistence allowance should be regulated to half of the pay drawn prior to suspension. DA should be based on subsistence allowance payable. [FR 53 (1) (ii) (a) (iii) read with Govt. Memo. No. 17892 /212/A2/FR.II/ 2000 F&P [FW.FR.II] Dept. dt. 23-08-2000). HRA and CCA should be on the pay prior to suspension [FR 53 (1) (ii) (b) read with Cir. Memo No. 40986/489/A2/FR.II/99-2, dt 1-4-2000).

- f) No increment shall be sanctioned during suspension period.
- g) No leave should be sanctioned during suspension period.
[Authority: FR 55]
- h) Government ordered that the Govt. servant under suspension whether he is lodged in prison, or released on bail on his conviction, pending consideration of his appeal, be paid subsistence allowance. [Authority: Govt. Memo. No. 39071/471/A2/FR.II/99 dt. 28-02-2000]
- i) The suspended official shall submit a certificate to the competent authority that he/she is not engaged in any other employment, business, profession every month while getting subsistence allowance. [Authority: FR.53 [2]
- j) The vacant post of suspended official shall not be filled in by way of promotion, appointment by transfer or regular transfer except making additional charge arrangements.[Authority: G.O.Ms.No. 189 GA [SER.C] Dept. dt. 20-04-99 read with Memo. No.20225/219/FR.II/99 dt. 23-07-99 of F&P]
- k) During the period of suspension, the family of the suspended official can be sanctioned and availed L.T.C. except the suspended official.
- l) Review on suspension: [Authority: G.O.Ms.No. 578 GAD [Ser.C] dt. 31-12-99]
 - [a] First six months period to be reviewed by the appointing authority
 - [b] Next six months period shall be reviewed by the Higher Authority/HOD
 - [c] Next review by the Government.

- m) If an employee dies, while under suspension, the period between date of suspension and the date of death shall be treated as duty and the family shall be paid full pay and allowances, after deducting the substance allowance and other allowances paid to the Employee, if any [Authority: Rule 54-B[2]]
- n) The recovery of A.P.G.L.I and G.I.S. P.T. shall be made compulsorily during the suspension period also.
 - a. The subscription and recovery of loan of G.P.F. shall not be made at the request of the suspended official during suspension.
 - b. Declaration to be given by the suspended employee and the DDO.

Certified that I have not been engaged in any profession or trade or employment during the period from..... tofor which the Subsistence allowance was drawn and paid during the previous month.

17. Court Attachment (Art 87 & 88 of APFC Vol I, SR 2K under TR 16)

Exempted Allowances from court attachment orders are:

While subsistence allowances paid to Government Servant under suspension is liable for court attachment, the following allowances forming part of the emoluments have been declared as exempted from time to time:

1. All kinds of traveling allowances.
2. All kinds of conveyance allowances.
3. All allowances granted for meeting the cost of uniforms and rations.

4. Allowances granted as compensation for higher cost of living in localities considered by Government to be expensive localities, including hill stations.
5. All House Rent Allowances.
6. All allowances granted to provide relief against increase in cost of living
7. Children's Education allowance.
8. The amounts paid by way of reimbursement of medical expenses.
9. The maximum amount attachable by a Civil Court is calculated on the amount earned and not on what remains after satisfying any debts due to the Government on account of advances taken under the rules.
10. Payments towards PLI and other Life Insurance Policies, Pension Schemes, annuity fund that do not come under the protection afforded by the Provident Fund Act 1925, but allowed to be deducted from the Pay bills for convenience, should not be excluded from the aggregate amount of salary in calculating the maximum amount attachable by a Civil Court. All deductions authorised by the Government should be made from the non-attachable portion.

3.8 Checklist 3: Pay Fixations & Automatic Advancement Scheme

- 1] The pay of the employee is to be fixed on promotion involving higher responsibilities and time scale be fixed at under **FR 22(a)(i)** from the date of promotion to fix his pay in the next stage in the time scale attached to the promotion post.
- 2] The pay is also to be re-fixed under **FR 31(2)** from the date of accrual of increment in the lower cadre if need arises.

- 3] If the Govt. servant promoted to the higher post after appointment to Automatic Advancement Scheme in the lower post, the pay of the individual shall not be fixed under **FR 22(B)** during 1-8-1993 to 30.6.2003 only Pay should be fixed under FR 22 (a) (i) & fR 31 (2) only.
- 4] If the Govt. servant promoted to the higher post from the lower category with out getting appointment to the AAS, the pay of the individual shall be fixed under **FR 22(B)** by allowing notional increment at the time of fixation. This principle is applicable during 1-8-93 to 30.6.2003 only.
- 5] If a Govt. servant holding SG/ SPP scale is promoted to 1st level promotion post prior to **31-07-1993** even after introduction of RPS 1993 and whose date of increment in lower post is after 1-8-93 the individual is eligible for fixation under **FR 22(B)**
- 6] If a Govt. servant opted to fix his pay under **FR 22(B)** from the date of promotion, one increment has to be added notionally to the pay already drawn in the lower post and fix the pay so arrived in the next stage in the promotion post. The next increment will be after one year only.
- 7] If a Govt. servant opts to have his pay fixed under FR 22 (B) from the date of accrual of increment in the lower post, his pay should first be fixed under FR 22 (a) (i) on the date of promotion. Increment in the lower post has to be released notionally on the due date of increment and after addition of one increent to that pay his pay should be fixed at next above the stage of notinal pay under FR 22(B)
- 8] In respect of Government servant who is promoted, they may be given only one opportunity to revise their options provided

such revised option shall be within a period of one year from the date of promotion (G.O.Ms.No.102, F & P (FW FR II) Dept.Dt.19-03-91)

- 9] The Govt. servant who promoted from the lower category shall exercise his option for fixation of pay within 30 days from the date of joining in the promotion post
- 10] If he happens reach maximum of time scale and exhausts all stagnation increments, he is not eligible for fixation under FR 22B. Pay should be fixed under FR 22 (a) (i) read with FR 31 (2). (Circular Memo No. 40304/692/A1/FRII/2001, dt. 16-1-2002).

If he reaches maximum of time scale and do not exhaust all stagnation increments, he is eligible for fixation of pay under FR 22B.

- 11] Family planning increments, higher education qualification increments do not count for fixation of pay in the higher post.
- 12] In respect of typists and stenographers, whose services have been regularized prior to 24-08-98, their special pay shall be taken into consideration for pay fixation in the promotion post. (G.O.Ms.No.190, F & P, (FW FR II) Dept.Dt.24-08-98)
- 13] An employee after completion of eight years incremental service in one cadre shall be eligible for appointment to the special grade post and his pay shall be fixed in the SG post scale under **FR 22(a) (i)** read with **FR 31(2)** (Govt. No. 11720-B/616/PC/86-1, dt 20-9-86).

- 14] An employee after completion of **16** years incremental service in one cadre and after acquiring the requisite qualification for appointment to the promotion post shall be eligible for appointment to the special promotion post and his pay shall be fixed in the SPPI post scale under **FR 22(a) (i)** read with **FR 31(2)** only.
- 15] An employee who does not acquire requisite qualification to become eligible for promotion (1st level promotion) should not be eligible for appointment to the SPP scale even after completion of **16** years of service.
- 16] An employee who has relinquished the right of promotion to the 1st level promotion post under Rule 28 of AP State and Subordinate Service Rules, should not be appointed to SPP - I (Govt.Memo.No.0007/375/PRC I/88.Dt.26-10-88)
- 17] The services rendered in two different categories i.e. Typist/ Junior Assistant can be computed for the purpose of appointment in SPP I [G.M. No. 15685/Q1/94-2, dt 3-1-95 of HM & FW (Q1) Dept.]
- 18] If an employee who has no promotional avenues according to service rules like Shroffs, Attenders, Record Assistants, Jeep drivers etc., after completion of **16** years of service, appointment shall be made under SAPP I [G.O.Ms No. 45 F&P (PC II) Dept, dt. 15-2-93]
- 19] If an employee who has completed **24** years of service without any promotion should be given another additional increment under FR 22 (a) (i) besides normal increment due after completing **24** years under **FR 26**. Pay should fixed under **FR 31(2)** if need arises.

- 20] Those who are already drawing their pay in SPP II and SAPP II, will continue in the time scale without any disturbance (G.O. (P) No.362, F & P (FW PCII) Dept.Dt.28-10-94)
- 21] As per G.O.Ms.No.150, F & P (FW PC II) Dept.Dt.01-09-99, the existing system of awarding Automatic Advancement Grades for every 8/ 16/ 24 shall be continued in RPS'1999.
- In RPS 2005 Govt. have issued orders in G.O. (P) No. 241, Finance (PC II) Dept, dt 28-9-2005 for continuation of the existing Automatic Advance scales for 8/16/24 in PRC 2003. Automatic Advance Scheme is applicable to and inclusive of the Scale 10845-25600. However, those who are drawing pay up to SPP I scale, are eligible for FR 22B fixation. Further, on completion of 24 years service they are eligible for SPP II/ SAPP II scale.
- 22] The stagnation increments are treated as normal increments for all purposes such as pension, pay fixation etc., and also sanctioned at the higher rate as admissible to the pay (Memo. No.5763/59/PC-I/99-1, Dt.27-02-99 of F & P (FW PC I) Dept.)
- 23] The employees on completion of 45 years of age are exempted from passing the departmental tests as prescribed in the service rules to get one level promotion, for appointment to SPP also subject to conditions laid down in **G.O.Ms.No.225 GAD Dt.18-05-1999.**
- 24] If the pay of the senior has been stepped-up on par with his junior, the DDO shall present the bill in **APTC Form 47** with the following documents

- a) Proceedings issued by the competent authority (self – explanatory)
- b) Comparative Statement
- c) Seniority list
- d) SR s of both junior and senior
- e) Due drawn particulars

Note: The increment of the senior will be allowed after completion of one year from the date of step-up of pay.

- 25] The Govt. clarified that the period during which the increments have been stopped without cumulative effect, will count for purpose of AAS (Govt.Memo.No.41082 /574/A1/ PC II/95, Dt.30-12-96 of F & P (FW PC II) Dept.)
- 26] Pay fixation statements and appointment orders for AAS shall be enclosed in original with ink-signed copy to the bill and also necessary increment certificates wherever necessary be enclosed to the bill.

3.9 Checklist 4: Pensions

(Rule 51 of A.P.R.P. Rules of 1980)

a. Anticipatory Pension

1. Head of Office is the Sanctioning Authority.
2. a) 4/10 of last pay drawn to be sanctioned as anticipatory pension (Having completed 33 years of qualifying service).

b) Proportionate of 4/10 (Less than 33 years of qualifying service).

3. i) A.P.T.C. Form No.47 to be used and the head of Account M.H. 2071 – Pension and other retirement benefits.
- ii) The anticipatory pension shall be adjusted against the final pension.
- iii) No anticipatory pension can be sanctioned, where disciplinary proceedings are in progress (Rule 9).

b. Anticipatory Family Pension

- i) Head of Office is the Sanctioning Authority.
- ii) 75% of the admissible family pension following the date of death to be sanctioned.
- iii) This shall be adjusted in full from the family pension.

c. Anticipatory Gratuity

- i) Head of Office is the Sanctioning Authority.
- ii) 80% of the admissible gratuity be sanctioned.
- iii) No anticipatory gratuity shall be sanctioned when disciplinary proceedings are contemplated against the pensioner.

3.10 Checklist 5: Leave Travel Concession

1. To be sanctioned to the government servant who had put in 5 years service. (G.O. Ms. No. 20 Finance [PC] Department, dated 18.01.1972, G.O. Ms. No.15 Finance [PC] Department dated. 17.01.1973).

2. The permission granted to avail the L.T.C. is given by the authority competent to sanction leave other than casual leave (Govt. Memo No. 55427/TA/76-1 dated 12-07-76 of F&P [PC] Department).
3. Prior permission is obtained before commencing the upward journey (Govt. Memo 1165/PC/72-1 dated 12.05.72 of F&P [PC] Department).
4.
 - i) The government servant should touch the destination for which he/she is permitted (Govt. Memo No. 39873/1005/TA/85-1, dated 16.12.85 of F & P [FW.TA] Dept).
 - ii) The LTC concession is availed correctly with reference to block periods.
 - iii) Whether the Home Town declared is an outstation or a place within the State, should be checked before sanction.
5. The claim is supported with original used bus/train tickets, receipts (Cir. Memo No. 11818/48/A2/TA/2001, dt 7-3-2002).
6. The claim is preferred by the government servant within 30 days from the date of return journey, or otherwise 15% cut is imposed upto a maximum period of 1 year (Rule 12).
7. The certificates as prescribed by the Government should be furnished (G.O. Ms. No. 15 read with G.O. Ms. No. 247 F&P [FW.TA] Dept. dated 20.09.1982).
8. S.R. entry should be made and certificate in token of having availed the facility is furnished with the bill (Rule 11[h] of L.T.C. Rules).

9. Certificate stating whether spouse is employed either in State, Central, Quasi Government, etc., where similar facilities are available and but not availed separately is obtained from the government servant and attested by D.D.O. (Rule 11[a] (i) and (ii) of L.T.C. Rules, G.O. Ms. No. 15 read with Govt. Memo No. 83808/C/564/ TA/79-1, dated 23.01.1979.)
10. Bill shall be preferred in T.A. bill form (APTC Form No.52).
11. The LTC should be limited to only two dependent children from 01.04.96 onwards and any child born beyond two after 01.04.96 is not entitled to LTC, but in respect of children born prior to 01.04.96, all the dependent children are eligible for LTC (G.O. Ms. No.140 F&P [FW.TA] Dept. dated 03.04.96) [Note iii under Rule 7].
12.
 - i) Parents of Gazetted Officers shall not be treated as family members. Note (i) under (Rule 7).
 - ii) Parents of married female government employees will be treated as members of family provided they are dependent on them. [Note ii under Rule 7]
 - iii) Pensioners cannot be defined as dependent parents in LTC. [Note iv under Rule 7]
13.
 - a) If the places are connected by train, journey shall be performed by train only.
 - b) In case the journey is performed by bus (APSRTC & AP Tourism Development Corporation), the fare shall be limited to train fare or bus fare whichever is less.

- c) Journeys by private services or car, hired car, private taxis, vans, etc., shall not be allowed.

14. If the Home Town is situated outside the State, the claim shall be limited to the last point within the state in that direction.

In case of misuse / abuse of advance :

The entire amount if drawn and disbursed shall be recovered in one lump sum;

- (i) The right of the Govt. employee for availment of leave travel concession shall be forfeited for the rest of service;
- (ii) Disciplinary action has to be taken by the disciplinary authority to initiate disciplinary proceedings against a Govt. employee on the charge of preferring a fraudulent claim of LTC, such Govt. servant shall not be allowed the LTC till the finalization of such disciplinary proceeding; and
- (iii) If the Govt. servant is fully exonerated of the charge of fraudulent claim of LTC, he or she shall be allowed to avail the concession withheld earlier as additional sets in future block years but before his normal date of superannuation. (Rule 14)

In cases, where as a result of departmental enquiry, misuse/abuse or delay in refunding the unutilized portion of the advance drawn and paid, is proved, the competent authorities shall take action as indicated below :-

- (i) The entire amount of the unutilized advance along with penal interest at 18% per annum shall be recovered in one lump sum;

- (ii) The action referred in items (ii) and (iii) of the above Para also has to be taken. (Rule 15)

During the enquiry, the Govt. employee need not be kept under suspension. (Rule 16)

15. A LTC Advances Watch Register should be maintained to watch the recovery of amounts advanced. (*Annex-16*)

Certificates to be insisted upon from the Claimant for LTC Bills:

- a) Certified that for the block period of _____, I have not submitted any claim so far for leave travel concession in respect of the persons for whom traveling allowance is claimed in this bill.
- b) Certified that the advance of traveling allowance for the leave travel concession has been fully adjusted in this bill.
- c) Certified that the persons for whose journey the claim is preferred in this bill performed the journeys to and from_____.
- d) Certified that my wife/husband is not a Government employee/ is an employee of _____ and that the concession has not been availed of by her/him separately for herself/himself for any of the family members covered by this claim for the block period_____.
- e) Certified that the family members for whom claim has been made in this bill are wholly dependent on me.
- f) Certified that my parents for whom the claim is made in this bill are wholly dependent on me and they are not pensioners/job holders.

Certificates to be furnished by the DDO along with the LTC bill:

- a) Certified that the claim was preferred in time by the claimant and that the delay in presentation at the Treasury is due to administrative reasons.
- b) Certified that the claim was not preferred and paid previously.
- c) Certified that necessary entries were made in the Service Register of the individual regarding the availing of leave travel concession during the block period.

Certified that apart from normal checks, I have verified the claim after obtaining all the required details, as to the actual travel correctness of number of family members, distance travelled, fares and mileage claimed and I am satisfied that the claim is in order.

3.11 Checklist 6: Traveling Allowance

- 1. Time scale of pay in which the government servant's pay is drawn is indicated to identify the grade of the individual (Annexure-I Rule 23). As per note (ix) under Annexure - I, Automatic Advancement scales attached to the post does not reckoned for deciding grade.
- 2. The claim is received within 3 months from the date of last journey or a certificate to the effect that the T.A. bills preferred within the time limit and the delay is due to administrative reasons is appended by the controlling officer (Art. 54 of APTC Vol. I).
- 3. D.A. is admissible only when a government employee reaches a point outside a radius of 8 km from the headquarters from a similar point (Rule 38).

4. D.A. is regulated correctly irrespective of mode of travel [Rule 37 (1)]:
 - a) One D.A. is admissible for 24 hours of absence from headquarters
 - b) Full D.A. for absence of 12 hours and above
 - c) Half D.A. for absence of 6 hours and more but less than 12 hours
 - d) No D.A. for absence of less than six hours
5. Those who draw house rent allowance at the rates admissible to a qualified town on the ground that the place of duty is within 8 kilometers from that qualified town are not eligible for traveling allowance/daily allowance when they perform journey to that qualified town for official purpose (Rule 39 (6) (4)).
6. Permission is to be obtained to perform journey outside the jurisdiction within the State and also for journey outside the State by the competent authorities when the category is not already exempted from the operation of this rule (Rule 47).
7. When C.L./O.H / PH is availed while on tour, D.A. is not admissible (Rule 40 [1] to [3]).
8. The Government servant should resume duty after availing C.L. while on tour. Otherwise the fare for the return journey is not admissible (Rule 48[4] & [5]).
9. Reimbursement of boarding and lodging charges is made on production of original receipts in and outside the State and DA is regulated accordingly [Rule 41(4)].

10. Taxi or auto fare is permissible from the arrival point outside the State to place of stay and vice versa with no limit and for going to offices @ Rs. 200 per day subject to certification of expenditure if Government vehicle is not provided (Rule 40[7]).
11. Reimbursement of cancellation charges of Railway tickets purchased in connection with Railway journey is permitted if the journeys were cancelled solely in the public interest and to be certified by the controlling officer (Rule 27[5]).
12. If journey is performed by Regular Public Motor service, between places connected by Rail, payment of actual bus fare or the railway fare of the entitled class, whichever is less, should be made (Rule 23 [1]).
13. For journey performed by Regular Public Motor service, if not connected by rail, he/she is entitled for the actual bus fare (not Air Conditioned bus) (Rule 23[2]).
14. If not connected either by Rail or Public Motor service, entitled for payment of mileage allowance (Rule 23[2]).
15. No daily allowance is admissible in addition to the mileage allowance (Rule 24[2]).
16. The Insurance Premium paid by Government officers to cover the risk of Air Travel is reimbursed subject to furnishing the certificate by the claimant to the effect that Insurance premium was actually paid to the Insurance Company (Rule 34[3]).
17. Journey by own conveyance while on tour may be allowed. For eligibilities of conveyance, the Annexure IV of APTA Rules may be referred. (Rule 24) .

18. Cancellation charges paid by Government employees on Air ticket in connection with the tour shall be reimbursed through their T.A. bill if certified that the cancellation is due to circumstances, which were unavoidable, and beyond the control of the Government employee (Rule 44).
19. A TA Watch Register should be maintained to watch the recovery of amounts advanced. (*Annex-17*)
20. A TA counter-signature register should be maintained in each office. (*Annex-18*)

Certificates to be insisted upon along with the Tour Traveling Allowance Bill:

- a) I certify that for the Railway journeys included in this bill were actually travelled by _____ class for which Railway fare is claimed.
- b) I certify that the bus fare claimed in this bill was actually paid by me for the journeys performed by bus.
- c) I certify that the places, for which mileage allowance is claimed in this bill, are not connected either by Rail or by a regular public motor service.
- d) I certify that I was not provided with any Government conveyance or any other conveyance at Government expenses, for the journeys included in this bill.
- e) I certify that neither boarding or lodging nor both were not provided to me free of cost.

- f) I certify that my own motor car/motor cycle was used for the distance for which mileage allowance is claimed under rule.

I certify that no traveling allowance/daily allowance is claimed by me for the period during while I was on casual leave or availed public holiday/optional holiday.

3.12 Checklist 7: Transfer Traveling Allowance

1. Copy of Transfer Order, cash receipts towards transportation of personal effects and loading and unloading charges or packing and unpacking charges, date of relief at old station and date of joining at new station and list of family members are to be furnished in the bill.
2. T.T.A. advance, if drawn at old station, to be recovered. If no advance was drawn, full payment is made.
3. If the bill is preferred late by the DDO, a certificate stating that the claim is received within the time limit and the delay is due to administrative reasons should be appended by the Controlling Officer.
4. (a) Employee is eligible for two fares of the entitled class. If he travels in a Class lower than entitled, he is eligible for one fare of the class by which he actually traveled plus the extra fare of the entitled class (Rules 56[1]) (ii).

(b) If the journey is performed by a motor car or by a regular Public Motor service –eligible to draw either the actual charges (i.e., bus fare or the charges by motor car) or the amount, which would have been admissible, had he travelled by train [Rule 56 (1) (iv)].

5. Between the places not connected by Rail, entitled to draw 2 mileages [Rule 56 (2) (i)].
6. (a) Journey by family members between places connected by Rail, entitled to draw one fare for each adult member and ½ fares for child (Rule 57).

(b) If travelled by Public transport service, the claim to be limited to Rail fare.

(c) If the family members perform journey by motor car between two places connected by train along with the Government employee, not entitled to claim for Railway fares (Rule 57).
7. If not connected by Rail, one mileage at the rate applicable to the Government employee if 3 members of family accompany him. Another extra mileage may be allowed if more than 3 members of his family have accompanied him [Rule 57(2) (i)].
8. Officers eligible to maintain their own conveyance if carried along with the officer, the actual charges incurred limited to the total number of mileages admissible to the government employee and family be allowed (Rule 57).
9. Transport of personal effects on Transfer: (Rule 58).

Grade-I 5000 Kg.

Grade-III 4000 Kg.

Grade-III 3000 Kg.

10. Transport of personal effects Not connected by Rail:
Personal effects (3) Mileages (Rule 58).
Transport of motor car/cycle/scooter (Rule 58[7] and [60]).
Packing/loading/unloading/unpacking (Rule 59).

11. Traveling allowance on retirement:

- a) The claim for journey on retirement on Superannuation is regulated as per Govt. Orders (G.O. Ms. No. 80 Finance and Planning (FW& TA) Department, dated 20.03.1975).
- b) The concession shall be availed within six months from the date of retirement.
- c) T.T.A. bill on retirement has to be preferred where the last pay was drawn.
- d) The claim for personal servants, when included, is not admissible.

Certificates to be insisted upon along with Transfer TA Bills:

- a) I certify that myself and members of my family and personal servants have actually travelled in _____ for which the claim is made in this bill for rail journeys.
- b) I certify that myself and members of my family and personal servants actually travelled by road for which bus fare and/or mileage allowance is claimed in this bill for the road journeys.
- c) I certify that the personal effects were actually transported by road and I spent a sum of Rs. _____ (Rupees _____)

towards their freight and the claim is limited to the amount that would be admissible, had the maximum number of kilograms of personal effects, been taken by goods train at the rate of Rs._____ (hereby specify the goods rate) per kilogram.

- d) I certify that the claim made for the members of my family is in respect of those who are actually residing with me at the time of receipt of orders of transfer and they are wholly dependent on me.
- e) I certify that the personal effects (including conveyances) transported as claimed in this bill were actually under my possession at the time of receipt for orders of transfer.

The following certificates have to be furnished by the countersigning officer:

- a) I certify that I have satisfied myself about the necessity, frequency and duration of journeys and halts claimed in this bill.
- b) I have satisfied myself about the distance and rates claimed in this bill. (Rule 94)

3.13 Medical Reimbursement

AP Integrated Medical Attendance Rules, 1972 are applicable to:

- a) All India Service officers and their dependents
- b) Higher Judicial Officers and their dependents
- c) All state Govt. employees and their dependents

- d) All pensioners and their dependents except those who are receiving compassionate allowance. Further, as per G.O.Ms.No. 87, HM&FW (K1) Dept, dated 28-2-2004, family pensioners are also eligible for medical reimbursement. But their dependents are not eligible.
- e) Those who are under suspension and their dependents

Treatment at NIMS:

- a) Treatment at NIMS will be allowed without referral letter of teaching hospitals for earmarked diseases. They are i) Acute Myocardial Infarction and Coronary Artery Disease b) Acute Renal Failure c) Severe cases of head and spinal injury d)cases of coma e) PTCA & STENT f) Open Heart Surgery g) Pace Maker h) All Organ Transplants i) Plastic Surgery done for accident cases and burns j) Mitral Valve Replacements. Reimbursement will be allowed full for these diseases without any cut. (G.O.Ms.No. 134, HM&FW (K1) Dept, dated 9-4-2001 and G.O.Ms.No. 74, HM&FW (K1) Dept, dated 15-3-2005).
- b) Advance will be sanctioned for treatment of above diseases along with those cases referred by teaching hospitals.(G.O.Ms.No. 445, Fin & Plg. (FW. Expr. HM&FW) Dept, dated 1-6-1992).
- c) Reimbursement will be as per scrutiny of Director, NIMS.
- d) For emergency treatment of any disease, no referral letter will be insisted.
- e) OP treatment can also be taken at NIMS.

Treatment at SVIMS:

All the rules applicable to NIMS are also applicable to SVIMS. (G.O.Ms.No. 544, HM&FW (K1) Dept, dated 9-11-1993)

Admissibility of Reimbursement:

Reimbursement will be allowed without any ceiling and admissible as per the CGHS package rates. For NIMS/SVIMS, reimbursement will be allowed as per the package rates of NIMS/SVIMS. For recognized private hospitals, CGHS package rates admissible.

The maximum ceiling limit of Rs.2.00 lakhs (Rupees two lakhs only) is fixed for the major ailments of Bypass Heart surgery, CABGS, Double valve replacement, Open Heart procedure, aortic valve replacement, Kidney Transplantation, Cancer and Neuro-Surgery to Brain irrespective of package rates of CGHS for the treatment obtained in private hospitals, and also for the treatment obtained in NIMS, Hyderabad and SVIMS, Tirupati or actual cost which ever is less. This ceiling limit of Rs. 2.00 lakhs is applicable to the serving employees and their dependents. In respect of retired employees, their dependents and family pensioners, the ceiling limit is Rs.1.00 lakh (Rupees one lakh only) for these ailments, as per the recommendations of P.R.C. 2005. (G.O.Ms. No. 105, HM&FW (K1) Dept., dated 9-4-2007). For the procedures which are not covered in the package rates prescribed in the Rate list of Central Government Health Scheme, when the treatment obtained in private hospitals, the package rates of Nizam's Institute of Medical Sciences, Hyderabad for such procedure or Sri Venkateswara Institute of Medical Sciences, Tirupati shall be followed for scrutiny, certification of admissible amount and medical reimbursement purpose and it shall not exceed the maximum package rate prescribed in Central Government Health Scheme rates i.e. Rs.1,70,000/-. (G.O.Ms. No.

180, HM&FW (K1) Dept., dated 11-5-2006). Where package rates in CGHS, NIMS/SVIMS are not available for certain treatments other than Dental ailments, the ceiling limit as prescribed in G.O.Ms.No.58, HM&FW (K1) Dept., dt.5-5-2000 shall be followed for scrutiny and reimbursement purpose, duly modifying the orders issued in G.O.Ms.No.180, HM&FW (K1) Department, dated 11-5-2006, viz. the ceiling limit will be Rs.1.00 lakh (Rupees one lakh only) for serving employees and their dependents and in respect of retired employees and their dependents and family pensioners, it shall be Rs.75,000/- (Rupees seventy five thousand only). (G.O.Ms. No. 105, HM&FW (K1) Dept., dated 9-4-2007).

Sanction of Advance:

Advance will be sanctioned for the earmarked diseases and for treatment of any disease which was referred by teaching hospital. For this, Director, NIMS/SVIMS will issue an estimation certificate. Based on this HoD will issue sanction order for advance (G.O.Ms.No. 86, Fin & Plg. (FW. Expr. HM&FW), dated 1-6-1992). Drawing Officer will draw and furnish cheque to Director, NIMS/SVIMS. The advance has to be adjusted within 3 months with the scrutiny of Director, NIMS/SVIMS. Pensioners are also eligible for advance (G.O.Ms.No. 579, HM&FW (K1) Dept, dated 1-12-1993).

Treatment in recognized private hospitals:

- a) Govt. has recognized a number of private hospitals as referral hospitals. Treatment for emergency cases can directly be obtained at these hospitals. For such cases 90% of eligible amount (CGHS Package rates) will be reimbursed. Area Hospital Superintendents, teaching hospital Superintendents can refer cases to these hospitals. Then

there will no cut on reimbursement.

- b) For treatment other than emergency and earmarked diseases, the same has to be sent to Govt. for sanction along with scrutiny of DME, Hyderabad (G.O.Ms.No. 507, Gen. Admn. (AR&T1) Dept, dated 3-12-1999).
- c) For accident cases, treatment may be obtained in nearest unrecognized private hospital also. If claim is below Rs. 25,000/-, the same will be sanctioned by HoD/Dist. Collector after scrutiny. If exceeds Rs. 25,000/-, the same will be sanctioned by the concerned administrative department in secretariat.

Treatment in Govt. Hospitals:

Treatment in Govt. hospitals is free. OP treatment may also be obtained for any number of times. (Lr. Rc. No. 20929/MA.A/02, dated 10-10-2002 of Director of Medical Education, Hyderabad).

Scrutiny of claims:

- a) For treatment at NIMS/SVIMS, Director, NIMS/SVIMS will scrutinize the claim.
- b) For claims of referral private hospitals:
 - i) Above Rs. 25,000/- cases has to be sent to DME
 - ii) Below Rs. 25,000/- cases of districts has to be scrutinized by teaching hospital superintendents, District Hospitals Superintendent, Medical Officer of AP Bhavan, New Delhi.

- c) For Secretariat employees, if treatment obtained in recognized private hospitals and the claim is below 10,000/-, the same will be scrutinized by the Medical Officer of Secretariat Dispensary.
- d) All India Service Officers claims:
- i) They need not be sent to DME.
 - ii) In Hyderabad: For IAS/IFS officers, Medical Officer of Secretariat Dispensary For IPS officers, Medical Officers of Special Police Battalions.
 - iii) In Districts: For IAS/IFS officers, the Civil Surgeon of the District Hospital. For IPS officers, Police Medical Officer or Civil Surgeon of the District Hospital.

Enclosures to claim sent for scrutiny:

1) Annexure I 2) Essentiality Certificate 3) Emergency Certificate wherever necessary(dental and eye treatment not necessary) 4) Case/discharge summary or death summary 5) All original bills 6) Declaration of dependent 7) Non Drawal Certificate. Items 2,3,4 and 5 have to be signed by authorized medical attendant or treating doctor. Items 1, 7 have to be attested by Drawing Officer.

Time limit for submitting claim:

Within 6 months from the last date of treatment. Otherwise a 15% cut will be imposed after Govt. sanction or may be rejected. For cases of coma, accidents and death, the same may be submitted within 8 months.

OP treatment:

In Govt. hospitals and NIMS/SVIMS, there is no restriction. For chemotherapy and radio therapy under cancer, dialysis for kidney

patients, heart diseases, serious cases of neurology and AIDS, treatment may be obtained in recognized private hospitals.

Sanctioning authority:

Claims below Rs. 25,000/- will be sanctioned by drawing officer. Claims above Rs. 25,000/- will be sanctioned by HoD/District Collector (GO Ms. No. 74, HM & FW (K1) Dept., dated 15-3-2005).

Other details:

For same disease, reimbursement may be allowed without ceiling for any number of times. For pensioner's, reimbursement/advance will be allowed for three times only for CABG (Bypass Surgery), kidney transplantation, cancer, neurosurgery PTCA+STENT. For other diseases, pensioners also eligible for reimbursement any number of times.

As per G.O.Ms.No. 507, HM & FW (K1) Dept, dated 16-1-2001, pensioners can get reimbursement either from their last working office or in the district wherever he settles.

Medical reimbursement claims have to be drawn in the head of account in which their salaries drawn under "012 – Allowance" Advance bills has to be drawn in From 40, reimbursement in From 58 and adjustment bills in separate form.

Master Health Checkup be conducted to all Govt. employees who crossed the age of 40 years and before retirement from service. Master Health Checkup will be allowed only three time with an interval of one year between each checkup. (G.O.Ms. No. 74, HM&FW (K1) Dept., dated 15-3-2005). The ceiling limit for reimbursement is fixed at Rs. 3,000/- for master Health checkup (G.O.Ms. No. 105, HM&FW (K1) Dept., dated 9-4-2007)

3.13.1. Checklist

1. Sanction orders should be supported by medical bills in original along with application in prescribed proforma and Essentiality Certificate.
2. Cash memos and Essentiality Certificate are countersigned by Medical Officer authorised to do so.
3. The office seal of the Hospital to which the AMO is attached or the seal of the dispensary, including the name of the hospital to which the dispensary is attached, should be affixed.
4. The medical reimbursement bill is counter signed by the controlling officer. In the case of AIS officers, this is not necessary.
5. The bill is received within 6 months after the last date of the period of treatment, or otherwise 15% cut is imposed.
6. The cash memos contain the name of the entitled person.
7. Treatment simultaneously under both the modern and indigenous systems is not admissible.
8. The period of treatment and nature of illness is clearly indicted in the Essentiality Certificate by AMO.
9. The reimbursement claim is not admissible in respect of items, which are not medicines but are primarily foods, tonics, toilet preparations and disinfectants.

10. The bill containing any consultation or other fees is prohibited (Rule 4[5] of APIMA Rules 1972).
11. In case of reimbursement of claim for the treatment in NIMS, whether the patient was admitted in NIMS as (a) emergency or (b) on the recommendation of either the Superintendents of Government hospitals or HODs of teaching hospitals to be checked (G.O. Ms. No. 609 HM&FW [E2] Department, dated 21.11.1988).
12. Following are the hospitals recognized for treatment of Government employees and retired employees apart from NIMS. (G.O. Ms. No. 38 HM&FW Department, dated 23.01.96): [Full list available at http://dme.ap.nic.in/recognised_hosolist.html]

I. Private Hospitals within the State

1. Apollo Hospitals, Hyd
2. Medwin Hospital, Hyd
3. CDR Hospital, Hyd
4. Mediciti Centre, Hyd
5. Satya Kidney Centre, Hyd
6. Seven Hills Hospital, Vzg
7. Kamineni Hospital LB.NGR.Hyd
8. Padmavathi Orthopedic, Hyd
9. Durga Bai Deshmukh, Hyd
10. Bibi General Hosp & CC Hyd
11. City Cardiac Res.Ctr, Vijayawada
12. Owaisi Hospital, Hyd
13. L.V.Prasad Eye Institute, Hyd
14. Mahavir Hospital, Hyd
15. Yashoda Super Speciality, Hyd
16. Usha Cardiac Ctr, Hyd
17. Care Hospital, Hyd
18. Swathanthra Hosp,
Rajamundry
19. Indo-American Cancer,Hyd
20. Aware Hospital, Rajahmundry
21. Mytri Multi Speciality, Hyd
22. Image Hospital, Hyd
23. Pratima Institute, Karimnagar
24. Usha Mallapudi, RR

25. AP.Super Spl.Dental Hosp, Hyd
26. Global Hospital, Hyd
27. Care Hospital, Vishakapatnam
28. Aditya Hospital, Hyd
29. Jaya Hosp.Hanumakonda, WGL
30. Appollo Hosp. Visakapatnam
31. Bollneni Ramaiah Mem. NLR
32. Charitasri Hosp. Vijayawada
33. Vijaya Health Care, Sec-bad
34. Yashoda Spl. Somajiguda, Hyd
35. Laxmi Ayurveda Hosp, Hyd
36. Red Cross. Hosp, Hyd
37. FMS Dental Hosp, Hyd
38. Sai Krishna Sup.Spl, Hyd
39. Usha Cardiac, Vijayawada
40. Nature Cure Hosp, Hyd
41. TB Hosp.Rajmundry&Madanapally
42. Apollo Tadepally, Vijaywada
43. Ameerpet Dental & Implant, Hyd
44. Smiline Dental, Hyd
45. FMS Dental Hosp, Hyd
46. Dr.Gowd's Hosp. Hyd.

II. Private Hospitals outside the State

1. Apollo Hosp, Chennai
2. Sankar Nethralaya, Chennai
3. Adayar Cancer Centre, Chennai
4. Vijaya Hospital, Chennai
5. CMS, Vellore
6. NIMHANR, Bangalore
7. Kidwai Mem. Cancer, Bangalore
8. Tata Mem.Cancer Hosp,Blr
9. Tata Mem Institute, Mumbai
10. Wellington Institute, New Delhi
11. AIIMS, New Delhi

15. Bills shall be drawn on APTC Form No. 40 or 58

16. A Watch Register to watch the advances sanctioned and their recovery should be maintained in each office (*Annex-19*)

3.14 Check List 9: Educational Fee Reimbursement

1. Sanction orders should be supported by school fee receipts

in original or school fee card in the event of school fee receipts having been lost. (Government Memo No.155-P2/66-4, dated 16.03.1966 of Education Department)

2. The School should be recognized by Government of A.P. irrespective of whether grant-in-aid is received or not. (Registered schools or recognized by CBSE or studying in institutions of other states) (G.O. Ms. No. 1725 Education Department, dated 26.04.1959)

(Rule 206 of A.P. Educational Rules published in supplement to Part I of A.P. Gazette, dated 26.05.1966):

3. If the pupil remains for more than one year in one and the same class, the concession thus withdrawn shall be revived when the pupil is promoted to the next higher class.
4. If one of the parents is a Gazetted Officer and the other is a Non-Gazetted Officer (NGO), concession is not admissible.
5. Certificate stating whether spouse is employed either in State, Central, Quasi Government, etc., where similar concessions are available and have not been availed is to be furnished by the Government servant and attested by the DDO.
6. If the Government servant is under suspension, concession is admissible pending result of the enquiry.
7. If the NGO is appointed as Gazetted Officer, the concession is not admissible from the month following the month of promotion. If reverted to Non-Gazetted cadre, the concession is not admissible during the month of reversion.
8. The concession is claimed up to the month in which the NGO is ousted for want of vacancy/dismissed/retired from service and not till the end of the school year.

9. The claim is restricted to Rs.70/- per child per annum in respect of students studying Nursery, LKG, or UKG. (Govt. Memo No. 2701 Y2/3-4 Education, dated 15.12.1983)
10. The claim is restricted to Rs.400/- per child per annum in respect of students studying from I to Intermediate (G.O. Ms. No. 119, Education [Ser.IV] Department, dated 22.09.2005) and the scheme shall be limited to 2 children of Non-Gazetted Officers.
11. The claim is restricted to Rs.65/- per annum per child in respect of students studying Degree. It is further restricted to 2 children for each Government servant (G.O. Ms. No.1 Education [Y] Department, dated 02.01.1982).
12. Bills shall be drawn on pay bill form.

3.15 Checklist 10: Marriage Advance

1. Sanction claim and recovery of Marriage Advance should be checked with reference to the orders issued in G.O. Ms. No. 90, Finance (PPR & L) Department, dated 26.03.1970.
2. A certificate to the effect that no previous advance is pending recovery be enclosed
3. The advance sanctioned shall be drawn and disbursed not earlier than two (2) months of the anticipated date of marriage.
4. The date of marriage should be furnished in the proceedings on a separate certificate indicating the same.

5. a) If the marriage is already performed, the certificate under 6(b) of G.O. Ms. No.90 Finance, dated 26.3.1970 be furnished.

b) The sanction should be within one year of the date of marriage.
6. The personal security bond in Form-II may be obtained and retained in the office and certificate indicating this be enclosed to the bill.
7. A certificate to the effect that his/her spouse is not a Government servant or if he/she is a Government servant, no marriage advance is sanctioned to him/her, should be obtained and enclosed.
8. Rate of interest chargeable is @ 8.5% to Gazetted Officers and 7.5 % to Non-Gazetted Officers and 6.5% for Office Subordinates. The proceedings should contain this.
9. Budget Slip-A should be enclosed to the bill.
10. Correct Head of Account as per Budget Book, i.e., M.H. 7610 – Loans to Government Servants – M.H. 800 Other Advances – S.H. 05 – Marriage Advances, maybe indicated on the bill.
11. Full eligible amount shall be sanctioned (Govt. Memo. No.36851/1413/A1/A&L/ 83, Finance Department, dated 18.11.1983). Distribution of budget among various applicants without sanctioning full eligible amount is against Government Orders.

12. For self-marriage, the following certificate be obtained and enclosed to the bill.
 - a) A certificate to the effect that father and mother are not Government employees.
 - b) Certificate to the effect that the individual has completed 5 years of regular service.
13. A Watch Register observing the recovery of the advance sanctioned should be maintained. (*Annex-20*).

3.16 Checklist 11: Motor Cycle / Motor Car / Cycle Advances

a. Motor Cycle / Motor Car Advance

1. Full eligible amount of advance shall be sanctioned as per Government Memo 36851/1413/A1/A&L/83, dated 18.11.1983 of Finance Department.
2. Certificate should be furnished to the effect that agreement and security bonds have been obtained from the individuals and retained in the office.
3. Certificate that no previous advance is pending if the M.C.A. is sanctioned for the second time and that the earlier advance is fully recovered with interest and clearance certificate is obtained from the Accountant General, Andhra Pradesh be enclosed.
4. Certificate to the effect that his/her spouse is not a Government servant and if either of them happens to be Government servant that no advance is sanctioned to him/her be obtained and enclosed.

5. Certificate that the loanee has not been sanctioned any other conveyance advance during the preceding five years be enclosed.
6. The rate of interest to be changed is 7.5 % p.a. for motor cycle advances and 8.5 % for Motor Car advances as per G.O. Ms. No. 86, Finance Department, dated 09.07.2001.
7. Sanction of Moped Advance is accorded to drivers of Government vehicles as per G.O. Ms. No.333, Finance Department, dated 14.12.1983.
8. As per para (4) of G.O. Ms. No.333, Finance Department, dated 14.12.983, Account Payee cheque shall be issued in favour of the dealer from whom the driver intends to purchase the vehicle and cheque is not to be issued in favour of the Drawing Officer.
- 9 A watch Register observing the recovery of the advance sanctioned should be maintained. (*Annex-21*).

b. Cycle Advance

1. Certificate that Agreement and Security bonds have been obtained from the loanee and retained in the office be enclosed.
2. Certificate that the loanee's spouse is not a Government servant.
3. Certificate that the loanee has not been sanctioned any other conveyance advance during the preceding three years be enclosed.

4. Correct Head of Account as per the budget book be furnished on the bill.
5. Budget Slip-A be enclosed.

3.17 Checklist 12: House Building Advances

a. Purchase of site (partly for site and partly for construction)

1. As per G.O. Ms. No.105 Finance Department, dated 19.04.1975, the cheque has to be issued in favour of the vendor only from whom the loanee proposes to purchase the site and not in favour of the Drawing Officer.
2. Certificate that he has not been sanctioned any kind of House Building Advance previously be furnished.
3. Certificate that Agreement Bond (in Form-IV) and surety bond are obtained from the individual be furnished.
4. Certificate that his/her spouse is not a Government servant.
5. Correct Head of Account as per Budget book be furnished.
6. Details of the Plot number, Survey number, Location, etc., of the site proposed to be purchased be furnished.
7. Budget Slip-A be enclosed.
8. Proceedings be enclosed in duplicate duly signed in ink.

b. For Construction

1. Full eligible amount as per Government Memo No.36851/1413/A&L/83 Finance Department, dated 18.11.1983 be sanctioned. Distribution of budget among various applicants is not correct. An amount equal to a 3rd of the total amount sanctioned is to be released in each installment.
2. Certificate that the site owned by the applicant is mortgaged in favour of Government in Form VII A along with the house to be built thereon (For 1st installment) be furnished.
3. Certificate that the Mortgage deed, duly registered, has been obtained from the Loanee along with a certificate and construction of the house has reached lintel level (For 2nd installment).
4. Certificate to the effect that construction of the house has reached roof level and that the sanctioning authority is satisfied that the development of the area in which the house is built is complete in respect of amenities such as water supply, drainage and sewerage, etc. (For 3rd installment).
5. Certificate that the loanee has not been sanctioned any other kind of House Building Advance previously.
6. Certificate that his/her spouse is not a Government servant.
7. The amount to be released in the installments fixed should tally.

8. As per G.O. Ms. No. 286 Finance Department, dated 09.07.1976, the rate of interest should be charged @ 7.5 % p.a. to Class-IV employees and 8.5% p.a. to others and this be indicated in the proceedings.
9. Certificate that Agreement and Security Bonds have been obtained from the loanee and retained in the office.
10. In terms of G.O. Ms. No. 125 Finance Department, dated 13.05.1987, and G.O. Ms. No. 150 Finance Department, dated 18.06.1987, be sanctioned as “Differential amount of House Building Advance” not as “Additional Loan”. Orders issued in G.O. Ms. No. 108 Finance Department, dated. 27.04.1987, permitting sanction of additional loans to the extent of Rs.20, 000/- are superseded by G.O. Ms. No. 125 & 150.
11. Head of Account be indicated as per the Budget book.
12. Budget Slip-A be enclosed.
13. A register noting all the mortgage deeds and overseeing should be maintained. (*Annex-22*).

c. For Ready Built House

1. House number and location of the house proposed to be purchased be furnished.
2. In terms of G.O. Ms. No. 105 Finance & Planning (F.W.) Department, dated 19.04.1975, the cheque is to be issued in favour of vendor only and not in the name of Drawing Officer.

3. It may be stated whether full eligible amount is sanctioned as per Government Orders or amount is sanctioned to the extent of cost of the house as agreed to by the vender.
4. The agreement bond in Form-VI is obtained from the individual.
5. Certificate that the loanee has not been sanctioned any kind of HRA previously may be furnished.
6. Certificate that the loanee's spouse is not a Government servant be furnished.
7. Differential amount for Ready Built Houses in terms of G.O. Ms. No. 150 Finance Department, dated 18.06.1987 cannot be sanctioned to the individual as per Govt. Memo No.175-A/317/A&L/88, dated 23.06.1988, if the loanee has not fulfilled the formalities in time. The balance of loan is to be refunded with interest and penal interest and he/she may apply afresh for sanction of loan.
8. Head of Account is correctly indicated in the bill as per the Budget book of the year.
9. Budget Slip-A is enclosed.

d. Repairs, Additions / Alterations & Improvements

1. House number, location, etc., of the house for which repairs are proposed to be undertaken have to be furnished.
2. Certificate to the effect that the repairs, additions for which advance now sanctioned is for the first time or second

time. If it is the second time, it may be certified that the first advance is fully repaid with interest and that there is a gap of five (5) years from the date of sanction of original H.B.A. or first repairs loan (G.O. Ms. No. 99 Finance Department, dated 27.04.1981).

3. Certificate that plans and estimates duly approved by the competent authority have been obtained from the individual be enclosed.
4. Certificate that Mortgage deed has been obtained from the loanee and filed in the office be enclosed. In cases of applicants who have already been sanctioned H.B.A. and furnished (M.D.) additional Mortgage deed for the amount of repair loans now sanctioned be obtained (G.O. Ms. No. 99).
5. Repair loans cannot be sanctioned in installments (U.O. Note No. 871/u/A2/A&L/87 Finance Department, dated 15.01.1987).
6. Certificate that agreement and surety bonds have been obtained from the loanee be furnished.
7. Certificate that two surety bonds have been obtained in lieu of Mortgage of house at _____ be furnished as required in Government Memo No.3135–A/387/A&L/86, dated 31.07.1986.
8. If full eligible amount has not been sanctioned as per Government Memo No.36851/ 1413/A1/A&L/83, dated 18.11.983, it may be clearly certified in case the repairs advance is sanctioned now to the extent of the plans/ estimates furnished by the loanee.

9. Certificate that the loanee's spouse is not a Government servant be furnished.
10. Head of Account be correctly furnished in detail as per the Budget book of the year.
11. Budget Slip-A is enclosed.
12. Proceedings duly signed in ink should be enclosed in duplicate.
13. A watch Register observing the recovery of all HBA advances sanctioned should be maintained. (*Annex-23*).

e). Calculation of Interest for loans

After the recovery of the entire principal amount of loan, Sanctioning authority has to calculate the interest amount and has to recover it from the employees duly following the Interest formula as under:

$I = A \times R / 100 \times 1/12$, where I = Interest,

A = Cumulative total of outstanding advance

R = Rate of Interest per year

Write Off of Loans & Advances

Govt. have delegated powers of sanctioning long terms loans and advances also to the Drawing & Disbursing Officer vide G.O.Ms.No. 131, Fin & Plg. (FW. A&L) Dept., dated 19-8-1997. Further, as per G.O.Ms.No. 212, Fin & Plg. (FW. A&L) Dept., dated 20-6-1977, sanctioning authority is the authority to write off the loans and advances.

House Building Advance (G.O.Ms.No. 401, Fin & Plg. (FW. A&L) Dept., dated 14-11-1990): For writing off HBA, the DDO has to verify i) whether the loan sanctioned was fully utilized for the purpose or substantial effort was made by the loanee to utilize the loan amount for the purpose for which it was sanctioned. If the loan sanctioning authority is satisfied about one of the conditions mentioned above, the other conditions, viz. condition relating to fulfillment of HBA formalities by the deceased Govt. servant. (ii) The benefit shall be extended to all employees who are entitled to receive HBA without any restriction relating to age at the time of sanction of loan (Earlier this facility was available to those who have received HBA before attaining age of 45 only).

Motor Car/Motor cycle/Moped/Computer Advance (G.O.Ms.No. 167, Fin & Plg. (FW. A&L) Dept., dated 4-10-1999 & G.O.Ms.No. 154, Fin & Plg. (FW. A&L) Dept., dated 9-11-2000): Entire principal and interest will be written off provided formalities prescribed in the rules fulfilled.

Marriage/Bicycle/Festival/Special Festival(APCO)/Educational Advance and Advance for Purchase of solar cookers (G.O.Ms.No. 388, Fin & Plg. (FW. A&L) Dept., dated 27-11-1993): Entire principal amount has to be written off and in respect of marriage & bicycle advance, entire interest amount has also to be written off.

Action to be taken after write off:

As per the instructions issued in Govt. Memo No. 37360-F/1146/BG/75-3, dated 14-7-1976, it must be indicated in the orders that the amount so written off shall be adjusted against the outstanding loan by obtaining supplementary grant under revenue head of account to be debited. The departments were requested to send

necessary proposals duly enclosing the relevant copies of orders of write off for provision of funds to Finance (A&L) Department through concerned administrative department.

3.18 Checklist 16: Temporary Advances to Employees [Non Interest bearing] [Authority: G.O.Ms.No. 186 Finance dated 16-5-1962 and G.O.Ms.No. 146 Finance dt. 21-4-1962]

a. Festival Advance:

1. The FA bill should be preferred in APTC FORM NO 40
2. Head of account: 7610 – Loans & Advances to Govt. Servants
 - a. 800 - Other Advance
 - b. 04 - Festival advance
3. Ink signed copy of the sanction order should be enclosed to the bill containing details of the FA sanctioned in connection with the festival, date, amount sanctioned, name of the individual for whom advance sanctioned, head of A/c etc.,
4. Advances to Government servants on the eve of important festivals [Authority: GOMSNO 304 FIN [A/C] DT 19-4-1963] and UO note No 79569/1935/67-1 finance [C.P.L] dated 28-11-67.]
5. Employees who are drawing a pay in the time scale 7770-18575 and below are eligible for sanction of Festival Advance [Gazetted or Non Gazetted]. FA is not admissible to NMR and Casual Labor.

6. For NGOs — Rs 2000/- and for Class IV Employees Rs. 1500/- [Authority: GO P NO 78 F [A&L] Dept. DT 3-04-2006]
7. The advance sanctioned should be recovered in [10] equal monthly installments.
8. In case of death; the outstanding loan amount shall be waived [Authority: GO Ms No 388 F&P [FW A&L] Dept. dt. 27-11-1993]
9. Where both wife and husband are employees, only one among them is entitled.
10. A certificate to the effect that the Government servants included in this bill have not been sanctioned or paid earlier should be furnished.
11. A certificate to the effect that no previous advance is outstanding for recovery should be furnished.
12. There is no budget watching for this advance and it is a non-interest bearing loan.
13. F.A. shall be sanctioned once in a financial year
14. [Authority: Art 238 of A.P.F.C. Volume-I]
15. A Watch Register on the recovery of the Festival Advance should be maintained (*Annex-16*).

b. Educational Advance:

(GO(P) No. 78, Fin. (A&L) Dept. dt 3-4-2006)

1. The bill should be preferred in APTC Form 40.

2. Head of account: 7610 – Loans & Advances to govt. Servants
 - a. 800 - Other Advance
 - b. 10 - Education Advance to the Children of NGOs
3. Sanction of Education Advance is to be issued by the Competent authority.
4. The EA is Rs 3000/- to the NGO and Class IV employee, who is drawing pay in the time scale up to Rs.7770 – 18515 [Authority: GO P NO 78 F&P FW A&L Dept. dt. 3-4-2006]
5. Employee having at least one child of school going age or higher age pursuing studies would be eligible for this advance.
6. The amount should be restricted to Rs. 3000/-to a Govt servant irrespective of No of School going children.
7. If wife and husband are Govt employees only one of them is eligible for this advance.
8. Head of the Office will be the sanctioning authority.
9. Only one such advance in the period from May to April would be eligible
10. [Authority: GO MS NO 243 F&P dt. 27-08-83]
11. This Advance shall be sanctioned subject to the budget provision and Treasury control
 - a. The regular employees who have completed 2 years of service are eligible for this advance.
12. The recovery should be completed in 10 equal monthly installments.

13. In case of death; the outstanding balance shall be waived.
[Authority: GO MS NO 388 DT 27-11-93.]
14. This advance is a non interest bearing loan.
15. If a Govt employee is having more than two children, is not eligible for this advance
16. A Govt servant should furnish a declaration to the effect that they are not having more than two children along with application.
17. The application shall be made in the prescribed proforma
18. The advance should be drawn and disbursed during the month of May only.
19. A watch register on the recovery of the Educational Advance should be maintained (*Annex-25*).

3.19 Check List 13: Arrear Claims

1. The DDOs are required to observe the provisions of Article 52 to 54 of APFC Volume – 1 and SR 9 of TR 16 of APTC Volume – 1 read with GO.Ms.No. 161, F&P (FW TFR) dt: 27.04.1991 while claiming arrear claims.
2. Arrear claim may be preferred in separate bill in APTC Form 47
3. Claim exceeding Rs. 500/- [each individual's monthly claim beyond one year] require pre- audit by the A.G.A.P. Hyderabad
4. Claim exceeding 3 years even less than Rs. 500/- also require for pre-audit by the AG AP Hyderabad.

5. Claims relating to N.G.Os should be referred to the A.G. for pre-audit by the appointing authority.
6. Claims relating to Gazetted Officers should be referred to the A.G. by the H.O.D
7. In case of arrear claims the period for the claim relates to is not criterion to declare but the period between the date of its sanction and the date of preferring the bill shall be criterion and the SR shall accompany the claim. [Authority: G.O. 161 dt. 27-04-91] Cir Memo No. 44942/358/A2/TFR/96, Dt. 04-02-97 of F&P (FW.TFR) Dept.
8. Approval of pay fixation within six months from the date of exercising the option by the individual
9. 6 months from the date of pay fixation signed by the competent authority
10. In case of revised pay scale one year from the date of pay fixation signed by the competent authority.
11. If an Increment is withheld for want of declaration of probation, punishment, the date of sanction is criteria for one year purpose.
12. T.A. claim should be applied to the Head of the Office within 3 months from the date of completion of journey.
13. Separate bill for arrears is preferred indicating nature of arrears along with copies of Govt. orders or sanction proceedings from the competent authority [Authority: SR 14 of TR 16 A.P.Treasury Code Volume-I]

14. For identification of the claims, if it is more than six years or less than 6 years, the date of adhoc sanction issued by the HOD is criteria.
15. Adhoc sanction is required for entire arrear claim irrespective of time limit.
16. Less than six years claim require pre audit by the AG AP Hyderabad
17. More than six years claim shall be preferred in Treasury after obtaining adhoc sanction from HOD
18. After payment is made at Treasury for claim relating to more than 6 years, make necessary entries in the SR and later the claim relating to less than 6 years shall be referred to AG AP Hyderabad for pre audit along with SR
19. Although the amount of arrear claim is payable at Sub-Treasury, obtain specific pass order at District Treasury before payment [Express pass order]
20. In case where delay is attributed to the claimants, 15% cut should be imposed on such claim. [Authority: Art.54 A P Financial Code Vol.I.]
21. Pay fixation order statement in respect of Pay fixation arrear claim has to be enclosed

[Authority: SR 14 TR 16 & F&P(FW.PRC-I) Dept., Memo No.317/63/PRC-I/79/1 Dt. 03-10-79]

22. Controlling officer has to furnish a certificate that the delay

of the Claim is due to Claimant's negligence or carelessness.
[Authority: Art.54 of A P Financial Code Volume-I]

- 23 A certificate by the Head of the Office to the effect that claims has been checked/verified with reference to the corroborated records available in his office to be furnished.
- 24 Gross and Net particulars for the claim/period covered should be enclosed along with due drawn statement approved by the previous station DDO.
- 25 Necessary recoveries, if any, for the period covered in arrears should be effected i.e., Income Tax etc.
- 26 The duration of the arrear claim should be restricted to the date of retirement
27. Non-drawl certificate should be appended that the amount of the bill has not been drawn and paid previously.
28. Certified that the note of arrears have been made in the office copy of the pay bills of the Individual under proper attestation.
29. Certified that the necessary entries have been made in the S.R. of the individual under proper attestation to be appended.
30. Gross and Net particulars should be enclosed under proper attestation of the Drawing officer concerned.
31. G.O.No. and date should be noted for drawl of special nature of allowances and pay fixation arrears in the inner-sheet of the bill and for other claims like incremental arrears, surrender leave encashment, etc. The sanction orders of the concerned authorities should be noted.

32. Preamble of the bill in the inner sheet should be self-explanatory (with full Details of the sanction orders).
33. The sanction orders of the authority concerned issued for pay and allowance are valid for one year, and for contingencies are valid up to end of the financial year.
34. All the copies of the sanction orders are to be enclosed to the bill or to be communicated to the Treasury as advice copy should be signed by the approving authority or by a Gazetted Officer of the same office
35. Such claims should have administrative sanction by Heads of Department concerned and orders are to be enclosed to the bill.
36. In respect of arrear claims above 6 years, the pay fixation arrears and protection of pay of the senior on par with junior, the entries in the Service register should be verified by the Treasury and amount passed is also to be noted there in, under proper attestation of the Treasury officer and duplicate bill with all enclosures should be obtained.
37. The arrear claim must be accompanied with the pay fixations statements, increment certificate, statement showing the rates of allowances, due and drawn statements, sanction orders, adhoc sanction issued by the HOD, pre-audit certificate issued by the AG AP Hyderabad, along with SR of the claimant duly noting the necessary entries under proper attestation for audit at treasury.
38. When the re-fixation of pay is done notionally consequent to

revision of seniority, monetary benefit should be given only to the actual working period in the Promotion post.

3.20 Checklist 14: Deposits

- 3.29 Some of the DDOs are required to maintain deposits such as revenue, security, election, criminal court & PD Accounts.
- 3.30 The deposit shall be repaid at the orders of the Departmental Authority and shall be preferred in APTC form 64.
- 3.31 For refund, original challan and sanction order issued by the Departmental Officer shall be enclosed.
- 3.32 The claim of lapsed deposit item shall be preferred in Form 65
- 3.33 Bill has to be preferred within 3 months from the date of orders or closure of the financial year which ever is earlier.
- 3.34 In case of repayment of lapsed deposits, a certificate to the effect that a note of repayment has been recorded against original entry is required.
- 3.35 In respect of PD Accounts a certificate of acceptance has to be submitted by the Administrator as on 31st March of every year.
- 3.36 A register of Security Deposits should be maintained in each office to watch the security deposits made by the parties. (*Annex-24*).

a. Revenue Deposits

- 1] The name of the payee after the words 'passed for the payment' should be specified. [Authority: SR 31 of TR 16 of APTC Volume-I]
- 2] The claim should be preferred in A.P.T.C. Form 64

- 3] The original challan should be enclosed. Stamped receipt should be furnished and refund order issued by the competent authority has to be enclosed. [Authority: SR 32 [p] of TR 16 of APTC Volume-I]
- 4] Details of original credit i.e., challan number, date and amount has to be recorded on the claim
- 5] The person entitled to the refund should personally appear to receive payment [Authority: SR 33 of TR 16 of APTC Volume-I]
- 6] The certificate to the effect that payment will be made within 3 months from the date of orders or, close of the financial year which ever is earlier. [Authority: Insn.21 of TR 16 & SR 32[q] of TR 16 of APTC Vol.I]
- 7] In case of repayment of Earnest Money Deposit, repayment order has to be recorded on the original challan itself Part of the amount cannot be repaid. [Authority: SR 31 of TR 16 of APTC Volume-I]
- 8] In case of repayment of lapsed deposit, certificate to the effect that a note of repayment has been recorded against original entry is required. Claim has to be preferred in APTC Form 65- [Authority: SR 31[a] of TR 16]
- 9] The bill for refund of revenue deposit has to be preferred in APTC Form 64 [Authority: SR 27 of TR 16]
- 10] A certificate that the refund has been noted against in original receipt has to be furnished

- 11] A certificate to the effect that restriction prescribed in regard to time limits in Art.35 of APFC Volume-I is required.
[Authority: As per Sub-Para 2 of SR 27 of TR 16 of APTC Vol.I]
- 12] Certificate to the effect that the sanction of refund satisfied conditions prescribed in the Department rules and administrative orders is required.
- 13] Sub-vouchers have to be enclosed, original claim is also enclosed [Authority: Sub-para 5 of SR 27 of TR 16 of APTC Vol.I & Insn.16 of TR 15]
- 14] The bills require revalidation since the period of 3 months has expired from the date of issue [Authority: Note under SR 27 of TR 16 of APTC Volume. I]
- 15] In case of refund of spoiled/damaged stamps the spoiled/damaged stamps duly cancelled have to be enclosed; the claim should be preferred in APTC Form No. 63 [Inst. 13 under TR 16]

b. PD ACCOUNTS: [Local funds – Zilla Parishad, MPP, Municipality, VPF, Education funds, Port and Marine funds, Market Committee funds, Central funds, Library funds, funds of APSRTC]

- 1] Each local body should maintain a PD account at the nearest Treasury
- 2] All the receipts of such local bodies should be deposited in the Treasury

- 3] PD Accounts should be maintained in Form TA 22 in respect of each local body
- 4] The administrators of local bodies should draw money through cheques only
- 5] The cheque issued by the administrator is valid up to 1[one] month [SR 45 (b) under TR 16 of APTC Vol.I]
- 6] If a cheque issued by the administrator is lost before payment he shall report the fact to the TO and request him to stop payment of the cheque if presented by anyone. Accordingly, the TO shall take necessary steps to stop the payment on the lost cheque and send a certificate to the administrator accordingly. In case any stopped cheque is presented at Treasury, the Treasury Officer shall refuse payment and return the cheque to the party with an endorsement 'payment stopped' written across the cheque, if the cheque is payable directly at the bank intimation should be given to the bank [SR 15 TR 16 Inst.41 Para 2, Inst. 57 and 58 of APTC Vol.I]
- 7] If a cheque books lost by the administrator, he should report to the police for investigation besides sending a report to the Treasury immediately. The treasury officer, after thorough verification of the records, the matter should be reported to all the DTOs in the State for further action
- 8] For every transaction, the closing balance should be struck correctly and attested by the STO/ ATO and cheques should be honored to the extent of balance available. Cheques/ challans in a PD account shall be posted day-wise in chronological order.

- 9] If there is any over-draft under deposit of local fund, the amount should be recovered with interest @ 12% for the period of over-drawl [Authority: Para 16.14.6. of A.P.T&A Functionary manual]
- 10] If a personal deposit account is not operated for more than three completed years and there is reason to believe that the need for the deposit account has seized, the same should be closed in consultation with the Administrator. [Authority: Art 271 [IV] of APFC Vol.I]

c. Certificate of Acceptance of Balances (CABs)

The Administrator should submit CABs to Treasury by 30th of June of every year duly reconciled the figures up to 31st March. If the CABs are not received from the Administrator by the Treasury officer within the stipulated period, the Treasury Officer may withhold further payments. If the cheques are payable directly at the bank, the Treasury Officer may advise the bank not to honor the cheques of an administrator, who fails to send a certificate of acceptance of balance. [Inst.3 & 4 Chapter 4 of A.P.F.C. Volume-I G.O.Ms.No.45 F&P (FWACT.II) Dept., dt.24-02-87.]

d. Plus and Minus memos

Plus and Minus memos shows the opening balance, receipts, payments, closing balance in respect of the item for which are prescribed and serve as an abstract of outstanding in each class of transactions acting as counter-check on the accuracy of the detailed account kept of such transactions. They are prepared in respect of class of deposits, including cash orders,

each local fund, banking at the Treasury and stamps,
[Authority: Art.110, 123 and LR under Art 90 of APAC Volume II]

e. Reconciliation of Deposit Accounts

The bank shall send a statement of the closing balances of each PD account closure of the month to the Treasury before 4th of the succeeding month. The DTOs/STOs should verify the closing balances in his books with the bank statement to find out the correctness of the accounts. In case of any difference, he shall depute a person to the bank to effect reconciliation of the Accounts under consideration. Administrators of the PD accounts shall reconcile the balances with the bank every month and with the Treasury at the end of every quarter immediately within 15 days thereafter and record a certificate to that effect in the Treasury Pass Book. In case of failure to do so by the administrator within 3 months, The District. Treasury Officer, after a notice, may advise the bank to stop payments, duly informing the Administrator,

f. Letter of Credit (LOC):

- 1] The system is in operation in the Engineering Departments
- 2] Engineering Dept. officers draw money through PAO cheques for incurring expenditure towards the execution of works only
- 3] Money is not drawn on cheques by the PWD officers towards establishment expenditure like salary, TA, contingencies etc., (except Irrigation Department)
- 4] The Chief Engineer is the competent authority to issue LOC

- 5] The LOC issued by the Chief Engineer to the Executive Engineer to incur the expenditure up to the limit specified in it. PAO/APAO issues the cheques to the extent of LOC after scrutiny of claims submitted by the Executive Engineers.
- 6] A copy of the LOC is sent to the DTO and he should maintain a drawing account in Form TA 11
- 7] For opening of new drawing account in favour of EE, orders of the Govt. and the Authorization of the AG are necessary
- 8] The cheques drawn by the PAO/ PWD Officers are directly payable at bank without intervention by the treasuries
- 9] At the treasuries, the ledger in respect of each drawing officer, maintained in Form TA 11, there is no provision to add departmental receipts. Cheques are drawn only against the balance of LOC.
- 10] After receipt of paid cheques from the bank, the Treasury staff should post the cheques into the respective ledgers, arrive at the closing balances for each transaction and strike the balances under the attestation of the accountant/ STO concerned.
- 11] Periodically, the PWD officers should present the pass books in which the entries as per the ledger should be recorded, under the attestation of the TO.
- 12] Whenever the balances are exhausted, fresh LOC is issued by the Chief Engineer only, throughout the financial year.

- 13] When it appears that there is a over-drawl, the Treasury Officer should immediatly send a letter to the bank directing it to stop further payment. Otherwise the Treasury staff will be responsible for over-draft.
- 14] At the close of every month, the DTO should send CTI and CTRs to the Executive Engineer/PAO
- 15] For reconciliation purpose, the bank after close of transaction every month should submit a statement showing the opening balance for the month and the total amount paid on cheques and the closing balance of the account to the drawing officer. It should be reconciled with the Treasury every month. In case of failure to do so by the administrator within 3 months, the TO should issue a notice to the bank to stop the payments and a copy marked to the administrator.

[Sub-para 5 of SR 27 of TR 16 of APTC Vol.I & Insn.16 of TR 15]

- 16] The bills require revalidation since the period of 3 months has expired from the date of issue [Authority: Note under SR 27 of TR 16 of APTC Volume. I]
- 17] In case of refund of spoiled/damaged stamps, the spoiled/damaged stamps duly cancelled have to be enclosed; the claim should be preferred in APTC Form No. 63

3.21 Checklist 15: General Provident Fund

1. The claim shall be preferred in A.P.T.C. Form 40

2. Form 40-A shall also be annexed to Form 40 for drawl of G.P.F. temporary or part final withdrawals.
3. Sanction order issued by the competent authority duly quoting the rule and purpose under which the temporary advance/ part final withdraw sanctioned. [Authority: G.O.Ms.No. 42 Finance [Pensions.II] Department dt. 29-01-2003].
4. Calculation sheet for arriving at the balance of the credit of the subscriber shall be enclosed to the bill.
5. Appendix-I is required to be enclosed to the bill for drawl of temporary advance
6. Appendix-O- is required to be enclosed to the bill for drawl of part final withdrawal.
7. Final withdrawal authorizations issued by the AG/DTO should be enclosed to the bill by the DDO in original who will not accept the bill without original authorization from the AG/DTO as the case may be.
8. The class IV GPF, CSS payment bills shall be retained at the District Treasury, after payment where as the regular GPF bills shall be sent to AG AP, Hyderabad along with the monthly Account.
9. The fact of withdrawal of G.P.F. should be recorded on the reverse of the o riginal G.P.F. slip duly attested by the STO concerned. [Authority: DTA Memo. No. E2/14255/2001 dt. 01-04-2004]

a. Eligibility for subscription:

1. Compulsory to all regular Government employees on completion of one year service.
2. Last Grade Servants who completed 5 years of service or whose date of Retirement is at least 10 years ahead.
3. The recovery of subscription shall commence only after the account number is assigned.
4. If the subscription is recovered without allotment of GPF account number, it will be credited to suspense account and may lead to missing credits.

b. Rate of Subscription

1. 4 % on basic pay to the Regular employees if insured with APGLI/LIC/PLI. If not 6% on basic pay.
2. 4% on basic pay to the Class -IV employees.

c. Other conditions:

1. The subscription may be enhanced twice and reduced once in a financial Year: but enhancement should not be made during the last four months of the Financial year, just to avoid income tax [Authority: Government Cir. Memo. No.23374/47/GPF/ Pen.II/95 dt. 11-08-1995].
2. Subscription should be made during all period of duty, including foreign service, leave salary, except suspension period and during last four months of his service.

3. The subscriber may elect not to subscribe during the leave which does not carry the leave salary.

Heads of Account:

- I 8009-State Provident Fund
 - 01 Civil
 - 101 General Provident Fund
 - 01 GPF Regular

- II 8009-State Provident Fund
 - 01 Civil
 - 101 General Provident Fund
 - 03 GPF C.S.S.

- III 8009-State Provident Fund
 - 01 Civil
 - 101 General Provident Fund
 - 05 GPF Class-IV

- IV 8009-State Provident Fund
 - 01 -State Provident Fund
 - 104 -AIS PF
 - 01 -AIS PF

- V BOOSTER SCHEME HEAD:
 - 2235 - Social Security and Welfare
 - 60 - Other Social Service
 - 104 - Booster Scheme linked with Insurance Scheme
 - 04 - Booster Scheme

F.B.F & GIS Head of Account

VI F.B.F.

8011-Insurance Pension Fund

106 -FBF Govt. Employees

01 -FBF

001 -FBF Principal

8011-Insurance Pension Fund

106 -FBF Govt. Employees

01 -FBF

003 -Interest

VII GIS

8011-Insurance Pension Fund

107 -Other Insurance Pension Fund

02 -GIS

002 -Principal

8011-Insurance Pension Fund

107 -State Govt. Employees Fund

02 -GIS

003 -Interest

NOTE: The DDO should invariably note the Chargeable [Service] Major Head of the respective department to avoid misclassification

d. Sanction of Temporary Advance [To be repaid Rule.14]

1. Temporary advance should not exceed 3 months pay or half of the balance at the credit of subscriber [Authority: Rule 14[1]]
2. Temporary advances shall not be granted in excess of 3 months pay (or) half of the balance except for special reasons to be recorded in writing.

3. Temporary Advance shall be sanctioned to meet expenses in connection with prolonged illness [Authority: Rule 14 (i) [a] (i)]
4. Temporary advances shall be sanctioned to meet costs for overseas passage for reasons of health or education. [Authority: Rule 14 (i) [a] [ii]]
5. To meet cost of higher education beyond high school stage-outside India for academic, technical, professional or vocational courses [Authority: Rule 14(i) [a] [ii] [a]]
6. To pay obligatory expenses in connection with marriage or other ceremonies [Authority: Rule 14 (i) [a] [iii]]
7. To meet the cost of legal proceedings instituted by the subscriber [Authority: Rule 14(i) [a] [iv]]
8. To meet the cost of his defence where the subscriber is prosecuted by the Govt. or the subscriber engages a legal practitioner [Authority: Rule 14 (i) [a] [v]]
9. To meet the cost of building or acquiring a house including site, repairs, & repaying of outstaying loan taken for this purpose. [Authority: Rule 14(i) [a] [vi] & [vii] & [viii]]
10. To meet the cost for acquiring a farm land or business premises within 6 months of date of retirement. [Authority: Rule 14(i) [a] [ix]]
11. To meet the cost of purchasing a motor car [Authority: Rule 14(i) [a] [x]]

e. Recovery of Advance:

- a. Recovery shall be completed within 36 months from the date of sanction. [Authority: Rule 15(i)]
- b. Not to effect recovery during the period of drawl of subsistence grant drawn by the subscriber, on leave without leave salary or leave salary equal to or less than half pay at the request of the subscriber [Authority: Rule 15[2]]
- c. Recovery shall not be made during the last four months of service of subscriber.

f. Other Conditions:

- a. No advance should be sanctioned during the last four months of service [Authority: Rule 14-1]
- b. Normally no second temporary advance should be sanctioned until the repayment of the last installment of any previous advance [Authority: Rule 14[1] [c]]
- c. But in exceptional circumstances, to be recorded in writing, second temporary advance may be sanctioned while previous advance is pending [Authority: Rule 14[c]]
- d. The validity of the sanction order for drawl of temporary advance is 3 months from the date of sanction [Authority: Note 3 under Art. 50 of A P Financial Code Vol.I]
- e. Temporary advance and part final withdrawal for the same purpose should not be sanctioned.
- f. A Watch Register overseeing the recovery of the GPF temporary advance should be maintained (*Annex-25*).

g. Part Final Withdrawal

1 Education Purpose beyond high school education within India or outside India [Rule 15-A (i) [a] and 15[B]

- a. The subscriber should complete 20 years of service or have less than 10 years left over service for retirement.
- b. 3 months pay or half of balance whichever is less and relaxed up to 10 months pay
- c. Not more than 2 withdrawals in a financial year with a gap of 6 months between one and another.
- d. Only one part final withdrawal for the same purpose will be allowed. Different sons/daughters shall not be treated as the same purpose.

2 Bethrothal / Marriage Of Subscriber Or Family Members
Rule 15-A [I] [b] and 15-D [I] and [ii]

- a. The subscriber should complete 20 years of service or have less than 10 years left over service for retirement.
- b. For daughters and female relations, 6 months pay or half of the balance whichever is less and relaxed up to 10 months pay subject to half of the balance
- c. For dependent son, 3 months pay or half of the balance whichever is less and relaxed up to 6 months pay of half of the balance, whichever is less.

3 Medical Grounds: [Rule 15A (i) [c] and 15[c]

- a. The subscriber should complete 20 years of service or have less than 10 years left over service for retirement.
- b. 6 months pay or half of the balance, whichever ever is less and relaxed up to $\frac{3}{4}$ th balance
- c. Only one part final withdrawal is allowed for the same purpose and illness of different persons/ occasions will not be treated as the same.

4 House Building Purpose: Rule 15A [2] and 15-E

- a. The subscriber should complete 15 years of service or less than 10 years left over service for retirement.
- b. $\frac{3}{4}$ th balance or actual cost or subject to limitation of H.B.A. rules as per G.O.Ms.No. 264 F&P dated 17-6-94.

5 For Purchase Of House Site Or Repaying Of Outstanding Loan [Rule 15A [2] b and 15 F]

- a. The subscriber should complete 15 years of service or have less than 10 years left over service or retirement.
- b. $\frac{1}{4}$ th of the amount at credit (or) actual cost, whichever ever is less.

h. Conversion of Temporary Advance to Part Final [Rule 15-J]

As per Rule 15-J, a temporary advance can be converted into part final withdrawal, subject to the fulfillment of conditions of the same purpose. For this, Appendix P has to be enclosed to the bill.

Sanctioning Authority [G.O.Ms.No. 42 Finance [Pen.II] Dept. dt. 29-01-2003.

- a. In case of all N.G.Os, including LGS- ,Gazetted Drawing Officer is empowered to sanction both temporary advance and part final withdrawal.
- b. In case of Non-Gazetted Drawing Officer, the next superior Gazetted Officer shall be authorized to sanction of both temporary advance and part final withdrawal., to all employees.
- c. If there are other Gazetted Officers in the same office, including Drawing Officer, the Head of the Office is empowered to sanction of both temporary advance and part final withdrawal.
- d. Authority: [G.O.Ms.No. 42 Finance [Pen.II] Dept. dt. 29-01-2003.]

i. Final Withdrawal

- a. The amount at the credit of the subscriber shall become payable when he retires/quits the service or death
- b. In case of dismissal, removal or compulsory retirement, the final withdrawal shall be paid after finalization of the appeal if any, or after lapse of the appeal time, after obtaining a certificate from the subscriber that he will not file any appeal in the future.
- c. The validity of GPF final withdrawal authorization issued by the AG/ DTO is valid or 3 months from the date of sanction.

j. Booster Scheme [Social Security cum Provident Fund [Rule 30A] [G.O.Ms.No. 42 Fin. [Pen. II] Dept. dt. 29-1-2003]

If a subscriber dies while in service, the nominee shall be paid Rs.20, 000/- under Booster Scheme authorized by the AG/DTO as the case may be, provided that the balances at his credit for last 36 months before his death shall not fall short of the following limits.

[a] Gazetted	Rs. 8,000/-
[b] NGO	Rs. 6,000/-
[c] LGS	Rs. 2,000/-

The subscriber must have put in at least five years of service at the time of his death.

k. List of family members for nomination purpose

- [a] Wife or husband
- [b] Parents
- [c] Children
- [d] Minor brothers
- [e] Unmarried sisters
- [f] Widow of deceased son and his children
- [g] Where no parent is alive, a parental grand parent
- [h] An adopted child.

REGISTERS

The following Registers have to be invariably maintained by the DDO.

3.22 Treasury Bills Register (Instruction 33 – TR 16):

Every DDO presenting bills at Treasury should enter particulars of all bills, including bills of Gazetted Government servants in a book called the “Treasury bills book” in APTC form 70(Rev) (*Annexure 26*).

- a) If the Treasury returns a bill with any objection and if it is sought to be represented after rectification of defects pointed out by the Treasury, a fresh entry should be made in the Treasury Bills Register and the bills sent.
- b) If the Treasury passes any bill for less amount disallowing certain amount according to the entry recorded by it in the Treasury Bills Register, a memorandum of deductions from bills should be obtained from the Treasury in APTC Form 71- instruction 34 under TR 16 of APTC Vol. I.
- c) While endorsing bills for encashment, care should be taken to follow the monetary limitations for each type of messenger as laid down in Article 274 A of A.P.F.C. Vol. I.

3.23 PAO Bill Register

In the twin cities, where the bills are presented at P.A.O., a Register of bills in APTC 70-A should be maintained (*Annex-27*).

Precautions should be taken to ensure that parallel Treasury Bills Registers are not maintained. The following certificates should be recorded when existing register is closed and a new register

is opened as per G.O. Ms. No. 172 Finance & Planning (FW. Accts. II) dated 06.06.1979.

Certificates to be recorded when a new bills register is brought into use

- a) Certified that this Treasury Bills Book/Register of Bills contain pages serially numbered from ____ to ____ and brought into use with effect from ____ (in words).
- b) Certified that I am presenting the bills in the Pay & Accounts Office/Dist. Sub-Treasury through this Register of Bills/Treasury Bills Book only, and I have personally satisfied myself that no other Register of Bills/Treasury Bills Book is currently in use for presenting the bills at the PAO/ Dist. Sub-Treasury”.

Certificate to be recorded when the Register is completed and lodged before a new Register is brought into use

“Certified that I have personally satisfied myself that all the bills presented through this Register of Bills/Treasury Bills Book have been either encashed or returned by the PAO/ Treasury Officer and have been properly and completely accounted for. This register is closed and kept under my personal custody.

To prevent presentation of fraudulent drawal of bills, this register should be reviewed bi-weekly by the Drawing Officer and the result of the review recorded in the form of abstract as below:

- (1) Opening balance
- (2) Bills sent during 1st half/2nd half of the week (from _____ to_____)

- (3) Total 1+2
- (4) Bills passed during 1st half/2nd half of the week (from _____ to _____)
- (5) Brief reasons for pendency.

3.24 Register of Cheques

All bills received from the Treasury/PAO should be entered in a register called Register of Cheques before taking the cheques into the relevant register, i.e., Cash Book, U.D. Pay Register or P.A. Register as at Annexure 10 in APTC Form 14. (*Annex-28*).

3.25 Cash Book

(SR3. TR 10; SR2 – TR 11)

The following instructions should be followed in the maintenance of Cash Book. Every DDO should maintain a Cash Book in A.P.T.C. Form No. 5 (*Annex-29*).

There should be two cash books – one for Government transactions and the other for non-Government transactions (if the Government servant is permitted to handle in his official capacity money received not on behalf of the Government Institution). The cash balance relating to Govt. transactions and non-government transactions should be kept separately in the cash chest (SR 7 (c) TR 10 of APTC Vol. I). (*Annex-30*).

- a) It is not correct to multiply cash books and as far as possible, only one cash book should be maintained. Subsidiary registers may, however, be opened, if need be, taking their totals to the cash book.

- b) Money received on behalf of the Government with the exception of money withdrawn from Treasuries on Bills for Pay, contingencies, etc., which are accounted for and watched in other ways, should immediately be accounted for in the Cash Book.
- c) For each entry on the receipts side of the cash book, there should be a counterfoil of printed receipt. A printed receipt book should be maintained for the issue of receipt for the amounts received in the office. Against each relevant entry of receipt for the amounts received in the cash book, the receipt number should be noted against each item in the cash book.
- d) Before an officer signs a receipt, he should see that the receipt has been duly recorded in the cash book and in token of his check he should initial with date, the relevant entry in the cash book.
- e) When money is sent to the Treasury/bank for remittance, entry should be made in the cash book while signing the challan. It should be attested only on receipt of the challan after remittance.
- f) In respect of amounts received on account of encashment of bills and cheques at Treasury or bank, they should be supported by relevant entries in the Treasury Bills Register, U.D.P., P.A. Register, etc.
- g) After totaling the receipts recorded in the cash book, the opening balance of the cash book should be added and grand total struck.

- h) For every item of disposal on the charge in debit side of the cash book, there should be Acquittance in proof of having disbursed the amount.
- i) At the close of business on each working day, the cash book should be closed duly verifying the cash on hand and the closing balance arrived at in the cash book
- j) A memorandum of verification should be recorded in the cash book duly counting the cash and verified with the book balance as shown in the cash book and all other sub-cash registers after they have been closed for the day and then signed by the Drawing Officer as below:

A. Balance as per Cash Book	x x x
Balance as per UDP Register	x x x
Balance as per P.A. Register	x x x
Balance as per Non-Govt. cash book	x x x
Total Book Balance	_____
B. Amount held in cash	
Amount held in the shape of cheques and drafts	x x x
Amount in the DDO Current account	x x x
Total	_____
C. Cash balance ascertained by counting	xx xx xx

The book balance shall be equal to physical balance.

If there is any difference between the book balance and the physical balance, the same should be reconciled. If it cannot be reconciled, action should be taken under Article 294 of APFC Vol I. and SR 2 (a) of TR 11 of APTC Vol. I.

If the concerned officer happens to be in camp or leave, the officer who looks after his work or the ministerial head should also check the cash book as above and the DDO should, as soon as he returns, verify the entries in the cash book and attest the balances duly satisfying the correctness of the same (SR 2 (c) of TR 16).

3.26 Custody of Cash and Maintenance of Cash Chest

The office cash balance should be kept in an iron cash chest having double lock arrangements. The cash chest shall, if practicable, be embedded in masonry so as to prevent removal by thieves. One key of the cash chest should be held by the head of the office and the other by the Double Lock Officer. They should personally hold the keys of the chest and the keys should never leave the possession of the Government servants concerned. The cash chest should not be entrusted to the attenders. Whenever there is change in the incumbent, the government servant holding the key of the cash chest due to any kind of leave or transfer, the incoming Government servant should personally verify the cash and record a certificate of verification in the cash book in his own handwriting and affix his signature.

The duplicate keys of cash chest should be kept in a small packet, and the packet sealed and sent to the nearest Treasury for safe custody. The receipt granted by the Treasury Officer should be carefully filed. Thereafter every year, the sealed packet should be

obtained from the Treasury duly surrendering the receipt obtained at the time of deposit, the contents of the sealed packet checked up and the duplicate keys should again be deposited in the Treasury for safe custody.

When leaving the office every day, after verifying the cash chest, a proper seal duly signed by the Head of the Office, should be pasted in the cash chest and the sealed cash chest handed over to the night watchman, if there is one, under his acknowledgment. On the next day, when the office is opened, the cash chest should be taken over by the Head of the Office by furnishing the acknowledgment. A register should be maintained for this purpose in the form noted in Appendix I.

3.27 Carriage of Cash

The minimum precautions to be observed for safeguarding Government money i.e., the encashing of bills, in remitting money / from one office to another are stipulated in Art. 274A. The staff members should be deputed for the purpose keeping in view the quantum of cash involved.

3.28 DDO Current Account Register

The DDO shall maintain a separate Register for the DDO Current Account, in APTC Form 5 as per the guidelines issued in G.O. Ms. No. 90, Finance (TFR) Department dated 31.01.2002 and as amended in GO Ms No. 508, Fin (TFR) Dept. dt. 10-04-2002. Each amount transferred by the Treasury/PAO into the DDO Current account should be accounted for in the register on the same day. The amount drawn by the DDO in his favour or in favour of the party should also be noted in this Register. The

DDO should reconcile the balance amounts at the end of the each month with the balance amount in the DDO current account in the bank. (*Annex-31*) Government in Cir. Memo No. 3371/84/A1/TFR II/05 dt 25.07.2005 has instructed to encourage all employees to open bank accounts and minimise cash transactions.

3.29 Maintenance of Undisbursed Pay Register

All the amounts relating to the claims of Government servants in the Office should be brought to account in this register on the same day of encashment. The same register shall also be used where necessary for watching the disposal of the undisbursed balances, if any, of amounts drawn on contingent bills in excess of the permanent advance. As far as possible, the official entrusted with the preparation of bills should not be entrusted with disbursement. In a large office, separate U.D.P. Register may be maintained for pay and allowances and contingencies. The Register is to be maintained in A.P.T.C from No.20 (*Annex-32*)

The serial numbers in this Register should be assigned consecutively for each financial year. The serial number against each item should be rounded off when the complete amount drawn under the particular items is disbursed leaving no balance. The receipts should be indicated in columns 1 to 4 while the disbursements are indicated in columns 9 to 12. On each date of transaction, the totals under receipts and disbursements should be worked out and the balances struck. The undisbursed balance as verified from the aquittance roll should be entered in column 5 and subsequent disbursements noted in columns 6 to 8 till the entire amount is disbursed and the item is finally rounded off. The closing balance of U.D.P Register should be taken to the cash

book. The U.D.P. Register should be signed everyday by the DDO. The undisbursed amount should not be kept for more than 1 month from the date of drawal and they should be remitted.

3.30 Acquittance Register

The DDO shall maintain a separate Acquittance register in APTC Form 88. Acknowledgement of the employee to whom the claim relates should be taken in the above register. For all claims exceeding Rs. 5000/- the acknowledgement should be on a Rs. 1/- Revenue Stamp (SR 2a under TR 32). The UDP No to which the claim relates should be noted in the Acquittance register. The balance of amount pending in the Acquittance Register and the payment made during the day and the balance outstanding at the end of a day's transaction should be noted in the Acquittance Register under each UDP with the attestation of the DDO. (*Annex-33*)

3.31 Undisbursed Contingencies Register (U.D. Contingency Register)

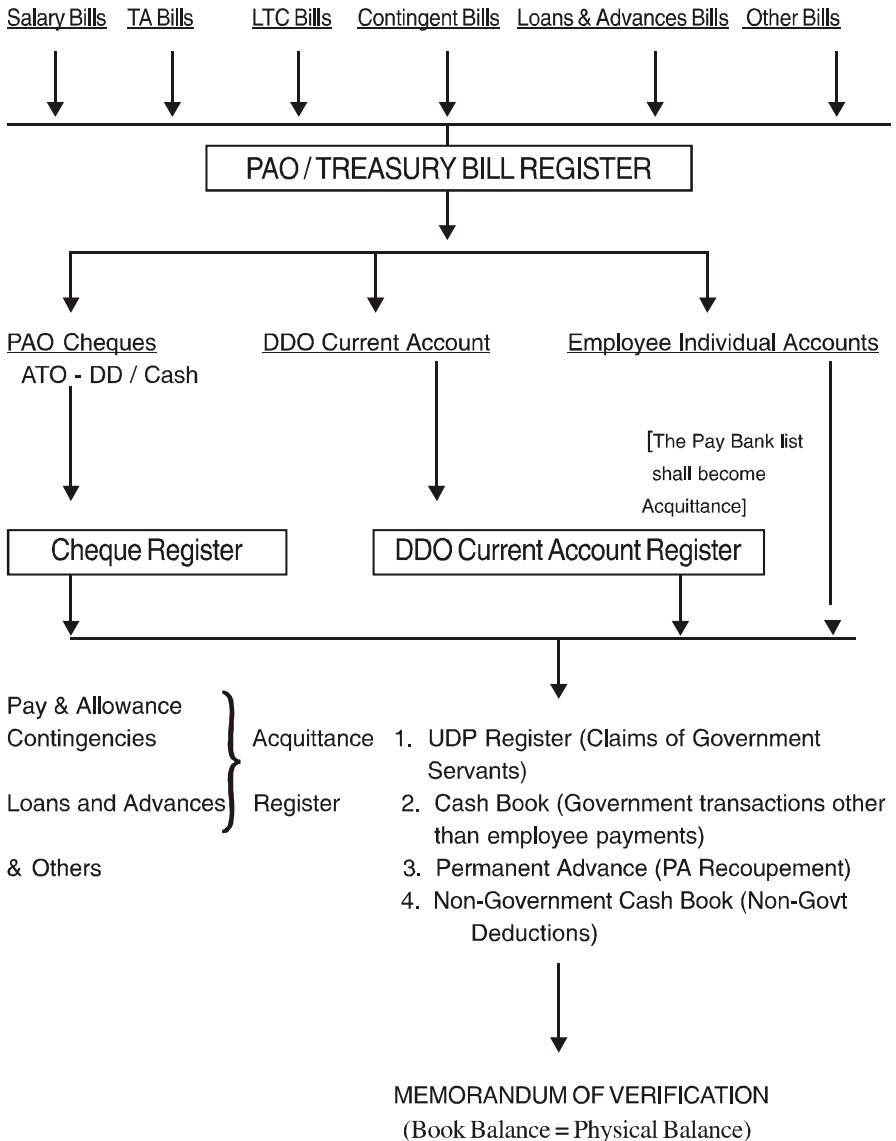
This is meant for recording the drawals under contingencies. The maintenance of this Register and the Proforma used is the same as that of U.D. Pay Register. (*Annex-34*)

3.32 Permanent Advance Register

It is maintained in A.P.T.C. Form No.89. Every office is provided with Permanent Advances (PA) to meet with urgent, unforeseen, petty items of expenditure. The Permanent Advance is recouped by drawing contingent bills for the expenditure initially met from Permanent Advance. (*Annex-35*).

The following flow chart shows the mode of drawal of funds from Treasuries / PAO by DDO. It also depicts the importance of Maintenance of various registers in the DDO office.

FLOW DIAGRAM OF MAINTENANCE OF REGISTERS BY DDOs



3.33 Reconciliation of Departmental Figures with Treasury / PAO

The intention of reconciliation of Departmental figures with Treasury figures is to ensure agreement between the two. The basis for the preparation of both the accounts is the same as noted below:

By the Department

- i) With reference to the amounts remitted into the Treasury
- ii) With reference to the bills drawn by the DDO

By the Treasury/Pay & Accounts officer:

- i) With reference to the receipted challans
- ii) With reference to the bills on which payments are made

As a result of reconciliation, some differences are likely to arise, due to mis-classification or wrong posting either by the Department or by the Treasury. Such mis-classification can be rectified in the accounts on hand by proposing alterations (TEs). Difference may also arise due to fraudulent drawls. Hence, reconciliation should be done at DDO and Sub-Treasury level, District Treasury level and State level by the HOD with the Accountant General.

The DDO has to prepare an expenditure statement and also statement of receipt every month and reconcile the figures with the Treasury before 20th of succeeding month. If the reconciliation of the previous month is not completed and in the absence of the certificate, the salary of the DDO will not be passed by the Treasury/DDO.

3.34 A.C.Bills

Under Art. 113 of A.P. Financial Code Vol.I, the Accountant General will send to each CCO every month a list of A.C.Bills encashed by the DDOs under that authority's control for which countersigned, detailed bills have not been received. In spite of repeated instructions, the drawal of A.C. Bills are not adjusted by the Departments with supporting detailed contingent bills. Hence, Government in GO.Ms.No. 391 (TFR) Dept, dt: 22.03.02 has placed the accountability on the DDOs who have drawn the AC Bills. It should be ensured that all the AC bills drawn during the financial year shall be settled within 3 months from the date of drawal. The third AC bill should not be admitted by the PAO or Treasury Officer until the 1st AC bill is settled by the Department. The practice of obtaining counter- signature on DC bills from the higher authorities (Controlling Officers) is dispensed with. This shall also be applicable for the pending AC bills drawn previously before 31.03.2002 but not adjusted. During the course of a workshop held on 02.04.2004 for the CAOs of HODs, Finance Department and officials of AG, the Deputy AG has clarified that in respect of old pending AC bills, a certificate of expenditure by the HOD / DDO can be issued based on the available records to settle those AC bills as a one time measure to settle long outstanding DC bills.

3.35 Purchase of Stores

Stores include all articles and materials such as furniture, chemicals, scientific instruments, appliances, stationery articles, diet charges, material for construction of buildings, departmentally manufactured stores, tools and plant etc. (Art.122)

All stores should be purchased through the Director, Printing and Stationery excepting those which have been specifically exempted from his purview under Article 123 as such as perishables like fruits, food stuff, news papers etc. The items under rate contract finalized by Director of Printing and Stationary should be purchased from the earmarked firms. In cases of emergency, the Heads of Departments may purchase stores directly after obtaining approval of the stores purchasing committee in regard to other item as well.

- a. First preference for stores manufactured in Government Department workshops.
- b. Second preference in respect of standard items to fully owned government undertakings and Corporations in respect of standard items. These corporations need not participate in tenders.
- c. In respect of Non-standard items, the undertakings also have to participate in the tenders, if any, called by departments.
- d. The items reserved for the SSI units should be exclusively purchased from them. The list can be had from Director of Industries. These units have also been exempted from the requirement of lodging earnest money and security deposit for the specified items for which they have been enlisted.
- e. The goods manufactured in jails should be had from them only. They include furniture, stitching of khaki uniforms, attenders' liveries, ammunition boots for officials of police, fire services and prison departments, phenyl, navar etc. These items can be purchased from outside only after obtaining 'No stock certificate' from the Jail Department.

- f. Modern office equipment such as computers etc should be purchased only through the AP Technology Services Ltd.
- g. The cloth requirements of offices towards livery etc. should be purchased from the APCO. Like wise the woolen carpets should be purchased only from AP State Wool Industrial co-operatives, Leather goods should be purchased from LIDCAP.
- h. Steel furniture should be purchased solely from APSSIDC, while wooden furniture should be purchased from the jail department, the government centers like PWD workshops, Furniture Mill cum mechanical wood work shop, Sanathnagar etc, Industries center, Hyderabad should be given next preference.
- i. Stitching of uniforms should be entrusted to physically handicapped co-op tailoring industries. Caning of chairs and manufacturing of garden chairs should be entrusted to Physically Handicapped Co-op Cane and Weaving Society. (GO.Ms.No. 467 Fin & Plg, dt: 9-7-90, GO.Ms.No. 770 Ind. And Commerce dt 8-11-90, GO.Ms.No. 717 plg, dt: 20-12-85, GO.Ms.No. 106 GAD dt: 27-2-86, GO.Ms.No. 594 GAD dt: 22-11-86)
- j. When comparison of prices of products is made between the manufacturers within the State and those situated outside, the comparison should be on the bare cost exceeding taxes.
- k. **Tenders:** Article 125 deals with purchases through tender systems.

- l. **Single Tender System:** To be adopted in regard to purchases of a small order which does not exceed Rs. 1000, and Rs. 2000 if more than one kind of article is ordered at one time and propriety items.
- m. **Limited Tender System:** Should be adopted when the limits for the single tender system are exceeded and the estimated value of the order is less than Rs. 5000/-
- n. **Open Tender System:** Should be followed in regard to purchase of stores of a value of Rs. 5000 and more. In regard to PWD, the limit applies to purchases of a value of Rs. 10,000/- and above.
- o. When open tenders are called, circular communication should be sent to dealers of repute apart from wide publicity in news papers, trade bulletins etc. A time gap of at least one month should be given between the date of notification of the tender and the last date of submission of tenders. If the lowest tender is passed over specific reasons, it should be recorded (Art 125)
- p. **Stock Accounts :** Separate stock accounts should be maintained for expendables and non-expendables such as furniture, equipment etc (Art 133)
- q. **Inspetion of Stores:** Stores should be periodically inspected and action taken to regularize the short coming by recovery front from concerned / write off etc. (Art 139). The unserviceable articles should be identified and action taken for disposal and write off in the manner indicated in Art. 143 APFC Voll.

3.36 Stock Register

Every Head of the Office should maintain a suitable stock account for the stores purchased by him and held in his custody with a view to prevent losses. Separate stock registers should be maintained for expendable stores and non-expendable stores. The Head of the Office, who is in-charge of the expendable stores, should check them at least once in a year and send a verification report to the competent authority. He should also record a certificate of verification in the Register.

Separate Stock Registers should be maintained for each category of purchases and issues like:

- a. General Stock Register - (Annex-36)
- b. Library Books Stock Register - (Annex-37)
- c. Furniture Stock Register - (Annex-38)
- d. Computer Hardware Stock Register - (Annex-39)
- e. Stock Register for Computer Stationary (issue) - (Annex-40)
- f. Usage Register for Computer Stationary - (Annex-41)
- g. Unserviceable / Condemned Article Watch Reg - (Annex-42)

3.37 Loss of Stores

In the event of losses in cash and stores, the departments should follow the detailed procedure under Art. 294, 302 of the code. Departmental action should be pursued to see that the losses are made good and where this is impossible. to get waiver by write-off under order of competent authority. The *modus operandi* of the loss should be investigated thoroughly to ascertain the defects in the system, if any, which resulted in the loss and to ensure necessary remedial measures

3.38 Delegation of Financial Powers

Government in Articles 231, 229, 220, 208, 93 & 63 has delegated certain financial powers to the HODs and subordinate authorities. Head of Offices may also delegate their powers to incur or sanction expenditure to any Gazetted Government servant subject to any further conditions and restrictions, which he may consider necessary. Government in GO.Ms.No. 148, Fin & Plg (FWTFR) dept, dt 21.10.2000 enhanced these powers for incurring expenditure.

DELEGATION OF FINANCIAL POWERS TO HODs, REGIONAL OFFICERS, DISTRICT OFFICERS AND UNIT OFFICERS

[GO MS NO 148 F&P (FW.ADMN.I. TFR.) DEPT Dt 21-10-2000]

Sl. No.	Item of expenditure	Ceiling limits for Secretariat Depts/HODs/ Dist. Collectors	Ceiling limits for Regional Offices	Ceiling limits for District Unit Officers (Other than Collectors)
1	2	3	4	5
1	Maintenance of motor vehicles a) Light vehicles b) Heavy vehicles	Full powers (subject to guide lines vide G.O. Ms. No. 333 GA (OPII) Dt. 31-07-97 —do—	Rs. 20,000/- per vehicle Rs. 40,000/- per vehicle	Rs. 20,000/- per vehicle Rs. 40,000/- per vehicle
2	Purchase of stationery	Full powers	Full powers	Full powers
3	Purchase of steel and wooden furniture a) Purchase of furniture b) Repairs to furniture	Full powers Full powers	Rs. 50,000/- Rs. 5,000/-	Rs. 10,000/- Rs. 5,000/-
4	Rent for office building	Full powers according to plinth area values & rent assessment by R&B Dept.	Full powers according to plinth area values & rent assessment by R&B Dept.	Full powers according to plinth area values & rent assessment by R&B Dept.

5	Purchase of bulbs and lamps	Full powers	Rs. 10,000/-	Nil
6	Light refreshment	Rs. 300/- at a time not exceeding Rs.2000/- PM	Rs. 200/- P.M.	Rs. 200/- P.M.
7	Repairs to Type writers	Full powers	Full powers	Full powers
8	Condemnation of vehicles	Full powers subject to technical scrutiny by PWD Dept or Area Transport Officer	Full powers subject to technical scrutiny by PWD Dept or Area Transport Officer	Full powers subject to technical scrutiny by PWD Dept or Area Transport Officer
9	Repairs to duplicators	Full powers	Full powers	Full powers
10	Organisation of sports & games	Rs. 50,000/-	Rs. 10,000/-	Rs. 10,000/-
11	Electrical installations a) for addl . improvements & alterations to the existing electrical installations for each building and apartments in the compound b) improvements, alterations and new installations to new buildings	Full powers	Rs. 5,000/-	Rs. 5,000/-
		Rs. 1,00,000/-	Rs. 50,000/-	Rs. 50,000/-
12	Printing locally without referring to Govt. Press	Full powers	Full powers	Full powers
13	Visits of high personnel	Rs. 5,000/- on each occasion subject to a ceiling of Rs.50,000/-	No limit on an occasion not exceeding Rs.5000 p.a	No limit on an occasion not exceeding Rs.5000 p.a
14	Purchase of Non-Govt. publications relevant to law and	Full powers	Rs. 5,000/-	Rs. 5,000/-

	administrative management			
15	Crockery, cutlery and utensils (initial purchases)	Rs. 5,000/-	Rs. 1,000/-	Rs. 1,000/-
16	Printing and binding	Full powers	Full powers	Full powers
17	Purchase of wall clocks not exceeding one piece of each unit office at a cost not exceeding	Rs. 1,000/-	Rs. 500/-	Rs. 500/-
18	Purchase of fans	Full powers	Full powers	Full powers
19	Write off of various kinds	Rs. 5.00 Lakhs As amended in GO.Ms.No. 471 Fin (TFR) dt: 03.09.2001	-	-
20	Air coolers	Full powers	Nil	Nil
21	Drawal of amounts on abstract CONTINGENT BILLS	Rs. 10,000/-	Nil	Nil
22	Photographic charges	Nil	Nil	Rs. 1000/-
23	Freight charges	Full powers	Full powers	Full powers
24	Apparatus, instruments and machinery	Full powers	Full powers	Full powers
25	Purchase of stores	Full powers	Nil	Nil
26	Legal costs	Full powers	Full powers	Full powers
27	Expenditure on Exhibitions	Full powers	Nil	NIL
28	Maintenance of residential and non-residential buildings of Prisons Dept.	Full powers	Nil	Nil

29	Petrol, Oil, lubricants	Full powers	Full powers	Full powers
30	Maintenance of computers	Full Powers(through APTS or original manufacturer)	Full powers (through APTS or original manufacturer)	Full powers (through APTS or original manufacturer)
31	Maintenance of Xerox machines	Full powers	Full powers	Full powers
32	Maintenance of fax machines	Full powers	Full powers	Full powers
33	Purchase of computer/fax-machine stationery (printer ribbons, heads, cartridges, floppies, CDs and tapes etc.,)	Full powers	Full powers	Full powers
34	Air coolers repairs	Full powers	Full powers	Nil
35	Supply of uniform cloth to class IV employees	Full powers	Full powers	Full powers
36	Telephone for connectivity purposes	Full powers	Full powers	Full powers
37	Internet service charges	Full powers	Rs. 1,000/-	Rs. 1,000/-
38	Refreshment expenditure on visits of officials from other states	Full powers	Rs. 1,000/-	Rs. 500/-
39	Purchase of batteries	Full powers	Full powers	Full powers
40	Pest control measures, fire alarm and fire extinguishers - Maintenance	Full powers	Full powers	Full powers
41	Electric and networking works relating to computer, air conditioner & UPS equipments	Full powers	Full powers	Full powers

42	Courier charges	Full powers	Full powers	Full powers
43	Supply of uniform cloth for junior forest officers	Full powers	Nil	Nil

3.39 a. General Guidelines for maintenance of Registers

All the registers should be neatly bound and kept as they are very important in nature. The following instructions should be followed for their maintenance:

- i) All the pages of the register should be numbered and certificates appended on the front page under attestation of the Head of the Office showing the number of pages the register contained.
- ii) If the register is opened in manuscript for want of printed copy, the headings of the register should be typed and neatly pasted.
- iii) There should be no register without proper headings.
- iv) A register, once exhausted, should be withdrawn from the clerk concerned and sent to the record room for safe custody under proper acknowledgment.

In case of Cash Book, permanent Advance Register and U.D. Pay register, the closing balance as appearing on the last page of the old register and a certificate to the effect should be appended in the new register under the attestation of the Head of the Office.

b. Registers to be maintained by the DDO

1. Cash book.
2. Undisbursed Pay Register.

3. Undisbursed Contingent Register.
4. Permanent Advance Register.
5. Cash Book for non-Govt. transactions (APTC Form 5).
6. DDO Current Account Register.
7. Treasury Bills Register (TBR) (APTC Form 70 Rev).
8. Pay bill Register (APTC Form 47).
9. T.A. Bill Register (APTC Form 52).
10. Misc. Bills Register (APTC Form 40).
11. Register of contingent charges (APFC 7).
12. Office copy of GPF bills Register.
13. Acquittance Register for Payment of Pay and allowances (APTC Form 88).
14. Misc. acquittance Register for payment of T.A., F.A. (APTC Form 58) and other payments.
15. Office copy of LPC issued Register.
16. Register of true copies of LPCs received.
17. A.C. Bills Watch Register.
18. Register of advances of Pay & T.A.
19. Tour Advance Register.
20. Register of recoveries of advance on transfer.
21. Register of recoveries of festival advance.
22. Register of recoveries of medical advances.
23. Register of recoveries of loans granted to Govt. servants for purchase of Bicycles, House Building, Marriage, Motor Cycle etc.,
24. Register of recoveries of GPF.

25. Register of recoveries of A.P.G.L.I. (See Appendix 26 of APFC Vol. II).
26. Increment Watch Register (Gazetted & Non-Gazetted Separately).
27. Register showing the service books received from other offices and sent to other offices.
28. Register of valuables (Cheques and drafts received).
29. Register of security deposits.
30. Register showing account of receipts used and unused.
31. Register showing the temporary establishment of the offices and their continuance.
32. File containing the original challans for the amounts remitted into the Treasury.
33. Register of challans remitted into Treasury.
34. Printed receipt books for the issue of receipts for the amounts received from the parties.
35. Register of actual expenditure incurred with progressive totals prescribed in Budget Manual.
36. Sub-Cash Books for scholarships, restructure courses.
37. Register of Accountant General's objections.
38. Register of objections raised by departmental inspecting officer.
39. Stock Register of furniture.
40. Stock Register of stationery.

41. Stock Register of computer hardware.
42. Stock Register of computer stationery.
43. Usage Register of computer stationery.
44. Stock Register of unserviceable articles.
45. Condemned articles Register.
46. Stock Register of library books.
47. Issue Register of library books.

3.40 Financial Accountability on the DDOs

The District Treasury Officers/Sub-Treasury Officers/Pay & Accounts Officer, Hyderabad have been vested with the powers of enforcing financial accountability on the DDOs, as per the orders issued in G.O. Ms. No. 507, Finance (TFR) Department dated 10.04.2002 on the following items:

a. Replies to pending AG Audit paras upto 2000-01

All the Drawing & Disbursing Officers should submit replies to the extent of 50% of pending AG Audit paras up to 2000-2001 pertaining to the particular scheme for which the bills are being submitted latest by September 2002 and should furnish a certificate to the DTO/STO/PAO, Hyderabad to that effect along with the further claim under the scheme.

b. Settlement of pending Abstract Contingent Bills

All the Drawing Officers should ensure that the D.C. Bills are submitted to the Treasury Officers concerned against the A.C. Bills pending latest by June for the bills drawn during March, failing which further drawal of A.C. bills shall not be permitted.

c. Reconciliation

No Treasury Officer shall permit any amount to be drawn by the concerned DDOs after 10th of the month until and unless the reconciliation of accounts up to the previous month is complete and a certificate to that extent is appended to the next bill.

d. Submission of expenditure and utilization certificates for earlier drawals

Every Drawing Officer shall furnish the list of bank accounts operated by him and cash balances available therein pertaining to the specific scheme for which further funds are proposed to be drawn. The concerned Treasury Officer shall not authorise any further release till the certificate has been given and 75% of the amount drawn is already spent or credited back to the Treasury.

e. Recovery of Loans, Advances, Taxes, etc., due to Government

All the DDOs are instructed to affect the recoveries and deposit the same under the appropriate head.

The following table depicts various financial accountability norms prescribed in GO.Ms.No. 507, dt: 10.04.2002 and penalties suggested there in, for inaction by the DDOs / SCOs. These Financial Accountability norms are being enforced by Treasuries / PAO on the DDOs.

Issue involved	Action required	Responsibility for action	Penalty for inaction
1. Audit Observations	Reply to Audit Observations	DDO	Drawals not permitted
	Settlement of AG IRs	CCO	Fresh BRO will not be issued
2. Abstract Contingent Bills	Settlement of AC Bills	DDO	3 rd AC Bill will not be admitted
3. Reconciliation of Accounts	Reconciliation of Receipts and Expenditure with Treasury.	DDO	Drawal of funds not permitted
	Reconciliation of Accounts with AG	CCO	Further releases are not permitted
4. Utilization of Funds	Utilization certificates	DDO	Further amounts are not to be credited
5. Releases to Local Bodies	Audit Certificate of State Audit Department	DDO	Funds will not be released

3.41 Reconciliation of Departmental figures with Treasury / PAO – DDO level

1. Every Drawing Officer should reconcile the amounts drawn from the Treasury for any purpose with the Treasury figure every month before 10th of succeeding month to avoid misclassification of wrong posting either by the Department or treasury. It is also useful to detect fraudulent draws, forged

bills drawn at Treasury / bank without knowledge of the treasuries and DDOs

2. Reconciliation should be done at Sub-treasury level and District Treasury level where transaction took place every month before 10th of succeeding month otherwise the claims relating to the concerned office shall not be admitted by the Treasury (GO.Ms.No. 507 Finance [TFR] Dept, dt: 10.4.2002)
3. Reconciliation should be done for all money drawn from Treasury, including loans and advances, refund of revenues, GPF, FBF, GIS etc.,
4. Every challan remitted into the Treasury shall be reconciled by the departments concerned
5. The Head of the Department should reconcile the entire department figures with the AG quarterly

As per GO.Ms.No. 12 Finance [TFR - II] dept, dt: 13-01-2004 & DTA Cir.Memo No. Me/1765/2004, dt. 03-02-2004, the reconciliation of the departmental figures with the Treasury is modified, since all the accounts are being generated on computers in treasuries and PAOs, orders issued by Government to generate the receipt and payment statement (monthly) for each DDO and send it to the DDO on the 11th of every month asking him to reconcile and send back the statement along with remarks back to the Treasury / PAO concerned by 20th of every month. If the DDO fail to submit, their bills should not be admitted thereafter.

3.42 Who is Accountable for What?

The following table depicts the issues / norms and accountability on the part of CCO, SCO and DDOs. The list is illustrative in nature but not exhaustive.

S.No.	ISSUE	ACCOUNTABILITY
1.	Number Statements, BE's RE's	DDOs, SCOs, CCOs
2.	Submission of BEs to Finance on due dates	CCO
3.	Consolidation of dept BEs grant wise and presentation in Legislative Assembly	Finance Department
4.	Issue of BROs	Finance, CCO
5.	Distribution Statements supply to DTA	CCO
6.	Budget Authorization	DTA
7.	Budget Control	CCO, DTA
8.	Drawal of Money - Utilization of Funds	DDO, SCO, CCO
9.	Reconciliation of Expenditure	DDO, STO :: SCO, DTO
10.	Reconciliation with AG	CCO, PAO, DTA
11.	Settlement of AC Bills	DDO, STO
12.	Audit Paras	DDO, STO :: CCO, AG
13.	PAC Report	CCO, Secretary
14.	Re-appropriation	CCO, Finance
15.	Supplementary Grants	CCO, Finance
16.	Final Accounts	CCO
17.	Maintenance of Registers	DDO, SCO, CCO
18.	Maintenance of Register of Actuals	CCO

CCO - Chief Controlling Officer, SCO - Subordinate Controlling Officer
 DDO - Drawing and Disbursing Officer

3.43 Maintenance of Cadre Strength

The DDO is responsible for maintenance of unit wise cadre strength register in accordance with cadre strength sanctioned by the Government from time to time and to watch the cadre strength of the unit offices under his control. (*Annex-14*).

4. Internal controls and their significance in ensuring Financial Accountability¹

Internal Control is an *integral process* that is operated by an entity's management and personnel and is *designed to address risks* and to provide reasonable assurance that in pursuit of entity's mission, the following general objectives are achieved:

- *executing orderly, ethical, economical efficient and effective operations;*
- *fulfilling accountability obligations;*
- *complying with applicable laws and regulations;*
- *safeguarding resources against loss, misuse and damage*

Internal control is not a single measure but a series of prescriptions of dos and don'ts that touch every activity of the organization. In that sense it is an integral part of the organization. Also, internal control is not something which is separate from the people who operate them. It is part of the roles and responsibilities of the persons working in the entity. As all entities exist for a purpose, the basic objective of internal control is to ensure that the entity achieves its mission; in other words, it aims to minimize the risks that the entity may not be able to achieve its mission. Any system of internal control can provide only reasonable assurance as it would be not be economical to provide an absolute assurance. This recognizes the fact that there are costs associated with any internal control and such costs should not exceed benefit derived from it. Moreover, excessive controls may result in employees circumventing them and, they could also result in delays and inefficiencies in operations.

¹ Source : INTOSAI Guidelines for Internal Control Standards for the Public Sector

Apart from ensuring ethical, efficient, economical and effective operations, one of the main objectives of internal control in public sector is to safeguard resources which are acquired with public money. Organizations in the government sector are vulnerable in this respect because cash basis of accounting (which is predominant mode of accounting in government) does not provide sufficient assurance related to acquisition, use and disposal of assets. With the extensive use of Information Technology in many government entities, internal controls related to IT have also assumed great deal of importance. Managers of entities where IT is used should be aware of risks of poor controls in IT systems, particularly where they deal with payroll, procurement, stores, etc.

Any system of internal control is limited by the following factors:

- *Human factor:* Internal control is susceptible to flaws in design, poor judgment, wrong interpretations, misunderstanding, carelessness and abuse or override as all these involve human involvement.
- *Resource constraints:* As already mentioned, internal control implies costs and resources could be one other limiting factor. Particularly in smaller organizations very elaborate or sophisticated internal control may not be possible. In such cases, the management should consider whether the lack of one type of control could be compensated by another less expensive control.
- *Organizational changes and management attitude* also have a very significant bearing on internal control. Ultimately, it is the management's (the head of office and his team) attitude that determines how seriously are the internal controls taken

by the staff. If they see that the management is relaxed or it does not itself follow many of the precepts, they would have little motivation to observe the internal controls. It is therefore very important that the top managers always set an example in this regard.

Internal Control consists of the following five interrelated components

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

The control environment sets the tone of an organization, influencing the control consciousness of its staff. It is the foundation for all other components of internal control, providing discipline and structure. This is, as already pointed out, determined by the management. Elements of control environment include:

- Personal and professional integrity and ethical values of the organization;
- Commitment to competence;
- The ‘tone at the top’;
- Organizational structure; and
- Human resource policies and practices;

Risk assessment is the process of identifying and analyzing relevant risks to the achievement of entity’s objectives and determining the appropriate response. Elements of risk assessment

- *Risk identification:* The entity must identify risks that any of its stated objectives would not be achieved. To illustrate, an entity involved with conducting an examination, evaluating the answer papers and declaring results should assess the risk that any of these activities is not done properly. Once a risk (confidentiality of question paper is breached) is identified, the entity should provide adequate internal control measures to reduce / eliminate the risk.
- *Risk evaluation:* Risk evaluation involves assessing the significance of the risk (in terms of its gravity) and the possibility of the risk actually materializing. This requires the organization to categorize risks as high, medium or low based on some judgment. The idea is for the organization to address the high category risks.
- *Risk assessment:* Risk assessment requires the entity to understand how much risk it is able to take. This is important because any risk mitigation comes at a cost. Sometimes, it is possible to transfer the risk to a third party.
- *Developing a response:* After having identified the risks, evaluated and assessed them, the entity must develop a response to mitigate (reduce / eliminate) the risk. Appropriate response could involve *transfer, tolerate, terminate or treat* the risk. Obtaining insurance is an example of transferring the risk. Sometimes, it may be better to live with a risk that is too expensive to treat. Where the risk is too big, it might be better to terminate the activity altogether. This option may not always exist in government sector as there are obligations to society that have to be met irrespective of risks. Lastly,

which is in most cases, the entity would like to treat the risk by adopting suitable control activities.

Control activities are the policies and procedures established to address risks and to achieve the entity's objectives. There are two types of controls.

- *Prevent Control:* This type of internal control would prevent a risk from occurring. An example of this would be barring the physical access to cash chest or the place from where cashier operates.
- *Detect Control:* detect controls are measures that would point to misdeeds through reconciliation / review. Any kind of reconciliation (bank reconciliation), post audit, etc. would fall under this category as they help detect if something had gone wrong.

To be effective control activities must be:

- Appropriate
- Function consistently
- Cost effective
- Comprehensive
- Directly relate to control objectives

Some examples of control activities are:

- *Authorizations and approvals:* Authorization is the principal means of ensuring that only valid transactions and events are initiated as intended by the management. Authorization procedures must be well documented and clearly communicated to managers and employees. These should

include specific conditions and terms under which authorizations are to be made.

- *Segregation of duties:* To reduce the risk of error, waste, or wrongful acts and the risk of not detecting them, no single individual or team should control all key stages of transaction or event. Therefore, duties and responsibilities should be so assigned to a number of individuals that there are enough checks and balances. Notwithstanding separation of duties, collusion can still take place, which can reduce or destroy the effectiveness of this internal control. A common place example of this internal control is the segregation of duties of cashier and accountant; and that of stores clerk who accounts for receipts and issues and the store keeper who physically handles receipts and issues. A small organization may have too few employees to implement this control. In such cases, the management should be aware of the risks and compensate them in some other manner e.g. enhanced supervision, rotation of employees, and so on.
- *Control over access to resources and records:* Restricting access to resources to authorized individuals reduces the risk of loss or misuse of resources. All assets must be protected against loss and misuse by implementing this control. Facilities such as a photocopier, telephone, internet, vehicle, etc. also require protection against improper use.
- *Verifications:* Transactions or events (receipt of goods supplied or cash balance at the end of day) are verified to ensure correctness and validity. Personal records / service books are periodically verified to ensure their correctness.

- *Reconciliations:* This is one of the most commonly used and effective detect control measure in any organization. Reconciliation of one set of records with another (the DDO's accounts with Accountant general's records, own cash book with bank statement).
- *Reviews and post audit* play an important role in ensuring that activities have taken place in accordance with the intents and objects of management. A review of financial statements can reveal if there have been any discrepancies pointing to wrongdoing. A procurement process can be post audited to make sure that it complies with all the regulations.
- *Supervision:* Supervision (assigning, reviewing, approving and guiding, training) is an important and high level internal control. This is something that is done at different levels of management periodically.

Information and communication are essential to realizing all internal control objectives. 'Management's ability to make appropriate decisions is affected by (appropriate, timely, current, accurate and accessible) information'. Effective communication should flow down, across and up the organization, through all components and the entire structure

Internal control system should be monitored to assess the quality of the system's performance over time. Monitoring is accomplished through routine activities, separate evaluations or a combination of both.

5. Important Government Orders on Financial Accountability

The Government has issued GO 507 fixing Accountability Norms on the DDO. Similarly GO 451 is issued fixing accountability norms on the CCO. GO 43 is issued classifying deposits into categories duly fixing norms for operation. Similarly GO 25 is issued with specific reference to Misappropriation cases.

5.1 GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Withdrawal of Funds from Deposit Accounts – Certain instructions – Issued

FINANCE & PLANNING (W&M) DEPARTMENT

G.O.Ms.No 43

Date: 22-04-2000

1. A Cabinet Sub-Committee on Zero-based budgeting was constituted in the G.O. read above to supervise the preparation and implementation of Zero-based budgeting. After careful examination, Government decided to classify all the Deposit Accounts into three categories as follows:
2. **(A)** These deposit accounts under which the local bodies, institutions, corporations, state undertakings and other deposit account holders deposit the amounts, which are collected as their own collections like taxes collected by the local bodies, special fees collected by the educational institutions, other fees and user charges collected directly from the public under the

provisions of their statutes and by-laws, which authorise to collect these amounts directly from the public in the shape of fees or service charges. Apart from their own collections, if the amounts are deposited in these accounts on account of statutory devolution like property tax, professional tax, entertainment tax etc., and the statutory grants received from the Government, such deposits will also be categorised as non-lapsable.

(B) Lapsable Deposits as per the Codal Provisions:

Amount deposited under these funds will get lapsed as per the codal provisions. revenue deposits, civil and criminal court deposits, official receiver deposits, caution money deposits, the amount deposited will get lapsed to the Government under Article 271 of AP Financial Code Volume-I.

(C) Lapsable Deposits as per Government Orders given here in:

These deposits generally will consist of the funds deposited on account of execution of various schemes and works sanctioned by the Government from time to time. Engineering funds of the local bodies, RWS, Public Health Department and funds released to various institutions/corporations/local bodies, State Undertakings to execute specific schemes sanctioned by the Government. Under these deposits all funds released during the particular financial year, shall lapse by the 31st March of the next financial year. Accordingly, all funds released on or before 31.03.1999, under the schemes sanctioned before 31.03.1999 and which remained unspent as on 31.03.2000 shall lapse on 31.03.2000. Hence, at the Public Accounts are now classified into above three categories and are enclosed herewith the Annexure-I.

3. At present, there is no uniform procedure adopted generally, in case of local bodies, all the deposit account cheques to the Treasury Officers for record. To simplify the procedures, as a part of wide administrative reforms, Government hereby orders the following procedure for withdrawal of funds from the deposit Account:

- i) In case of non-lapsable deposit accounts (Category A) the Treasury Officers shall issue LOCs to the banks in favour of the deposit administrator on the basis of distribution proceedings of the concerned of such LOCs would be non-lapsable at the end of the financial year. It is also decided to permit the deposit account holders to withdraw funds directly from the banks without routing through the Treasury Officers based on the LOCs issued by the Treasury Officer to the extent of receipts available in the deposit account. The Deposit Administrator shall present cheques alongwith the formats and certificate prescribed in Annexure-II. The bank shall not honour the cheques over and above the balances available at the credit of the Deposit Administrator. Treasury Officer shall have the right to issue instructions to the concerned banks to stop further payments on that particular deposit account under which any deficiency or any procedural irregularity is noticed till the correction is made by the Deposit Administrator.

In the case of Panchayat Fund, there is only one PD Account for statutory grants as well as specific purpose grants. All Deposit Administrators of Panchayat Funds shall continue to route their cheques along with information of as per formats and certificates under Annexure-II, through the Treasury Officer concerned as per present practice. The Treasury Officers shall scrutinise and authorise payments for those deposits which

fall under category 'A' & 'B' subject to balances available. For the balance amounts, they shall authorise as per procedure prescribed for category 'C' deposits.

- ii) All the treasuries are instructed that the deposits under category 'B' are withdrawn as per the codal provisions under which bills/cheques shall be presented to the treasuries by the Deposit Administrators along with the format and certificate under Annexure-II to this order. On receipts of bills/cheques, treasury officer shall verify the correctness of the claim and unexpired balance available under the deposit before authorisation for payment is accorded.
- iii) All Deposit Administrators shall ensure that the cheques drawn under "Lapsable Deposits" as per Government orders under category 'C' above along with the format and certificate prescribed under Annexure-II shall be routed through the concerned Treasury Officers. Treasury officers, before counter-signing the cheques, shall scrutinise the information in the format on the deposit account and the certificate given in the Annexure-II. After being satisfied with the information and the eligibility of the claim, the Treasury Officer concerned shall counter sign the cheques for payment.
- iv) As already stated under category 'C' "Lapsable Deposits", all the funds released on or before 31.03.99 under the schemes sanctioned before 31.03.99 and which remained unspent. Hence, for all these accounts, Treasury Officers must obtain the entire information scheme-wise as per the format and certificate prescribed in Annexure-II and scrutinize the accounts. They shall only make payments under those schemes for which the were during AIIPAOs/DTOs/STOs are

therefore instructed to credit back the unspent balances under SH-79 (Remittance to consolidated fund from deposit account) to be opened under Minor Head 800 (Other Receipts) under Departmental Receipt Major Head for all the unspent balances as on 31-03-2000, pertaining to the schemes sanctioned before 31.03.1999.

4. If the deposit account holders wish to get any lapsed unspent balances revalidated, they shall have to submit fresh proposals to their respective departments and obtain priority for allocation within their budgetary provision for the years 2000-2001 with the concurrence of the Finance Department.
5. As per article 3 of AP Financial Code, unless the amount is immediately required to be paid for the goods and services received/ works done, no amount shall be withdrawn of this, it is hereby stipulated that no self cheque from deposit account shall be permitted except for the salaries and petty office expenses. Any deviations to these stipulations, the deposit administrator and the Treasury Officers shall be held personally responsible.
6. All the PD Account Administrators are required to reconcile their balance with those of treasury and Bank issue.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.K. ARORA

Principal Secretary to Government

5.2

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Norms for Public Finance Accountability before releases and drawal of funds-Instructions – Issued.

FINANCE (TFR) DEPARTMENT

G.O.Ms.No.507

Dated: 10 - 04-2002.

Read the following:-

- 1) G.O.Ms.No. 277, Fin. & Plg. (Fin. Wing Accts) Dept.
Dt. 06.06. 1990.
- 2) G.O.Ms.No. 43, Fin. & Plg. (W&M) Dept.Dt.22.04.2000
- 3) G.O.Ms.No. 59, Fin. & Plg. (Fin. Wing BG) Dept.
Dt.30.03.2001.
- 4) Memo No. 14012-B/305/A2/W&M/2001, dt.25.04.2001 of
Fin. & Plg. (W&M) Dept.
- 5) Memo No. 41377-A/1233/A2/W&M/2001, dt.
27.12.2001 of Finance
(W&M) Department.
- 6) G.O.Ms.No. 391, Finance (TFR) Department.
Dt.22.03.2002
- 7) G.O.Ms.No. 506, Finance (BG) Department.
Dt. 10.04.2002

ORDER:

In the G.O. 7th read above, detailed instructions have been issued for the preparation of scheme- wise cost benefit analysis and funds flow statements by the departments. All the Secretariat Departments and the Heads of the Department are requested therein to take prompt advance action to prepare the statements and send them to the Finance Department by 30th April, 2002. Finance Department has also issued Budget Release Orders as per G.O. 3rd read above. Accordingly, Heads of the Department are also requested to send Distribution Statements where BROs are issued (or where BROs are not required to be issued), to the Director of Treasuries and Accounts so that budget authorizations are issued without any further delay and all essential expenditures are undertaken to carry on the activities in the field.

2. While the process of release of budgeted allocations has been simplified and made quicker to enable the departments to ground their projects without undue delay, it is equally imperative that the departments, and particularly the Drawing and Disbursing Officers, are made more accountable for the proper and efficient use of public funds and maintenance of accounts. The Comptroller and Auditor General of India has been pointing out various deficiencies in financial accountability in the past but the departments have not responded adequately and in time to improve their performance in this regard.
3. Accordingly, Government, after careful consideration, has decided that the following norms of Financial Accountability shall be scrupulously adhered to by each Drawing and Disbursing Officer and enforced by the concerned Treasury Departments i.e., DTA/PAO/DWA and their subordinate officers at the level of DTO/STOs/

PAOs Works and Accounts Department at the time of acceptance of bills and pre-audit before release of funds under each scheme/ programme.

4. The Comptroller and Auditor General has been conducting periodical inspections to verify transactions and maintenance of important accounts and other records and accordingly, Inspection Reports are issued to the Heads of the Department. All the Secretariat heads and the Heads of the Department are requested to take immediate action on the Inspection Reports/Audit Paras/PAC Paras etc. and ensure that necessary action is taken to send replies to at least 50% of the pending Inspection Reports/Audit Paras/PAC Paras for the year 2000-01, latest by September, 2002 failing which further Budget Release Orders will be withheld by the Finance Department pertaining to the relevant schemes.

Replies to pending Audit Paras up to 2000-01:

5. At the field level, all the Drawing and Disbursing Officers are hereby made responsible to ensure that suitable replies are sent to the Inspection Reports/Audit Paras/PAC Paras relating to the Schemes up to 2000-01 and furnish a certificate to the extent that replies to the Audit Paras 2000-01 have been sent pertaining to that particular scheme for which bills are being submitted to the Treasury/PAOs for the drawal of funds. All the Treasury/PAOs are instructed to obtain a certificate that replies to all the relevant Inspection Reports/Audit Paras/PAC Paras pertaining to that particular scheme have been sent to the appropriate authority, by the Drawing and Disbursing Officers concerned. It is instructed that no amounts would be permitted to be drawn for that particular scheme by the particular Treasury Officer until and unless the DDO submits a certificate that at least 50% of the pending audit paras etc., for

years up to and inclusive of 2000-01 have been replied to. A copy of the certificate is enclosed as Annexure-I.

6. All the Secretariat Departments and the Heads of the Department are requested to issue suitable instructions in this regard to all the Drawing and Disbursing Officers under their control. The Director of Treasuries and Accounts/PAO, Twin Cities/Director, Works & Accounts are also requested to issue suitable instructions to their Subordinate Offices.

Abstract Contingent Bills:

7. It is observed that in spite of repeated instructions, the drawal of AC Bills are not adjusted by the Department with supporting Detailed Contingent (DC) Bills. As per the existing Rules and Codes, AC Bills are required to be adjusted within one month from the drawal of funds on the AC Bills. But there seems to be no progress in this regard and pendency of AC Bills due for adjustment is getting accumulated over a period of time. Simplification of the procedure for adjusting the AC Bills and also revised instructions on the drawal of AC Bills have been issued in the reference sixth read above. All the Drawing and Disbursing Officers shall henceforth, ensure that DC Bills are submitted to the Treasury Officer concerned against the earlier AC Bills drawn failing which further drawal of funds on AC Bill shall not be permitted. In any case, notwithstanding the above, all the AC Bills shall be settled within three months of their drawal and latest by the month of June for the Bills drawn during March. Now since countersignatures of the higher authority have been dispensed with and Drawing and Disbursing Officer is made liable for the submission of DC Bills himself, all the DDOs are requested to furnish the DC Bills to the concerned Treasury Officers for all the pending AC Bills without any further delay.

Reconciliation of Accounts between the DDOs and the Treasury Officers:

8. Detailed instructions on the Reconciliation of Accounts between the DDOs and the Treasury Officers have been issued in the reference first read above. As per the existing instructions in force, all the DDOs are requested to prepare an Expenditure Statement and also the Statement of Receipts every month and reconcile the figures with Treasury before 4th of the succeeding month to which they relate. A copy of the certificate is enclosed as Annexure-II. Similarly, CCO (Chief Controlling Officer) / Head of the Department (HOD) is required to reconcile his department's accounts with AG's figures and issue monthly Reconciliation Certificates to AG every quarter. The nominated officer in the Department is hereby made responsible for such a reconciliation process. A copy of the certificate is enclosed as Annexure-III. The DTOs and PAOs shall furnish the list of Drawing Officers, who have failed to reconcile the figures, to the Heads of Department for taking necessary action. Instructions were also issued to the District Treasury Officers and PAOs to maintain a Register showing the dates on which the drawals have been reconciled with the departmental figures and the dates on which actually they are reconciled. This would facilitate to check correctness of the certificate of verification furnished by the Drawing Officers on the bills. The Government hereby reiterates that the orders already issued in reference 1st read above shall be effectively enforced by all Treasury Officers and the HODs/DDOs. In continuation of the instructions already given, it is hereby ordered that no Treasury officer shall permit any amount to be drawn by the concerned DDOs after 10th of the month until and unless the Reconciliation of Accounts (all kinds of Receipts and Expenditure figures) up to the previous month is completed and the certificate

to that extent is appended to the Bills while presenting them before the Treasury/PAOs

Submission of statement of expenditure and utilization Certificates for earlier drawals:

9. It is observed that budget controls are quite effective before payments are released but not after the release when the expenditure is actually committed or incurred. Consequently, it has been noticed that DDOs draw amounts from the Treasury and keep them either in the PD Accounts or in bank accounts for long periods of time before they are actually spent. Therefore, Government has decided that no further amount for a particular scheme can be drawn until and unless proof of expenditure of the amounts earlier drawn is provided. All the DDOs are requested to submit a certificate of expenditure for further drawals. The copy of the certificate has already been circulated as part of earlier GO second read above and enclosed as Annexure-IV for ready reference. Further, Government hereby orders that every DDO shall also furnish the list of bank accounts operated by him and cash balances available therein, pertaining to the specific scheme for which further funds are proposed to be drawn from the Treasury. The concerned Treasury Officer shall not authorize any further releases till the Certificate in Annexure-IV has been given and 75% of the amount drawn is already spent or credited back to the Treasury.
10. Similarly, in case of PD Accounts, detailed instructions were given for withdrawal of funds from the Deposit Accounts in the reference second read above. Instructions were also issued in the reference fifth read above, in which all the PD Account Administrators, were requested to furnish the information on district-wise actual

expenditure incurred against the earlier releases along with the certified copies of the bank balances available under each scheme, while sending the cheque for countersignature to Finance Department at the State level. A copy of the certificate is enclosed as Annexure-V. Similarly, all the Treasury Officers/PAOs are requested to obtain the information in the Annexure IV & V before any further amounts are credited to the Deposit Accounts or before any drawals are made from the PD Account in case, endorsement of Treasury Officers is required to be made on the PD Account cheques. Instructions given in para 9 supra regarding furnishing of information of balances in bank deposits shall equally apply to the PD Account Administrators and further releases for the PD Account shall be permitted only when these instructions are complied with. No further amount shall be credited to PD Accounts until and unless 75% of the amounts released earlier are drawn and spent.

Recovery of Loans, Advances, Taxes etc. due to be paid back to the Government.

11. There are substantial number of loans and advances given to the Government Undertakings, Institutions and Organizations under various schemes. All the DDOs must ensure that all such loans and dues payable to the Government are recovered as per the installments prescribed along with interest due before any further drawals against such scheme is made. All the Secretariat Heads and Heads of the Department are requested to intimate the overdue installments of loan recoveries to all the DDOs if they are not being calculated at the level of DDOs. Likewise, there are certain recoveries to be made from the individuals/ institutions/industries etc., to whom loans were granted under various Government

programmes or taxes and levies are due from them under various Acts and Rules for which the concerned DDOs have been assigned the target of recoveries to be made from such beneficiaries. The Comptroller and Auditor General has been pointing out in every Report that adequate attention is not being paid to such recoveries of loans, advances, taxes/levies etc., leading to pecuniary loss to the Government. All the DDOs are requested to effect the recoveries and deposit in the Government account under the appropriate head. All the Heads of the Department are also requested to issue strict instructions in this regard to the concerned officers and the DDOs, particularly where audit reports have pointed out the deficiencies of the DDOs in taking proper action.

Releases to Local Bodies, Public Sector Enterprises, Autonomous Bodies and other Grant-in-Aid Institutions:

12. Non-finalisation of annual accounts, pendency of statutory audit for the years and failure to remedy the deficiencies pointed out in audit paras are the major points of concern for the Government pertaining to Local Bodies, Public Sector Enterprises, Autonomous Bodies and other Grant-in-Aid Institutions. Therefore, it is instructed that further financial releases from April 2002 onwards would be made only to those Local Bodies, Public Sector Enterprises, Autonomous Bodies, and Grant-in-Aid Institutions who have completed their statutory audit for 1999-2000. These institutions have also to give an undertaking that they would clear their audit objections to an extent of 50% by September, 2002 and the balance by December, 2002. It should also be ensured that they have also submitted the Utilization Certificates, certified by the Statutory Auditor in case of previous grants/loans etc., and released by State Government under various schemes. Further releases shall depend upon the amount for which the Utilization Certificates against earlier

releases are sent. Therefore, this shall be enforced before issuing the BROs at the level of concerned Finance Secretaries in the Finance Department and then at the level of the Treasury Officers/PAOs when the HODs/DDOs submit bills for drawal of funds on behalf of such institutions. The following certificates shall be obtained from such Local Bodies and organizations before drawal of any funds from the Treasuries.

- a. Certificate to the effect that Statutory Audit has been completed for 1999-2000.
- b. An undertaking to the effect that maintenance of accounts shall be done in the format prescribed by the C & AG, particularly in the case of local bodies as per the latest instructions of Eleventh Finance Commission in this regard.
- c. An undertaking that Audit objections will be cleared to the extent of 50% by September, 2002 and the balance by December, 2002.
- d. Utilization Certificates certified by the Statutory Auditor, that the funds previously released have been fully and properly used for the purpose for which they have been sanctioned.

A copy of the Certificate is enclosed as Annexure – VI.

13. Further releases to Local Bodies, Public Sector Enterprises, Autonomous and other Grant-in-Aid Institutions after September, 2002, shall be made subject to further conditions that their statutory audit is brought up to date, including 2000-2001 and subsequently every year and the audit objections, particularly in relation to financial assistance released by Government have been fully and properly replied to and got cleared by the Statutory Auditor.

14. It shall be the responsibility of each HOD and the DDO to ensure compliance and it should be the responsibility of each Treasury Officer/PAO/PAO (W&P) to scrutinize the claims and certificates in accordance with these norms and guidelines before admitting any bills for pre-audit and release of funds. A summary of Action Points discussed in the GO has been provided in Annexure-VII and a Checklist of Action Points has been provided as Annexure-VIII.

15. All the Secretariat heads and the Heads of Department are requested to bring these orders to the notice of their subordinate officers and to take necessary action in the matter and issue the required instructions to the Drawing and Disbursing Officers under their control. This order is available on the AP Government Website “www.ap.gov.in” and “www.andhrapradesh.com”.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.K. ARORA

Principal Secretary to Government

5.3

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Norms for Public Finance Accountability on Chief Controlling Officers and Sub-ordinate Controlling Officers to be enforced by DTA/PAO/ Treasury, before authorization, release and drawl of Funds – Further Instructions – Issued.

FINANCE (T.F.R.I) DEPARTMENT

G.O.Ms.No.451

Date.09-10-2003.

Read the following:-

1. G.O.Ms.No.507, Fin (TFR) Department, Dated: 10-04-2002.
2. Circular Memo No.7061-A/99/TFR/03, Fin. (TFR) Dept., Dated: 17-02-2003.
3. Circular Memo No.1276/452/TFR/2003, Dated: 06-09-2003 of Fin (TFR) Dept.

* * *

ORDER:

In the G.O. read above, detailed instructions have been issued regarding norms of financial accountability that have to be scrupulously followed by the Drawing and Disbursing Officer and to be enforced by the concerned Treasury/P.A.O/Works PAOs at the time of further releases and admission of claims.

2. Even though there is substantial improvement in the fields like submission of D.C. Bills for A.C. Bills drawn, Reconciliation of

Departmental figures between the D.D.O. and Treasury, submission of Utilization Certificates, Audit of Local bodies etc. due to strict enforcement of Government Order cited by the Treasury/PAO, yet it is noticed that there is a need to improve and strengthen the accountability norms to be adhered to by the Chief Controlling Officers (CCOs) and Subordinate Controlling Officers (SCOs) particularly in the maintenance of accounts. It is imperative that the CCOs/SCOs should also be made more accountable for proper and efficient use of public funds allotted to them by following proper accounting procedures.

3. As per the Budget Manual, the CCOs/SCOs are responsible for estimating the budget requirements of coming Financial Year and re-adjustment of current financial year's requirement based on Actuals incurred so far, release and utilization of funds, watching the Budget Control and regularization of excess expenditure and receipts. The role of Treasury/PAO is to facilitate the draws for implementation of various schemes provided the basic requirements are fulfilled viz., availability of sufficient budget, financial powers, administrative sanction etc., Hence there is a greater need to enforce accountability on maintenance of accounts.
4. Accordingly, the Government after careful consideration, has decided that the following norms of accountability regarding maintenance of accounts shall be scrupulously followed by each CCO/SCO and enforced by the Treasury/PAO offices.

(i) **Maintenance of Register of Actuals:**

As per para 19.3.1 of A.P. Budget Manual, each CCO and SCO has to maintain a Register of Actuals to know the Progress of expenditure and to see that the expenditure under each unit of

Appropriation (Detailed Head) is within the Budget allotment. But many of the CCOs are not maintaining the Register of Actuals resulting in booking of excess expenditure by their Subordinate D.D.Os. Therefore, the Government hereby order that the Pay & Accounts Officer shall insist for a Certificate (Annexure-I) stating that the Register of Actuals is maintained and there is no excess drawl of funds under any Unit of appropriation. The spirit of the instructions is that the registers of actuals should be maintained up to date every month. However, allowing for teething troubles in restoring the monthly cycle, a lead period of 3 months is given in the first instance. The CCOs and SCOs must complete the registers of actuals up to September, 2003 before presenting the bills to PAO for the month of January, 2004. After getting over the initial backlog, actuals register certification should be given at least for one month preceding the month of presentation of bills failing which the bills will not be entertained by the PAO.

(ii) Reconciliation:

Reconciliation of both receipts and expenditure by the SCO with the DTO/PAO and the CCO with the Accountant General, A.P., Hyderabad is in arrears over a long period of time. The CCO has to obtain the particulars of expenditure from Subordinate Units, consolidate such figures, reconcile with the Accountant General in all receipts and expenditure heads. The A.G., A.P., Hyderabad time and again has been pointing out the delays and huge arrears of reconciliation work with the A.G. resulting in wrong booking / misclassification and leading to presentation of inaccurate accounts. To strengthen the process of reconciliation with the DTO/PAO and Accountant General, A.P., Hyderabad, the following further instructions are issued.

- (a) All the Drawing and Disbursing Officers shall reconcile figures of expenditure with those booked in Treasury/PAO on or before 20th of each month for the expenditure incurred in the previous month. After such reconciliation, each DDO should forward the reconciliation of expenditure/receipt figures to the SCO, who in turn after compilation of those figures should forward them to the CCO.
- (b) As per Para 19.5 of the A.P. Budget Manual, each SCO (District level Officer) is required to submit the figures of receipts and expenditure to the CCO (Head of the Department) duly compiling the figures received from the DDOs under his control and reconciling them with the Treasury every month. But it is noticed that the reconciled figures of receipt and expenditure figures are not received in the office of CCO and if received, they are with delays from 2 to 6 months. It is a serious lapse on the part of the SCO. Due to this, the CCOs are not able to reconcile the Departmental figures with A.G., in time and the whole exercise becomes futile. Therefore, Government hereby orders that each SCO should submit the reconciled figures of receipt and expenditure of the previous month to the CCO before the end of every month, for the previous month and should furnish a certificate to the Treasury/PAO along with their bills to that effect in the Proforma at Annexure-III. Treasury/PAO shall not admit the bills of the SCO (District Officer) without the above certificate. The DTO/PAO shall insist the above certificate as an addition to the existent certificates as per G.O.Ms.No.507, Dated 10-04-2002.
- (c) The CCO shall consolidate the total of all SCOs, including his own expenditure and reconcile his department's accounts with Accountant General's figures and issue quarterly reconciliation

certificate to the Accountant General. No authorization of budget would be issued by the DTA without the certificate stating that the details of sub-head wise expenditure is reconciled with A.G. up to the previous but one quarter. However, as one time relaxation, in the reference 3rd read above, instructions have already been issued for completion of entire pendency of reconciliation with the Accountant General up to March, 2003 by 31.12.2003 and in the event of non-completion of reconciliation work by the above mentioned date, the IV quarter Budget will not be released as a measure of control. The DTA/PAO shall not authorize/admit bills without such certificates from the CCO as shown in Annexure-II enclosed.

(iii) Maintenance of Budget Control Register, Re-appropriation Register and Supplementary Estimates Register:

The CCO/SCO has to maintain a Budget Control Register to know the exact allotments made by him to his Subordinate Units for each Quarter. They should also note the re-appropriations made under each Unit and the savings received from Units and final surrenders made to Government for resumption. Separate registers for the supplementary estimates have to be maintained by each CCO for the Budget received and released over and above budget estimates in relaxation of Treasury Control Orders and also for Contingency Fund releases. These registers will enable the CCO to submit the proposals for supplementary estimates at the appropriate time. It is observed that many CCOs are not maintaining these Registers resulting in allocation of funds to the Units where there is no necessity and making un-necessary re-appropriations and non-regularization of excess expenditure through supplementary grants. Therefore, the Government hereby orders that the PAO shall not admit the claims of the Department in the month of February (once

in a year), without production of a certificate prescribed in Annexure-IV.

(iv). Maintenance of other Registers:

As per the provisions of A.P. Financial Code, A.P. Treasury Code and Government instructions issued from time to time, the CCO/CO/DDO shall maintain other registers like Cash Book (in APTC Form-5), Un-disbursed Pay Register(in APFC Form-20), Permanent Advance Register (in APFC Form 89), Non-Government cash book (in APTC Form 5), Contingent Bills Register (in APFC Form-7), Recoveries Watch Register/Loans and Advances Registers etc. for tracking down the claims and disbursements.

The Accountant General has raised many objections on the irregular maintenance of such registers in each Department. It is the primary responsibility of the CCO/CO/Unit Officers/DDO to maintain the above registers in the prescribed formats for the moneys drawn from Treasury. Therefore, the Government hereby order that the CCO shall furnish a certificate to PAO stating that necessary registers as mentioned above are maintained and updated properly in the prescribed formats in the Proforma enclosed in Annexure-V once in a year at the start of financial year i.e., April for the previous financial year.

5. A Check list is also enclosed in Annexure-VI for the guidance of Treasury/PAO Officers to ensure that all essential requirements discussed above are complied with before any claim is admitted into audit by them. All the Treasury/PAO Officers are instructed to follow these instructions scrupulously.
6. All the Secretaries to Government/Heads of the Departments shall

bring these orders to the notice of their Subordinate Officers and to take necessary action in the matter and issue required instructions to the DDOs under their control.

7. This order is also available on the A.P. Government Web Site www.ap.gov.in and www.andhrapradesh.com

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.S. SAMPATH

Principal Secretary to Government

5.4 Handling of Cases of Misappropriations and Losses

The Government has observed that, the handling of misappropriation & loss cases is not effective. With a view to make available different facets of action required to be taken in handling misappropriation / loss cases, the consolidated instructions are issued vide GO.Ms.No. 25 GAD (ser C) dept, dt: 3.2.2004. The same is reproduced here under for guidance and for ready reference.

GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Misappropriation cases - Consolidated Guidelines - Issued.

GENERAL ADMINISTRATION (SER.C) DEPARTMENT

G.O.Ms.No. 25

Dated:- 03-02-2004.

Read the following-

1. Memo.No.3000/Ser.C/76-4, GA (Ser.C) Dept., Dt.28-06-1977
2. Memo.No.2106/Ser.C/77-1, G.A. (Ser.C) Dept., dt. 27-10-1977.
3. Memo.No.2261/Ser.C/79-2, G.A. (Ser.C) Dept., Dt. 23-10-1979.
4. U.O.Note. No.646/Ser.C.80/, G.A. (Ser.C) Dept., Dt. 21-07-1980.
5. U.O.Note. No.32/Ser/C/81-2, G.A.(SDer.C) Dept., Dt. 09-02-1981.
6. G.O.Ms.No.260, Genl.Admn.(Ser.C) Dept., dt.24-04-1984.
7. U.O.Note. No.463/Ser.C/85-4, G.A.(Ser.C) Dept., dt. 20-12- 1985.
8. Circular Mem.No.100/Ser./93-22, GA(Ser.C) Dept, Dt. 23-12-1995.
9. G.O.Ms.No.2, G.A.(Ser.C) Dept., Dt. 21-09-1999.
10. Memo.No.44391/Ser.C.99/ G.A.(Ser.C) Dept., Dt. 21-09-1999.
- 11 U.O.Note No.1067/L&O-1/A1/2000-4, G.A. (L&O) Dept., dt.30-12-2000.
12. Memo.No.51375/Ser.C/2002-2, G.A.(Ser.C) Dept., Dt. 28-11-2002.

ORDER:

Apart from the instructions issued on the subject matter, a critical study of cases of misappropriation of Government funds undertaken by the Andhra Pradesh Vigilance Commission revealed that many of these cases are handled ineptly and with prolonged delay without (1) being reported to the Head of the Department and to the Accountant General, (2) finalization of the total amount misappropriated through a thorough verification or audit of the accounts, (3) earnest efforts to realize the misappropriated amount, (4) immediate suspension and effective prosecution of the officers who have indulged in misappropriation (5) simultaneous initiation of timely disciplinary action against the accused officers, and the officers whose supervisory negligence lead to the misappropriation. Where action has been taken attempt is often made to show the embezzlement as temporary diversion of funds particularly where the amount has been remitted back upon detection or where the amount involved is small thereby reducing the gravity of the offence and facilitating the culprits being let off with minor penalty. Some departments/ Heads of office have been found to address the Superintendent of Police wrongly without a formal criminal complaint being filed before the Station House Officer having jurisdiction, as soon as the case of misappropriation come to notice without internal audit to finalize the amount misappropriated and without identifying the persons responsible. Such complaints lie there for want of basic information and records necessary to finalise the quantum of misappropriation and to identify the accused officers. There are cases where those responsible for misappropriation were not even suspended and allowed to continue in the same post giving them an opportunity to destroy the records and evidence and to obstruct smooth conduct of investigation.

2. The Report of the Comptroller and Auditor General of India for the year ended 31-3-2002 refers to 605 misappropriation cases reported to it as pending at the end of the year involving a sum of Rs.1062.69 lakhs as pending in different departments. According to the Vigilance commission this does not reflect the correct position of pendency of such cases due to serious omissions in reporting of misappropriation cases to the Accountant General as provided in the A.P. Financial code.

According to the Commission the number appear to be several times more. As a case in point, the Commission has brought to the notice of the Government that the number of misappropriation cases shown as pending in the Treasuries and Accounts Department in the above list of misappropriation cases was 12, whereas Commission came across 10 more cases of misappropriation in that Department which had not been reported. Information elicited from the Commissioner and Registrar of Cooperative Societies shows that there were 2314 misappropriation cases in the various cooperative institutions in the State involving a sum of Rs.49.86 crores of which only Rs.7.05 crores have so far been recovered in which criminal action was initiated in 945 cases. The Commissioner, Panchayat Raj has reported that there were 940 cases of misappropriation involving a sum of Rs.15 crores in which criminal action was initiated in 517 cases where recovery effected was Rs.1.59 crores. The above figures indicate the magnitude of the problem of misappropriation in Government institutions.

3. The Commission therefore, emphasized the need to lay down streamlined procedure to facilitate effective handling of misappropriation cases with particular attention to (1) prompt reporting (2) quick finalization of amounts misappropriated (3)

Immediate identification of the persons responsible for the crime (4) fool proof handling of records (5) speedy recovery of funds misappropriated (6) prompt criminal prosecution of the accused (7) pinpointing responsibility for failure of supervision (8) timely disciplinary action against the accused officers and those whose supervisory negligence lead to the misappropriation (9) streamlining procedures to prevent recurrence of similar cases in future and (10) finally laying down strict guidelines for statutory penalties to the officers found guilty of misappropriation in Government Departments, Local bodies, Cooperatives, Autonomous Grant Receiving Institutions and Public Undertakings etc.,

4. Articles 5, 273, 294, 300, 301, and 302 of the Andhra Pradesh Financial Code lay down the responsibilities of Govt. servants in dealing with Government money, the procedure to fix responsibility for any loss sustained by the Government, the procedure to be followed and the action to be initiated for recovery. In addition to the instructions laid down in the Andhra Pradesh Financial Code, the Government have from time to time, issued executive instructions regarding misappropriation cases. It is now felt necessary to plug the loopholes in the management of Government money and to give clear and comprehensive instructions on all aspects of misappropriation cases. Accordingly the following consolidated instructions are issued.

5. Standards of financial responsibility

Article 5 of the A.P. Financial Code casts an obligation on every Government servant to see that proper accounts are maintained for all Government Financial transaction with which he is concerned and to render accurately and promptly all such accounts and returns

relating to them as may have been prescribed by Government, the Accountant General or the competent departmental authorities. He is required to check the accounts, as frequently as possible, to see that his subordinates do not commit fraud, misappropriation or any other irregularity. The Government holds him personally responsible for any loss that may be found to be due to any neglect of the duties laid upon by him by the relevant provisions made by the Government. The fact that a Government servant has been misled or deceived by a subordinate will in no way mitigate his personal responsibility.

6. Assessment of responsibility for loss of public funds.

Article 273 of A.P. Financial Code makes every Government servant personally responsible for any loss sustained by the Government through fraud or negligence on his part and also for any loss through fraud or negligence on the part of any other Government Servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence. The cardinal principle governing assessment of responsibility for such losses is that every Government Servant should exercise the same diligence and care in respect of all expenditure from public funds under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

7. Reporting of loss of public money & sending factual report to Government

When any facts indicating that defalcation or loss of public money, stamps, stores or other movable or immovable property has occurred or that a serious account irregularity has been committed come to the notice of any Government Servant, he should in terms

of Article 294 of the Financial Code inform the head of the office immediately. If it appears to the head of the office, prima facie that there has been any such occurrence which concerns his office or in which a Government Servant subordinate to him is involved, he should send a preliminary report immediately to the Accountant General and through the proper channel, to the head of the department. On receipt of the information, the head of the Department should report the matter to the Government without delay. These reports should be sent even when the loss has been made good irrespective of the amount involved.

8. Finalization of quantum of loss and audit of accounts:

Article 300 of the Financial Code lays down the following general principles in enforcing personal responsibility of the Government servant for a loss sustained by the Government through fraud or negligence on his part and also for loss through fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence. The head of the office or other appropriate authority should investigate the matter fully without delay. When necessary, the administrative authority may ask the Accountant General to furnish all vouchers and other documents in his possession that may be relevant to the investigation. If the investigation is so complex as to require the assistance of an expert audit officer, the administrative authority should report the facts to the Government and request them to depute an audit officer for the purpose. The administrative authority and the audit officer will each be personally responsible within their respective spheres, for completing the investigation expeditiously.

9. Recovery:

Whenever an administrative authority holds that a Government servant is responsible for a loss sustained by the Government, it should consider both whether the whole or any part of the loss should be recovered from him in money and whether any other form of disciplinary action should be taken. Whenever a loss is held to be due to fraud on the part of a Government Servant or servants, every endeavor should be made to recover the whole amount lost from the guilty persons. If the failure of a superior officer to exercise proper supervision and control has facilitated the fraud, he should be called strictly to account and suitably dealt with after carefully assessing his personal liability in the matter. The pension of a retiring Government Servant who is involved in any loss or irregularity which is under investigation should on no account be sanctioned until his responsibility in the matter has been finally determined. Whenever a competent authority orders that any amount should be recovered from the Government servant, otherwise than by forfeiture of his security deposit, if any, on account of a loss sustained by the Government through fraud or negligence on his part and he is about to retire from service the amount should be recovered, as far as possible, by deduction from the last pay or leave salary due to him. If any amount still remains to be recovered, the Government Servant should be asked to give his written consent to the recovery of the remaining amount from his pension. When a retired Government servant, whose pension has already been sanctioned, is held to have caused a loss to the Government by his fraud or negligence while in service and it appears that the amount could be recovered by bringing a suit against him, the matter should be reported to the Government for orders. Any fraud or negligence found to have been committed by him while in

service, should not be made an excuse for absolving any other Government servants who are also responsible for the loss and are still in service.

10. A clear distinction should be drawn between cases of “delayed remittance” and misappropriation. The cardinal test to prove a case as a case of misappropriation rather than temporary misappropriation would be whether the amount has been put to use for the benefit of the person who has misappropriated it. It is the intention and purpose that should be the criterion and not whether the amount has been ultimately made good voluntarily.
11. If there is a reasonable suspicion that a loss sustained by the Government is due to the commission of a criminal offence, the procedure prescribed in Article 301 and 302 should be followed.
12. An officer accused of misappropriation shall be suspended forthwith under Rule 8 (1) (c) of the Andhra Pradesh Civil Services (CC&A) Rules, 1991 pending investigation or trial of the offence till he is dismissed or removed from service upon conviction or conclusion of disciplinary proceedings as the case may be.
13. Initiation of Departmental inquiries and Criminal proceedings.

Article 301 lays down that department proceedings should be instituted at the earliest possible moment against all the Government servants involved in any loss sustained by the Government on account of fraud, embezzlement or any similar offence and conduct with strict adherence to the rules, up to the point at which prosecution or any one of them begins. The Departments should ensure that charges are framed by the disciplinary authority in accordance with the procedure prescribed under the rule 20 of Andhra Pradesh Civil Services (CC&A) Rules,

1991 and action is completed expeditiously observing the prescribed procedure to ensure that there are no procedural infirmities. The criminal proceedings and departmental action should be processed without loss of time with a view to avoiding manipulations and loss of evidence. Departmental officers should obtain Photostat copies of documents and handover the original to Police so that simultaneous action in regard to criminal proceedings and disciplinary action can be taken. Departmental action should be completed within 3 to 4 months. At this stage it may be specifically considered whether it is practicable to carry the departmental proceedings without waiting for the result of the prosecution, if it is so, they should be carried out as far as possible but not as a rule, to the stage of finding and sentence. If the accused is convicted, the departmental proceedings against him should be resumed and formally completed. If the accused is not convicted, the authority competent to take disciplinary action should examine whether the facts of the case disclose adequate grounds for continuing departmental action against him. Simultaneous disciplinary and criminal proceedings can be initiated by the Department against the persons responsible for misappropriation and supervisory officers whose failure lead to the offences. Following the decision of the Himachal Pradesh High Court in Khushiram Vs. Union of India (11973)(2) SLR.PP.564-565) it is not obligatory that the departmental proceedings should be stayed when the case is pending in a court of law, except when it is expedient to do so in the interest of fair play.

14. Procedure for filing of complaints with local police or the Crime Investigation Department.

Prosecution for embezzlement of public money or property is laid down in Article 302. Whenever the head of an office finds that there

is a reasonable suspicion that a criminal offence has been committed in respect of public money or property, he should as a general rule report the matter at once to the Police and the head of his Department that he has laid information before the police. When the case is heard by the Court, the head of the office concerned should see that all the witnesses serving in his department and all documentary evidence in the control of his department are punctually produced. He should also appoint a Government servant of the Department to attend the proceedings in the court and assist the prosecuting staff. If prosecution for an offence of this kind results in the discharge or acquittal of any person, or in the imposition of any sentence which appears to be inadequate, the head of the office concerned should at once send a full statement of the facts of the case. If it is considered that further proceedings should be taken in revision or appeal, he should proceed accordingly.

15. In order to reduce the number of cases of misappropriation sent for investigation by the Police and prosecution thereafter, a monetary limit of Rs.1000/- is fixed below which the cases will be handled departmentally only. The Department should ensure that all material needed for investigation is made available to the Station House Officer of the Police Station having jurisdiction. In the event Crime Investigation Department investigation is considered essential in view of the quantum of money involved or the complexity of the misappropriation case action should be taken by the Secretariat Department concerned to refer the case to the Criminal Investigation Department at Hyderabad in consultation with Home Department, in accordance with the procedure laid down by the Director General, Crime Investigation Department. If in the course of any investigation into corruption, misappropriation is noticed by the Anti-Corruption Bureau in such a case the Anti-Corruption Bureau itself will initiate action for prosecution of that case.

16. The Departments of Secretariat should consult the Home Department before entrusting any case to the Crime Investigation Department for investigation. To establish the offence of misappropriation, cheating / forgery and use of forged documents utilization of fake certificate etc., it is essential that:

- (i) The complaint lodged by competent authority should contain specific information regarding details of crime and persons responsible, amount involved and the matter or mode of commission of offence.
- (ii) The details of crime should contain essential ingredients of cognizable crime.
- (iii) Whenever complaint involving misappropriation of public funds is preferred, it should be mandatory to initiate departmental audit to establish the instances and amounts of misappropriation. Steps will be taken by the concerned officers to ensure preservation of original documents i.e., bills, vouchers etc., requisitions should be sent to the Pay and Accounts Officer, Treasury authorities /Accountant General Office with a specific request to preserve the documents which would prove the culpability of persons responsible for such frauds / misappropriation. Specimen signatures and admitted handwritings of persons responsible for misappropriation, fraud etc. should be made available to the investigating agency.
- (iv) For expeditious and proper investigation it is also imperative that relevant records of the case, like forged documents duplicate copies of vouchers, audit report, preliminary enquiry report conducted by the respective department, note files, registers etc. are handed over (in original) to the Crime

Investigation Department with Xerox copies being retained by the Department concerned for the purpose of disciplinary action and for record.

17. It should be ensured therefore that a comprehensive complaint should be lodged with Crime Investigation Department containing details of the crime / persons responsible for the Commission of such offences that complaints should be lodged with original signature of the officers who are fully acquainted with the facts of the case and have been associated with the preliminary enquiry or departmental enquiry. Copies of relevant documents should also be enclosed along with the complaint. The departments preferring complaints should also ensure collection and safe custody of original document relating to the offence.
18. Handing over of records/sending necessary assistance to Investigating Agencies:-

All Heads of Offices should hand over the records requisitioned by the local Police officers of the Bureau or the Crime Investigation Department as the case may be and render all necessary assistance to Investigating Officers in either case. Senior civil servants who are defacto complainants in criminal cases or who are intimately acquainted with the facts and circumstances of the cases and whose evidence is relevant and material to prove the case in a court of law should tender their evidence when examined by the Investigating Officers of the Crime Investigation Department in a Court of Law. The investigation should not normally take more than one year after it is entrusted to the Crime Investigation Department / Anti-Corruption Bureau, however, complicated the case may be.

19. The Government have decided that special cells will be created in the investigating agencies for departments where the number of misappropriation cases are large and persons from these cells, and the Investigating Agency would maintain close liaison with the departments so that they can tender necessary guidance to expedite cases.
20. In all cases of misappropriation, after investigation is completed by the Police and charge sheets filed, such cases should be pursued effectively to ensure that there is no letup in prosecuting the cases effectively and that there is no failure on the part of the Assistant Public Prosecutor, etc. in conducting the prosecution properly. In case, where the trial ultimately ends in acquittal, immediate action may be taken to file appeals, after obtaining legal opinion. In cases, where it is felt that the prosecution was conducted improperly and the prosecuting officers have not taken adequate interest, responsibility must be fixed for their failure to conduct the prosecution successfully. To ensure a proper watch, the Departments should review all such cases periodically for the half years ending 30/6 and 31/12 of every year and furnish their review to the General Administration (Services) Department. Even when there are no such cases, a 'NIL' report has to be furnished.
21. Attachment and confiscation of the properties of the accused

Whenever it is believed that a scheduled offence is committed, the concerned Departmental Officers should collect the necessary data regarding movable / immovable property standing in the name of the persons family members, relatives and friends and orders shall be issued for attachment of the properties under Sections 3 and 4 of the Criminal Law Amendment Ordinance, 1944 contemplates that if any person commits any offence punishable

under Section 406, 408, 409 411, 417 and 420 of the IPC 1860 or under clause (c) of subsection (1) of Section.13 of the P.C.Act, 1988, the Government may whether or not any court has taken cognizance of offence, authorize the making of an application to the District Judge concerned for attachment of the money or other property which the State Govt. believes the said person to have procured by means of the said offence or if such money or property cannot for any reason be attached of other property of the said person of value as nearly as may be equivalent to that of the aforesaid money or other property.

- (i) The attachment can be of the money or other property which the State Government believes the said person to have procured by means of the offence or if such money or the property cannot for any reason be attached, of other property of the said person of value as nearly as may be equivalent to that of the aforesaid money or other property.
- (ii) The District Judge has jurisdiction to issue an interim order of attachment of moneys procured by commission of a scheduled offence and deposited in Bank. Such money in the hands of the Bank does not cease to be attachable although its identity is lost by getting mixed up with the other money of the Bank, so long as it is not converted into anything else and remains liable to be paid back in cash to the depositor or to his order (K.Satwant Singh vs. Provincial Government of Punjab, AIR 1946 Lah 406)
- (iii) Where the assets available for attachment are not sufficient and where he is satisfied that the transfer of the property to the transferee was not in good faith and for consideration, the District Judge has power to order the attachment of so

much of the transferee's property equivalent to the value of the property transferred, as per section 6 of the Ordinance.

- (iv) The court having jurisdiction to entertain the application for attachment of property under the said Ordinance is the court of the District Judge within the local limits of whose jurisdiction the suspect ordinarily resides or carries on his business. A Special Judge while trying an offence punishable under the said Act can exercise all the powers and functions exercisable by a District Judge under the Criminal Law Amendment Ordinance, as per sub-section (6) of section 5 of the Prevention of Corruption Act, 1988.
- (v) The District Judge is empowered under sec. 4(1) of the Ordinance, as also the Special Judge trying an offence punishable under the Prevention of Corruption Act, 1988, to pass an interim order of attachment of the money or other property and to make the an interim order of attachment absolute, under sec.5 of the Ordinance.
- (vi) The order of attachment remains in force for 3 months as per clause.(a) of section 10, but the period has been raised to one year by the Prevention of Corruption Act, 1988 as per clause.(b) of section 2 thereof. Where a court has taken cognizance of the scheduled offence, the order of attachment continues in force until orders are passed by the Judge, as per clause (b) of sec.10 of the Ordinance.
- (vii) The District Judge or a Special Judge trying an offence punishable under the P.C. Act, 1988 has power to order forfeiture of the attached property on the termination of the criminal proceedings where the final judgment or order of

the criminal court is one of conviction as per sub-sec(3) of sec. 13 of the Ordinance.

- (viii) The above provision should be used for attaching the properties of the Government Servant(s) who are found to have misappropriated Government money pending the criminal proceedings and eventual confiscation of the property.

22. Invoking provision of Andhra Pradesh Revenue Recovery Act.

The provisions of Revenue Recovery Act can be invoked for recovery of the misappropriated amounts or loss caused to the Government. Recovery of misappropriated amount or loss caused to Government can be recovered as if it were an arrear of Land Revenue in accordance with the procedure laid down in the A.P. Revenue Recovery Act. where the officer responsible fails to remit the amount to the Government account. It is open to Government to file a civil suit for recovery of such sum as a last resort.

23. Punishments to be awarded in proved cases of misappropriation.

There is a wide disparity in the scales of punishment meted out in misappropriation cases. The question of prescribing uniform scale of punishment in such cases has been considered by Government. It has been decided that ordinarily cases of proved misappropriation would justify nothing less than dismissal from service and action should accordingly be taken. The minimum penalty to be imposed in all proven cases of misappropriation (in addition to the recovery of amount misappropriated) is dismissal from service. In case of a retired employee the penalty should be withholding of entire pension and gratuity permanently or withdrawal of pension as the case may be besides recovery of the

misappropriation / loss amount. There may, however, be rare cases where in the circumstances, such as trivial amount, short duration, immediate payment on detection, all of which may raise a presumption that it was an error in accounting, which may justify a different punishment. A clear distinction should be drawn between the cases of “delayed remittance” and “misappropriation” having regard to the fact that in proved cases of misappropriation no punishment short of dismissal is normally justified and accordingly the case of ‘delayed remittance’ need not always be classified for the purpose of audit as a case of misappropriation.

24. An officer who is convicted by a Criminal Court for the offence of misappropriation or fraud should be dismissed from service without waiting for failing of an appeal or its outcome. Such action would be taken notwithstanding suspension of sentence by an Appellate Court. It shall not be necessary to consult the Andhra Pradesh Public Service Commission for taking action to dismiss the officer on the grounds of conviction in a Court of Law. In the case of an officer who in the meantime has retired, his pension and gratuity shall be withheld or where it has already been sanctioned, his pension should be withdrawn. The officer, who fails to enforce these instructions promptly, will be held responsible for any loss to the Government on account of avoidable payment of subsistence allowance or provisional pension as the case may be.

25. Consultation with Vigilance Commission:

In all cases of misappropriation, the Vigilance Commissioner has to be consulted in accordance with the procedural instructions of the Commission.

26. Review of cases

There should be periodical office inspections by the Heads of Department and such inspections should invariably cover financial aspects, accounts and cases of misappropriation of funds, if any. In the office of Heads of Department, one officer may be nominated as Vigilance Officer to keep track of cases involving misappropriation of Government funds. The Chief Vigilance Officers of the Secretariat departments under the Vigilance Officers of Heads of Departments, Public Enterprises, Autonomous Bodies and Cooperative Institutions etc., to keep track of the cases of misappropriation of funds by Government employees.

27. The Finance Department will nominate an officer specially to monitor the pendency and watch progress with reference to statistics that will be furnished to him by the other Departments. This officer would place the statistical data regarding out-standing misappropriation cases for a review by Chief Secretary to Government with Secretaries of Departments periodically.
28. The Secretary of each Department should review each month all cases of misappropriation in his Department and send a copy of the review containing full details to the officer nominated for the purpose in the Finance Department. The Chief Secretary will review these cases with all Secretaries to Government once in 6 months to find out whether there are any bottle necks in expediting cases of misappropriation .
29. All the Departments of Secretariat, all the Head of Department and District collectors are directed to bring these instructions to the notice of their subordinates for their guidance and compliance and enforce strict compliance of these

and enforce strict compliance of these instructions and any deviation in the matter will be viewed seriously.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. MOHAN KANDA
Chief Secretary to Government

**5.5 GOVERNMENT OF ANDHRA PRADESH
FINANCE (TFR.II) DEPARTMENT**

Circular Memo.No.9052-A/78/TFR.II/A2/04

Dated 17.04.2004

Sub : Norms for Public Finance Accountability on CCOs and
SCOs – Maintenance of Register of Actuals - Further
Instructions – Reg.

- Ref :
1. G.O.Ms.No.507, Fin. (TFR) Department,
dated 10.04.2002
 2. Memo.No.268/15154-A/TFR/ 2002, dated 18.05.2002
 3. Circular Memo.No.7061-A/99/TFR/2003,
dated 17.2.2003
 4. Circular Memo.No.1276/452/ TFR/2003,
dated 06.09.2003
 5. G.O.Ms.No.451, Fin. (TFR.I) Dept., dt.09.10.2003

In the references 1st to 4th read above, detailed instructions have been issued regarding norms of financial accountability that have to be scrupulously followed by the Chief Controlling Officers, Sub Controlling Officers and Drawing and Disbursing Officers.

In the G.O. 5th read above, certain instructions have been issued making Chief Controlling Officers / Sub Controlling Officers more accountable for proper and efficient use of public funds allotted to them by following proper accounting procedures. Among others, the CCOs / SCOs are instructed to maintain the Register of Actuals to know the progress of expenditure and to see that the expenditure under unit of Appropriation (Detailed Head) is within the Budget allotment. The spirit of the instructions is that the registers of actuals should be maintained up to date every month.

It is observed that despite the instructions issued by Government, it is felt that the CCOs / SCOs are not giving as much

importance to the maintenance of Register of Actuals. Taking a serious view of this state of affairs, Government have decided to issue further instructions in the matter.

Accordingly, Government direct that the Chief Controlling Officers (Heads of Departments) / Sub Controlling Officers shall maintain the Register of Actuals to watch the progress of expenditure on monthly basis. A monthly report in this regard should be sent to the administrative department in Secretariat. Failure to follow the above instructions will be viewed seriously.

All the Special Chief Secretaries to Government, Principal Secretaries to Government and Secretaries to Government are requested to bring these instructions to the notice of Subordinate Officers under their control 'for their guidance and compliance. They are also requested to conduct a monthly review on maintenance of Register of Actuals by the Heads of Departments under their control and send a report to Finance Department.

This order is made available on the A.P. Government Website www.ap.gov.in.

V.S. SAMPATH
PRINCIPAL SECRETARY TO GOVERNMENT

5.6 GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

COMMITTEES - Expeditious settlement of outstanding audit objections and pending inspection reports – Constitution of State, Departmental, and District Audit and Accounts Committees – Revised orders – Issued.

FINANCE (PAC) DEPARTMENT

G.O.Ms.No.534.

Dated: 28-06-2004

Read the following:-

1. G.O.Ms.No.226, Finance and Planning (Fin.Wing. PAC) Department, dt.29-7-1986.
2. U.O.Note No.23810/C/200/PAC/93-2, dated 3-11-1993, Finance and Planning (Fin.Wing.PAC) Department.
3. U.O.Note No.23810/206/PAC/93-1, dated 3-11-1993, Finance and Planning (Fin.Wing.PAC) Department.
4. G.O.Ms.No.28, Finance & Plg.(FW.PAC) Dept., dt.24-01-94.
5. G.O.Ms.No.507, Finance (TFR)Department, dt.10-4-2002.
6. G.O.Ms.No.296, Finance (PAC)Department, dt.15-4-2003.

O R D E R:

Orders were issued in the reference 1st read above, constituting Audit Committees with the Secretary to Government of the administrative department as the Chairman for undertaking the review of the Audit Objections and Paras of Inspection Reports which could not be settled at the level of the Heads of the Departments and the objections on which the Accountant General desires specifically to be brought to the notice of the Government shall be reviewed by the concerned Secretary to Government.

2 Instructions were issued in the U.O. Note 2nd read above, requesting all Heads of Departments and departments of Secretariat to ensure that timely response is given to the draft paras and draft reviews proposed for inclusion in the Comptroller and Auditor General's report and important draft paragraphs and review are discussed by Government Officers at senior level with the concerned principal audit officers . They are also requested to submit explanatory notes on paragraphs and reviews included in the audit reports without waiting for any notice or call from the Public Accounts Committee/ Committee on Public Undertakings , duly indicating the action taken or proposed to be taken.

3. Instructions were also issued in the U.O.Note 3rd read above, requesting all the departments of Secretariat to nominate a designated officer within each department and also in Committee on Public Undertakings organizations under their administrative control taking members for specified terms by rotation, who will be responsible for monitoring the follow up action on review on audit inspection reports. For regular reviews at high level the departments may ensure that there should be a monitoring committee in each department consisting of the secretary of the department and

Finance Secretary and these panels should be internal ones without including the Accountant General.

4. Orders were issued in the reference 4th read above, constituting an Apex Committee for Government as a whole, under the Chairmanship of the Chief Secretary to Government for toning up of the action of the Monitoring Committees of each Department on the Audit Paras, Inspection Reports of Comptroller & Auditor General of India:-

5. Instructions were also issued in the Government Order 5th read above, making responsible all the Drawing and Disbursing Officers to ensure that suitable replies are sent to the Inspection Reports / Audit Paras / PAC Paras relating to the schemes upto 2000-01 and furnish a certificate to that effect..

6. A Committee was also constituted in the Government Order 6th read above, under the Chairmanship of Administrative Secretary in the Finance Department dealing with subject

7. In spite of the repeated instructions issued from time to time, it has come to notice of the Government that, replies to Inspections Reports or Paras are not sent to Accountant General promptly. Even the first replies have not been furnished to Accountant General for Inspections Reports and Paragraphs. Though the Govt. constituted various committees, yet the progress has not been encouraging.

8. Broadly there are three types of issues which need to be considered:

- i. Settlement of outstanding audit objections and pending inspection reports by individual administrative departments.

- ii. Rendering of accounts and completion of reconciliation by individual administrative depts.
- iii. General review of the progress of accounting and audit related work in the Government as a whole.

9. In the above background and in the light of the suggestions received from the Principal Accountant General, (Audit-I), the Government have carefully considered the working of Audit Committees and desired that the existing structure of Committees be modified, to facilitate coordination and streamline the audit and accounts functions in the state as a whole. Government in supercession of earlier Committees have decided to constitute / reconstitute the audit committees for expeditious settlement of the audit objections and paras in Inspection Reports of the Accountant General, with the following:

(I) State Audit and Accounts Committee

1.Chief Secretary to Govt.	Chairman
2. Principal Finance Secretary	Member
3. Principal Accountant General(Audit.I)	Member
4. All Principal Secretaries/Secretaries to Government	Members
5. Finance Secretary concerned with P.A.C.	Member/Convener
6. Accountant General (AU.II)	Member
7. Accountant General (A&E)	Member
8. Director of Treasuries and Accounts	Member
9. Managing Director of the Public Sector Undertaking concerned	Member

Functions of the State Audit and Accounts Committee:-

Committee shall meet at half yearly intervals to review the following:-

- i. Progress in disposal of outstanding audit objections.
- ii. Progress in disposal of pending Inspections Reports.
- iii. Progress in Rendering of Accts, Reconciliation of Accounts with AG
- iv. Progress in Adjustment of Amounts booked under suspense heads.
- v. Any other accounts or audit related matters.
- vi. Review of outstanding misappropriation Cases
- vii. The Committee will review the position of Explanatory notes for the paras

In the Audit reports as well as Action Taken Notes on the Recommendations of the PAC / COPU.
- viii. The Committee will review not only matters concerning Govt. Depts. but

also audit matters pertaining to PSUs.
- ix. Review of working of the Departmental Audit and Accounts Committee constituted at para 9-II of this orders
- x. To discuss the issues raised in the draft Audit Report.

(II) Departmental Audit and Accounts Committee:

- 1. Secretary to Government of the
Dept. concerned. - Chairman

2. Deputy Accountant General concerned - Member
(nominee of Prl. AG(AU-I))
3. Deputy Accountant General concerned - Member
(nominee of AG(AU-II))
4. Deputy Accountant General concerned - Member
(nominee of AG(A&E))
5. Addl.Secy./Joint Secretary/Deputy Secretary
Asstt. Secy./Accounts Officer
concerned in Finance Department - Member
6. Joint Secretary/Deputy Secretary
of the admn. Dept. concerned - Member/convener
7. Head of the Department /Nominee of the
Managing Director of concerned PSU - Member
8. Nominee of the Director of Treasuries
& Accounts - Member

Functions of the Departmental Audit and Accounts Committee:-

Committee should meet at quarterly intervals to review the following:-

The Departmental Audit Committee shall review and oversee the following matters in respect of Heads of the Departments concerned and the Public Undertakings under the control of the administrative departments:

- i. Progress in disposal of outstanding audit objections.
- ii. Progress in disposal of pending Inspections Reports.

- iii. Progress in Rendering of Accts, Reconciliation of Accounts with AG
- iv. Progress in Adjustment of Amounts booked under suspense heads.
- v. Any other accounts or audit related matters.
- vi. Review of outstanding misappropriation Cases
- vii. Progress in Explanatory notes for the paras In the Audit reports as well as Action Taken Notes on the Recommendations of the PAC / COPU.
- viii Audit matters pertaining to PSUs.
- ix Review of the report of the District Audit and Accounts Committee furnished by the District Collector

10. The Secretary of the Administrative Department as Chairman of the Departmental Audit and Accounts Committees must ensure submission of replies by all the Heads of the Departments and other concerned to Public Accounts Committee / Committee on Public Undertakings in respect of all the paras / reviews of Comptroller and Auditor General Reports strictly within the time limit specified. Government also direct that the minutes of meeting of the Departmental Audit and Accounts Committees should be sent to Finance (PAC) Department for records.

(III) District Audit and Accounts and Monitoring Committee:

- 1. District Collector - Chairman
- 2. All the District Officers - Members
- 3. Representatives specially nominated by
Principal AG (Audit) for the District - Members

Functions of the District Audit and Accounts and Monitoring Committee:-

District Audit and Accounts Committee should meet once in two months to review the following and to furnish the report to the concerned administrative Department Secretary and Finance Secretary to the Government.

- i. Progress in disposal of outstanding audit objections.
- ii. Progress in disposal of pending Inspections Reports.
- iii. Progress in Rendering of Accts, Reconciliation of Accounts with AG
- iv. Progress in Adjustment of Amounts booked under suspense heads.
- v. Any other accounts or audit related matters.
- vi. Review of outstanding misappropriation Cases
- vii. The Committee will review the position of Explanatory notes for the paras In the Audit reports as well as Action Taken Notes on the Recommendations of the PAC / COPU.

11. The Hand Book of instructions for the speedy settlement of audit observations, inspection reports, speedy disposal of audit paragraph and timely action on matters pertaining to the Public Accounts Committee , the Committee on Public Undertakings and the Estimates Committee is made available along with this order on the Andhra Pradesh Government website “www.ap.gov.in.”

12. All the Departments of Secretariat and Heads of Departments and the District Collectors are requested to follow the said guidelines scrupulously.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MOHAN KANDA
CHIEF SECRETARY TO GOVERNMENT

**GOVERNMENT OF ANDHRA PRADESH
FINANCE (PAC) DEPARTMENT**

HAND BOOK OF INSTRUCTIONS (FOR THE SPEEDY SETTLEMENT OF AUDIT OBSERVATIONS, INSPECTION REPORTS, SPEEDY DISPOSAL OF AUDIT PARAGRAPHS AND TIMELY ACTION ON MATTERS PERTAINING TO THE PUBLIC ACCOUNTS COMMITTEE, THE COMMITTEE ON PUBLIC UNDERTAKINGS AND THE ESTIMATES COMMITTEE).

- 1.1 The audit of the receipts and expenditure of the State Government is conducted by the Accountant General, Andhra Pradesh, Hyderabad on behalf of the Comptroller and Auditor General of India. The aim and purpose of this audit is, among other things, to bring to the notice of the Legislature, items of expenditure which are beyond the scope of the authorization made by the Legislature, cases of irregular expenditure, loss of public money caused by default, lack of supervision or other causes, as well as excess or short collection of taxes, erroneous assessments of taxes, etc. Such of the audit observations as have to be brought to the notice of the Legislature are included in the Annual Reports of the Comptroller and Auditor General of India on the Accounts of the State Government. Separate reports are prepared in respect of public undertakings. Under Article 15 (2) of the Constitution the Reports of the Comptroller and Auditor General of India are submitted to the Governor who will cause them to be laid before the Legislature of the State. The Legislature, in turn refers the Comptroller and Auditor General's Report (Civil) along with the Appropriation and

Finance Accounts to the Committee on Public Accounts, constituted under Rule-256 (1) of the Rules of Procedure and Conduct of Business of the Andhra Pradesh Legislative Assembly. In order to enable the Departmental Officers, Chief Controlling Officers and Secretariat Departments to deal with these matters expeditiously, the instructions issued from time to time are brought out in one place in this Hand Book.

AUDIT OBSERVATIONS

Speedy Settlement of Audit Observations.

- 2.1 The result of audit are reported to departmental Officers so that appropriate action is taken to rectify the defects and omissions where possible and to prevent their recurrence. The delay in the disposal of audit observations tends to defeat the very purpose of audit. Besides, it may involve Government in avoidable loss on account of fraud, defalcation, misappropriation and other serious irregularities, which may remain undetected for want of prompt attention. As such these audit observations have to be attended on priority. Moreover, with the lapse of time it may become more difficult to settle the audit observations due to difficulty in locating the relevant records, or death, retirement or dismissal of concerned officers and officials. In the case of taxes, delay may result in the time limit being over, rendering corrections or reopening of assessments or appeals impossible. In some cases immediate amendments to Legislation to prevent leakage or loopholes may become necessary.

Responsibility of Officers:

2.2 The responsibility for replying to audit observations/ paras and settlement of issues raised in audit devolves primarily upon the Drawing and Disbursing Officers and Heads of the Offices. A copy of the Accountant General's Audit report is also sent to Directorate / Commissionerate concerned who are Control Officers. Thus the responsibility also lies on the Controlling Officers and respective Secretariat Departments according to the nature and gravity of the irregularity. In case of Major irregularities commented in Part-II of the Audit Report and the Heads of the Department or Chief Controlling Officers should take immediate action.

Time limit for disposal of Audit Observations:

2.3 Audit observations/notes/Reports received from the Accountant General's Office should normally be replied to within a fortnight from the date of their receipt by the Officer except where consultations with other Officers are required to be made or orders of Superior Officers are required to be obtained for rectifying the defects and omissions. But in no case should the time exceed three months.

2.4 Heads of Offices should maintain a Register of Audit Observations in the form given in Annexure I to this Hand Book to watch the prompt disposal of Audit Observations.

2.5 The following instructions should be followed by the departmental officers in the maintenance of this Register:

- (1) As soon as audit observation (Memorandum or Report) is received from the Accountant General it should be entered in the Register.

- (2) All the Audit Observations/Audit Paras received in a calendar year should be serially numbered. Each item of audit observation should be given in a serial number. If there are two or more items in a single memo or letter or para received from the Accountant General, separate serial numbers should be given for each of them.
- (3) An item should be treated as closed only after an intimation of acceptance of the reply is received from the Accountant General if, however, a reply is not received during the year and the item is not shown as outstanding in the next yearly list of outstanding objections/paras received from the Accountant General, the item may be treated as closed or settled.
- (4) Items which are cleared should be rounded off in red ink, under the attestation of the Head of the Office.
- (5) There should be only one Register for the whole office and one of the clerks should be made responsible for the maintenance of the Register.

Review of Audit Observations Register:-

- 2.6 The register should be closed monthly. It should be reviewed by the Head of Office monthly and by the Superintendent or such other intermediately Supervising Officer, if there is one, every fortnight.
- 2.7 The review of the Register by the Head of the Office or any other Officer entrusted with this work should be critical and detailed and special attention should be given to the clearance of old observations/paras still pending.

Liaison with Audit Office:-

2.8 The Officer entrusted with the work of clearance of audit observations should keep a close contact with the office of the Accountant General, and discuss with the concerned officers if there are any special difficulties.

Special Instructions for disposal of Audit Observations:

2.9 In spite of the instructions issued by the Government from time to time the number of audit observations pending and the amount held under objection are on the increase. This is pointed out by Audit in almost every Report. The Public Accounts Committee are distressed about the large number of audit observations pending for pretty long periods. Special instructions have been issued for clearing this backlog. It is necessary in the interest of sound financial administration that audit observations should be disposed of within the stipulated time limit. They should not be allowed to accumulate.

Responsibility of the Secretaries to Government and Heads of Departments:-

2.10 The Accountant General forwards to the Heads of Department and Secretaries to Government in the administrative departments half yearly statements audit observations outstanding for more than six months. These statements will be forwarded in June and December every year. The statement in June/December with detailed items of objections relating to the period ending with the last preceding September/March which are outstanding at the close of the accounts of March/September.

Action by Heads of Departments:-

2.11 Immediately on receipt of the yearly statement, the Head of the Department should address the concerned Drawing Officers to clear all the audit observations expeditiously. He should obtain from the Drawing Officers every month, reports showing the details of objections cleared during the previous month and those awaiting clearance and the reasons for the delay in the clearance of the outstanding items. The Head of the Department should closely watch the receipt of the monthly reports, review the progress in the clearance of the objections and issue suitable instructions to the drawing officers. He should also forward to the concerned Secretary to Government every month a consolidated report showing the extent of clearance achieved during the previous month with reference to the previous yearly report received from the Accountant General. The serial numbers of the items actually cleared and the year wise analysis of the number and amount of such items should be indicated in the report. The details of the action taken for clearing the outstanding items and the reasons for the non-clearance should also be reported. A copy of this monthly report should be forwarded to the Finance Department.

Action by Administrative Department of Government:-

2.12 The Secretary to Government in the Administrative Department should nominate a Senior Officer of the Department to ensure prompt attention to the audit objections. It shall be the responsibility of that officer to review the monthly reports received from the Heads of Department with reference to the yearly statement received from the Accountant General, and assess the progress in the clearance of the objections and

the adequacy of the action taken by the Heads of Department. He should submit his report of the review to the Secretary to government who will communicate to the heads of Department his assessment of the position and give suitable instructions to them for further clearance. Copies of his communications to the Heads of Departments should be forwarded to the Finance Department.

Action by Finance Department:-

2.13 The Finance Department should pay special attention to the important items of observations involving pecuniary losses to Government which are specially reported yearly by the Accountant General and pursue action thereon until final clearance.

Visits to the Accountant General's Office by Departmental Officers for clearing audit observations and inspection reports

2.14 The Heads of Department should specially nominate a Senior Officer for ensuring prompt attention to the Audit Observations and Inspection Reports. In those departments which have been provided with Financial Advisors or Accounts Officers, this work may conveniently be entrusted to them. It shall be the responsibility of that Officer to keep a close watch on the clearance of all observations and Inspection Reports. In respect of items outstanding for over a year he should collect from the Officers concerned the details and documents required for the clearance of the observations through correspondence and / or by visiting the Offices. He shall visit the office of the Accountant General, with the particulars and documents so collected from the various offices and handover

the required documents to the concerned Officer. He should also discuss with the Officer the outstanding items and decide on the further action to be taken for clearance. The process may be repeated until all items which are more than one year are cleared.

- 2.15 In cases where audit observations relate to irregular claims or actions of officers, the officers concerned with the alleged irregularities should never themselves deal with the observations but should submit papers to higher officers at each stage.
- 2.16 If the above procedure is strictly followed there should hardly be any scope for the increase in the number of observations. The administration should welcome suggestions from audit to enable them safeguard public funds by rectifying the errors and taking steps to minimize the irregularities. Government have also issued orders that each Secretary to Government should constitute an ad-hoc Committee, consisting of Secretary to Government as Chairman, and representative of Audit and Finance Departments and that these Committee should meet at least once in three months to review the action taken to dispose of audit observations and inspection notes/reports. The discussions at these Committee Meeting will be useful if departmental officers meet audit officers in advance of the Committee Meetings and have a preliminary discussion on the outstanding audit observations and also reconcile the differences if any in figures relating to audit observations etc.
- 2.17 If any payment of recurring nature is considered inadmissible by audit, the concerned authority and further payments on should provisionally accept the audit point of view that account

should not normally be made till a final decision is obtained from the competent authority.

- 2.18 In exceptional cases where the administrative authorities consider that, the continuance of such payments pending a final decision by the competent authority is absolutely necessary in the public interest, payments may be made provisionally with specific permission of Secretary Finance subject to recovery from the payee if need be. This condition should be made clear to the payee. So that in the event of decision for recovery, the payee is bound to make good the excess payment. The fact that payments are being continued in spite of the audit objections should also be reported to the authority to whom the case is referred for a final decision.

INSPECTION REPORTS

- 3.1 During the course of local inspection, the Audit Staff will be issuing “enquiries”, half margins notes, calling for information on various points. The particulars given in reply to such enquiries should be correct with reference to the records so that, at a later stage, the accuracy of the figures and the facts contained in the Inspection Reports are not disputed. To ensure this, the replies to audit enquiries should be furnished only after approval by the proper authority. Incomplete replies or reply with vague words like information is being collected / matter will be examined etc. should be avoided. The audit officer generally discusses with the head of the office the more important irregularities before finalising his inspection report. The head of the office should properly avail this opportunity. The head of the office should seize this opportunity to check up whether all relevant materials has been made available to

Audit to enable them to bring out the full facts of each case in the inspection report and by mutual discussion it may be possible to settle on the subject all the minor objection and irregularities.

Rectification on irregularities disclosed during Audit:

3.2 The head of the office should also simultaneously without waiting for the receipt of the inspection report initiate action to rectify irregularities, defects, omissions etc, which come to light in the course of audit. For example, it is discovered that a sanction issued by the head of the office was in excess of the powers delegated to him, immediate steps should be taken to get his action ratified by the competent authority.

Reply to Inspection Report:-

3.3 All inspection reports received from the Accountant General, should normally be replied to within a period of one month from the date of their receipt. This time limit should be strictly adhered to except where consultation with other officers is required to be made on the orders of competent authority or required to be obtained for rectifying the defects and omissions pointed out. If replies to certain points mentioned in the Inspection Reports cannot be furnished to the Accountant General, within the time limit specified, interim replies indicating the action taken or proposed to be taken to rectify the defects should be sent to the Accountant General, and action taken to give final replies within a maximum period of three months. The factual correctness of the replies should be ensured and proper steps also taken to avoid recurrence of such defects.

- 3.4 In case where the Audit objection / para pertains to non submission of the utilization certificates / non-availability of paid voucher / or Acquittances a certificate of payment from the Drawing / Disbursing Officer may be obtained and sent to the Accountant General and the para may be got settled, particularly in case of acquittance of scholarships in Welfare departments.
- 3.5 In cases where the amounts are drawn by one department and placed at the disposal of executive authority / Corporations / Societies for execution of the Scheme / Work the utilization certificates may be obtained immediately and be produced to the Accountant General and the paras may be got settled.
- 3.6 Wherever misappropriation / Defalcation / forged drawal of Government money is reported, special steps may be taken immediately to recover Government money like reporting the matter to police authorities, Revenue officials, Registration Department and Banks so that immovable and movable property in the name of accused is not transferred to others.
- 3.7 In cases where procedural irregularities have been pointed out by the Audit in the Reports the DDO / Head of the Office or Head of the Department should issue immediate instructions to rectify the defect and see that such irregularities do not recur.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL AND DRAFT PARAGRAPHS

Receipt of Draft Paragraphs and Verification of its contents:-

- 4.1 As soon as the Accountant General considers that a case deserves to be mentioned in the reports of the Comptroller and Auditor General, he sends a factual note/ draft 'para' proposed for inclusion in the Comptroller and Auditor General's Report to the concerned Secretary to Government by name for verification of fact simultaneously endorsing copies thereof to the Finance Secretary to Government. The letter is addressed to the concerned Secretary to Government by name to ensure that the irregularity commented upon in the 'para' is brought to the notice of the Officers who will appear as witnesses before the Public Accounts Committee, when the Report is taken up for consideration by the Committee. It is the duty of the Officers receiving the draft 'para' to see that reply to the Accountant General, after verification of the facts is sent only after obtaining his approval so that the facts mentioned in the audit 'para' are not challenged when the Report is taken up for consideration by the Public Accounts Committee.

- 4.2 The result of the verification of the facts contained in the draft 'para' should be communicated to the Accountant General A.P within six weeks from the date of its receipt. Before sending reply, the concerned Officers should collect all the facts which have a direct or indirect bearing on the irregularity commented upon in the draft 'para' and see that the audit para portrays a true account of the alleged irregularity or lapse. If the draft para proposed by the Accountant General, required

modification to bring out the facts of the case, it should be suggested in the reply. The reply should be sent from the Officer from whom it is referred by the Accountant General. This will ensure that the reply is sent by the proper authority after careful examination of all the aspects of the case. Where however, the reply to the Accountant General, is not issued over the signature of the Secretary, an indication should be given that the reply has had the approval of the Secretary.

- 4.3 In exceptional cases where it is not possible to furnish final reply to the draft para within the time limit of six weeks referred to above, an interim reply should be given to the Accountant General, by the Officer to whom the draft para was forwarded indicating the time by which the final reply could be sent.
- 4.4 It is not necessary that the contents or the language of the draft paragraph should be specifically agreed to or that there should be any prior agreement as to what should be mentioned in the Report, but it is desirable that, on the facts as stated, there should be no dispute though the conclusions and opinions will be those of the Accountant General. This does not, however, preclude a Secretary from taking up with the Accountant General desirability or otherwise of mentioning particular cases in the Report.
- 4.5 Facts coming to the notice of the departments of the Secretariat after the draft para has been included in the Comptroller and Auditor General's Report should be indicated in the departmental notes to be sent to the Legislature Secretariat so that the Public Accounts Committee may be posted with up-to-date information. Facts coming to the notice after submission of the departments notes may be intimated

to the Public Accounts Committee at the time these cases re taken up for consideration by the Committee, or earlier, if there is sufficient time in the form of supplementary note.

- 4.6 In the Audit Paragraph generally no names of individuals and Officials connected with the irregularities commented upon therein will be mentioned. The names of departments, organizations and parties concerned will, however, be mentioned in the draft audit paragraphs except in cases where the paragraphs bring out some fraud or misappropriation on the part of an official against whom departmental or criminal proceedings have been initiated and any indication of the department or organization would give a clue to his Identity. Where however, such a name has been mentioned in the draft audit paragraph and if the Government consider that is not desirable, the same should be brought to the notice of the Accountant General well in time.

Watching of disposal of the draft paragraphs:

- 4.7 It has to be borne in mind that replies to draft audit paragraphs to be sent within the prescribed time of six weeks. If no reply is sent within this period the paragraph as prepared by the Accountant General, will be treated as final and incorporated in the Comptroller and Auditor General's Report. There should therefore be no default on the part of the departments to inform the Accountant General, of the correct position well in time. In other words, there should be no occasion to question the correctness of facts mentioned in the draft audit paragraphs at a later stage.

4.8 The Public Accounts Committee has been observing that though the audit para is based on records made available to audit and the para itself sent to the Secretary to Government concerned for remarks, the officers when they appear before the Committee some times give an altogether different explanation and try to dispute the facts. Such an attitude is not desirable and any modifications should be communicated to the Accountant General in time before the draft para is finalized.

Files required by ‘Audit’ for reference.

4.9 Files required by the Accountant General, in connection with the preparation of audit paragraphs should normally be made available to him. If the contents of the file are of ‘confidential’ nature the file may be sent to the Accountant General, by name specifying that fact. He will deal with the file in accordance with the standing instructions for the handling and custody of such documents. If for any reasons it is not considered desirable to make available the papers asked for by the Audit then orders of Government should be obtained.

Rectification of defects, irregularities, lapses etc. commented upon in the audit paragraphs.

4.10 Normally it has to be presumed that a draft para forwarded to the Secretary to Government for verification will find a place in the Comptroller and Auditor General’s Report which will be laid on the table of the Legislature. The Reports so laid will be examined by the Public Accounts Committee, and the concerned Secretary to Government will have to appear as witness before the Committee when it examines the particular paragraphs in the Report. There will normally be time lag

ranging from six months to one year between the date on which the draft para is forwarded by the Accountant General for verification and the date on which the particular para is taken up for consideration by the Public Accounts Committee. One of the questions which the Public Accounts Committee generally put to the witnesses is whether at least after the receipt of the draft para the irregularity commented up on in the audit para has been rectified (wherever possible), whether adequate steps have been taken to see that such irregularities do not recur and also whether in cases of loss to Government, necessary action against those responsible had been taken. If the Secretary to Government takes prompt action immediately on receipt of the draft para to rectify the defects and to proceed against the Officers responsible to make good the loss, if any, incurred by the Government due to their negligence and also to issue detailed instructions for the avoidance of such irregularities it should be possible to depose before the Committee that the irregularity has since been rectified and action has also been taken to avoid recurrence of such things in future. Hence, the Secretary to Government should on receipt of a draft para, examine among other things, the following aspects and taken suitable remedial measures immediately.

- (i) Whether the irregularity committed was due to negligence or culpability on the part of any government Servant. (If so, suitable action should be initiated against him)
- (ii) Whether there was lack of proper instruction or defect in the organizational set up (If so, steps should be taken to rectify such defects)

- (iii) If there was a loss to the Government, the responsibility for the same should be fixed and steps taken to recover the loss.
- (iv) If the irregularity committed was due to lack of proper supervision or ambiguity in the rules, steps should be taken to enforce adequate supervision or to amend rules.

4.11 In other words, all possible ways should be thought of to prevent recurrence of such irregularity and also to make amends for the irregularity committed.

4.12 The Secretaries to Government should have in their possession all the facts relating to the cases under examination when they appear before the Public Accounts Committee and for this purpose, the departments of the Secretariat should take necessary action well in time, by way of obtaining explanations comments etc.. on the irregularities cited in the Comptroller and Audit General's Report.

Draft Paras relating to Statutory Corporations, Government Companies, State Undertaking etc.

4.13 The draft paragraph for inclusion in the Comptroller and Auditor General's Report in respect of cases relating to Andhra Pradesh State Financial Corporation, Andhra Pradesh State Warehousing Corporation, Andhra Pradesh State Road Transport Corporation; A.P. State Electricity Board, Government Companies, Government Commercial Undertakings etc., will be forwarded to the Secretary to Government concerned by name and copies endorsed to Finance Secretary to Government. The reports relating Public Sector Undertakings are considered by the Committee on

Public Sector Undertakings. The procedure explained above in respect of disposal of draft paras will apply in these cases also.

APPROPRIATION ACCOUNTS, FINANCE ACCOUNTS AND THE REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

5.1 After the Appropriation Accounts, Finance Accounts and the Report of the Comptroller and Auditor General of India there on are laid before the Legislature as required by Article 151(2) of the Constitution of India, copies of the same will be supplied by the Finance Department to all Secretariat Departments and Heads of Departments. As soon as the copies of that are received, the departments should verify whether draft paras proposed by the Accountant General have been included in the Report of the Comptroller and Auditor General. In some cases the Accountant General does not include the draft para proposed by him may be on account of the reasons given by the departments in reply to draft paras. In some cases the payments will have undergone a change. The Secretariat Department should collect all the relevant files and verify correct position with reference to the latest facts. This should study the audit paragraphs in these Report after consulting the Heads of Departments wherever necessary.

Furnishing of notes to the Public Accounts Committee by the Secretariat Department.

5.2 Rule 5 of the Rules of Procedure (Inter Working) of the Committee on Public Accounts required that within 3 months after laying of the Appropriation and Finance Accounts and

the Report of Comptroller and Auditor General thereon before the Legislature Secretariat Departments should send to the Legislature Secretariat, explanatory notes on the paragraphs included the Report. The notes should be in the form prescribed by Legislature Secretariat send to the Legislature Secretariat. There should be only one consolidated note for each Secretariat Department and should contain complete information about the cases referred to in the Report. As these notes are expected to give the views of Government, the Secretariat Departments should keep the notes received from the Heads of Departments before sending them to Legislature. The notes should be signed by the Secretary or the Deputy Secretary. Similarly, notes and statistics with background information which may be required in respect of Public Undertakings should be furnished within the time fixed to the Committee on Public Undertakings.

5.3 In the case of Committee on Estimates material should be furnished as required by the Committee but generally at initial stages material in the following form will be required. Any subsequent information and replies to the questionnaire should be forwarded later.

- (i) The organization of the Department and its attached and subordinate offices (The information should be shown in the form of a diagram supported by short explanatory notes)
- (ii) The functions of the Department and Subordinate offices.
- (iii) Broad details on which the estimates are based;
- (iv) Volume of work in the Department and its attached and subordinate offices covering the period estimates.

- 5.4 Points of conduct and etiquette to be followed by the Officers and others appearing before the Committee are given below:
- (a) Due respect to the Chairman and the Committee and Sub-Committee shall be shown by the witness;
 - (b) The witness shall take the seat opposite to the Chairman.
 - (c) The witness should answer specific questions put to him either by the Chairman or by a member of the Committee/ any other person authorized by the Chairman.
 - (d) All submissions to the Chairman and the Committee shall be couched in courteous and polite language.
 - (e) The witness, without the permission of the Chairman, should not smoke or chew any thing when he is seated before the Committee.

Breach of privilege and contempt of the Committee

- 5.5 Subject to the provisions contained in the Rules of Procedure and Conduct of Business in the Legislative Assembly/Council the witness shall note that the following acts shall constitute breach of privilege and contempt of the Committee;
- (a) Refusal to answer a question, unless it be or the ground that the disclosure of the information sought for, would be prejudicial to the safety or interest of the State;
 - (b) Prevarication or willfully giving false evidence or suppressing the truth or misleading the Committee;
 - (c) Trifling with the Committee, or returning insulting answers;

- (d) Destroying or damaging a material document relative to the enquiry.

Evidence before the Public Accounts Committee:-

5.6 The Secretary to Government should come fully prepared to furnish any information required by the Committee. If the notes furnished to the Committee by the Secretary concerned are based on facts other material available with the Department it will not be difficult to give any supplementary information. Since the head of the Department or his subordinate officers should be in one way or the other connected with the transactions of the Department they would try to defend their action and may not be willing to disclose the details. The Secretary to Government who represents Government and tenders evidence before the Committee will be able to take an objective and detached view while appearing before the Committee. There is, however, no objection for the Secretary to Government to take the assistance of the Head of the Department or his subordinate or the Chairman or the Executive Head of the autonomous body, Corporation or company while furnishing replies to the Committee. The Committee expects that the replies and information furnished by the witness should be precise and based on facts with reference to records, rules and regulations. It is necessary to avoid vague and generalized replies as also presumptions and individual ad-hoc comments. As indicated above if the Secretary to Government has studied the case with reference to the Audit para and notes already furnished by discussion before hand and with reference to connected records it will be possible to furnish many of the points which may be raised

while examining the witness. In cases where information is not readily available the same should be admitted and time taken for furnishing the information. It is found that in practice the time schedule is not adhered to because of the lack of due attention by the Secretary concerned and this obviously invites criticisms from the Committees.

Action to be taken on the Reports of the Public Accounts Committee, Committee on Public Undertakings etc:-

5.7 The Report of the Public Accounts Committee, Committee on Public Undertakings and the committee on Estimates contain various recommendations and observations. As soon as the reports are made available, the Secretary to Government should in consultation with the concerned officers take immediate action in all these cases. Wherever there are financial implications the Finance Department should be consulted. In cases where there is delay in communicating action taken, the Legislature Secretariat will seek the co-operation of the Finance Department. The action taken on the various recommendations should be communicated to the Legislature in the proforma as in the **Annexure II. 60** (Sixty copies of the proforma indicating the action taken should be sent to the Secretary, Andhra Pradesh Legislature and five copies to the Accountant General. The replies should be complete in respect of each observation or recommendation and replies like “the matter is under consideration”, “action will be taken in due course”, “report have been called for” and such other general remarks should be avoided. If any case Government desires to furnish a detailed note requiring further reconsideration by the Committee or indicating reasons for non acceptance of the recommendations, the notes should

accompany the proforma and the number of copies should be as in the case of the proforma. Since the Legislature Secretariat is expected to place the report of the Committee on the action taken before the Legislature, the Secretary to Government should avoid delay in taking action. The Legislature Secretariat shall in respect of recommendations of the Public Accounts Committee and Committee on Public Undertakings obtain the remarks of the Accountant General, wherever, necessary, before the Statement of action taken is considered by the Committees.

D.SUBBA RAO,
SECRETARY TO GOVERNMENT

ANNEXURE - I

Register of Audit (Objections) Observations

Sl.No.	Date of receipt	No. and date of Objections Slip	Nature of Objections	Amount objected	Date of reply	Initials of the HOD	Remarks
1	2	3	4	5	6	7	8

ANNEXURE - II

PROFORMA

Statement showing action taken on the recommendation of the Committee on

Sl.No.	Reference to page and para No. of the Report and name of the Department		Particulars of recommendations	Reply by Government regarding action taken	Remarks
	Page No.	Page No.			

Note:- If a detailed note to be furnished, the same should be accompany the Proforma.

5.7 GOVERNMENT OF ANDHRA PRADESH ABSTRACT

State Financial Accountability Assessment - Asset Management and Maintenance of Registers and Records – Guidelines – issued.

FINANCE (TFR.II) DEPARTMENT

G.O.Ms.No.667

Dated 11.10.2004

O R D E R :

The Government is spending substantial money on creation of assets over the years under Plan and Non Plan schemes. These assets are scattered, all over the state and are acquired by various departments and institutions keeping in view of their functions, duties and responsibilities.

2. Government has reviewed the present systems in place and information available with various Government Departments, State Public Sector Undertakings, Rural, Urban, Local Bodies/Corporations, Autonomous and other Institutions running on Grants-in-Aid from the State Government, etc. and felt the need for strengthening the Asset Management at various levels. Instances have come to the notice of the Government that the records for the assets already created (including land) with details of actual cost incurred for their acquisition, type of asset, type of structure, accessories, other equipment and installations etc., are not updated.

3. The controls over land and buildings, stocks, stores and other assets require strengthening to prevent any misuse. There is every need to have relevant and reliable information about assets of the Government. It is therefore essential to develop and maintain inventory of all assets, to ensure that they are brought into the books.

4. The key requirements to ensure that assets are retained in the proper custody and used as per prescribed norms are (i) physical controls, (ii) maintenance of asset registers; (iii) physical verification and (iv) controls over the disposal of assets.

- a. **Physical controls:** All assets are kept under proper watch and ward to safeguard them against theft, pilferage, damage and risk posed by the weather.
- b. **Stock and asset registers:** The custodians for the assets are required to maintain asset registers for all assets with upto date entries to know the actual ownership and prevent illegal occupation / utilization.
- c. **Physical verification:** There are three forms of physical verification required – first, regular attestation of the accuracy of the records; secondly, verification by the Head of Office at least once a year and thirdly, authentication by the superior officer during the periodic inspections.
- d. **Disposal of assets:** All the offices are required to maintain a register of unserviceable assets and dispose off the unserviceable assets as per provisions of A.P. Financial Code Volume I and departmental codes and manuals.

5. Although the codal provisions and instructions issued from time to time are very clear in this regard, it is felt by the Government that the custodians of assets and their supervisory officers are not giving as much importance to the maintenance and physical verification of assets as required. There is a widespread need to strengthen the safeguards over assets, so as to make use of them effectively. Risk is also enhanced due to lack of relevant and reliable information about various assets at one place.

6. Government after careful consideration has decided to strengthen the Asset Management in all the Government Departments, State Public Sector Undertakings, Rural, Urban, Local Bodies/Corporations, Autonomous and other Institutions running on Grants-in-Aid from the State Government etc. and informed to maintain various Asset Registers as per existing Codes and Manuals at various levels. Further the Heads of Departments after compilation of all assets of all Subordinate offices and agencies, including state level offices shall report to their administrative departments of Secretariat, the asset inventory information by 31st December every year, starting from 31st December 2004, in hard and soft formats duly filled in the formats annexed to this order for all the existing assets of Government in various forms like Lands, Buildings, Roads, Bridges, Culverts, Tanks, Vehicles, Tools and Plants, Machinery & Equipment, trees in Government Lands, Computer Hardware, Furniture & fixtures etc.. The Administrative Departments of Secretariat in turn shall furnish the same asset information to the Finance (TFR) department by 15th January every year, for all the asset inventory information of previous calendar year, for the issue of 4th quarter Budget Release Orders.

6. All the Special Chief Secretaries to Government, Principal Secretaries to Government and Secretaries to Government are requested to bring these instructions to the notice of Heads of Department, Subordinate Offices and Unit Offices including State Public Sector Undertakings, Rural, Urban, Local Bodies/Corporations, Autonomous and other Institutions running on Grants-in-Aid from the State Government etc. under their control, for their guidance and implementation.

7. The columns in the different Registers have been prescribed, keeping in view the generality of the assets in different categories,

like buildings, roads, tanks etc. However, it is open to different Departments to make suitable modifications by way of additions in the columns of Registers, if it will serve their purpose better, under intimation to Finance Department.

8. This order is made available on the A.P. Government Website **www.ap.gov.in**.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF
ANDHRA PRADESH)

V.S. SAMPATH

PRINCIPAL SECRETARY TO
GOVERNMENT

**(Formats appended to G.O.Ms.No.667, Fin. (TFR.II)
Dept., dt.11.10.2004)**

1. Register of Lands

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Survey Number	Extent/ Area	Year of Acquisition/ transfer	Present Market Value	Present Status of Asset	Owning Govt. Department	Location and Address

2. Register of Buildings

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Survey Number	Extent/ Built-up Area	Year of Acquisition/ transfer/ Construction	Present Market Value of Land+ Building	Present Status of Asset	Owning Govt. Department	Location and Address

3. Register of Roads

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Type of Road	Length of the road in KMs	Year of Ownership/ Construction	Cost of Ownership/ Construction	Cost of Maintenance	Present status of the road

4. Register of Project

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Project	Location of the Asset	Type of the Project	Year of Ownership/ Construction	Cost of purchase/ acquisition/ Construcion enrolling	Capacity of the project	Present Status of Asset

5. Register of Bridges

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Length of the Bridge	Year of Ownership/ Construction	Cost of purchase/ acquisition/ Construcion enrolling	Present Status of Asset	Location of the Asset

6. Register of Culverts

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Nature/ category	Number	Year of Ownership/ Construction	Cost of purchase/ acquisition/ Construcion enrolling	Present Status of Asset	Location of the Asset

7. Register of tanks

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Nature/ category	Number	Year of Ownership/ Construction	Cost of purchase/ acquisition/ Construcion enrolling	Present Status of Asset	Location of the Asset

8. Register of trees

Name of the Administrative Department:

For the year ending 31st December 200

Name of the tree	Nature/ category	Number	Year of Ownership/ planting	Cost of maintenance	Present Status	Location of the Asset

9. Register of Government Vehicles

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Vehicle	Make/ Type	Number	Year of Acquisition	Cost of purchase/ acquisition	Present Status of Asset	Location of the Asset

10. Register of Plant, Machinery & Equipment

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Make/ Type	Number/ Quantity	Year of Acquisition	Cost of purchase/ acquisition	Present Status of Asset	Location of the Asset

11. Register of Computer Hardware

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Make/ Type	Number/ Quantity	Year of Acquisition	Cost of purchase/ acquisition	Present Status of Asset	Location of the Asset

12. General Stock Register

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Make/ Type/ Category	Number/ Quantity	Year of Acquisition	Cost of purchase/ acquisition	Present Status of Asset	Location of the Asset

13. Register of Furniture & fixtures including Air Conditioners

Name of the Administrative Department:

For the year ending 31st December 200

Name of the Asset	Make/ Type	Number/ Quantity	Year of Acquisition	Cost of purchase/ acquisition	Present Status of Asset	Location of the Asset

14. Register of Unserviceable Articles

Name of the Administrative Department:

For the year ending 31st December 200

Sl. No.	Name of the Asset	Location of the Asset	Date of Purchase	Book Value	Date on which it became Unserviceable	Value as on the date of unserviceability	Nature of Disposal with date & Order

5.8

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Misappropriation cases –Recovery of misappropriated amount –

Amendment to Article 300 of A.P. Financial Code, Volume-I - Orders – Issued.

FINANCE (TFR.I) DEPARTMENT

G.O.Ms.No.33

Date.09-02-2006

Read the following:-

1.G.O.Ms.No.25, General Administration (Ser.C) Dept., dt.3-2-2004.

2. U.O.Note No.96116, G.A.(VC.H1) Dept., dt.27-7-2005.

ORDER:

In the reference 1 st read above, consolidated instructions were issued to plug loopholes in the management of Government money giving clear and comprehensive instructions on all aspects of misappropriation cases.

Articles 5, 273, 294, 300, 301 and 302 of A.P. Financial Code, Volume-I lays down the responsibilities of Government servants in dealing with Government money, the procedure to fix responsibility for any loss sustained by the Government, the procedure to be followed and the action to be initiated for recovery.

In the reference 2 nd read above, the Vigilance Commissioner has stated that, it has come to their notice that in many cases, misappropriation / loss to Government / wasteful expenditure are noticed and disciplinary action initiated. At the conclusion of the disciplinary proceedings, whatever punishment is being imposed, with it the amount of loss as determined in the inquiry is being collected from the guilty officers. Collecting the loss amount alone does not appear to be enough. Recovery in cases of misappropriation / waste of Government money in collusion with parties or with malafide intention or with carelessness, is not

enough deterrent to the guilty officers. The recovery in cases where ordered, should be either double the amount of the misappropriation or at least with interest which would be a penal element, not at current bank rate but at a rate higher i.e., may be @ 10% p.a. on the amount ordered to be recovered, so that the illegal benefits obtained by the persons concerned are not retained by him.

Government after careful consideration of the matter, decided that recovery from the Government servant for the losses by misappropriation of Government money shall be, recovery of the misappropriated amount / loss caused at bank rate as fixed by RBI + 2% (This is actual cost of funds for State Government). The loss / misappropriation shall be determined by the disciplinary authority as per rules, and the recovery proposed is at the cost of funds for the Government and it may not be punishment. Accordingly, the following amendment is issued to the A.P. Financial Code, Volume-I.

This order is also available on the A.P. Government Website and can be accessed at www.aponline.gov.in.

AMENDMENT

<p>In the said code, in Article 300, after Clause 4 (c) the following shall be added, namely:-</p>	<p>“(d) Recovery from the Government servant for the losses by misappropriation of Government money shall be, recovery of the misappropriated amount / loss caused at bank rate as fixed by RBI + 2% (This is actual cost of funds for State Government). The loss/ misappropriation shall be determined by the disciplinary authority as per rules, and the recovery proposed is at the cost of funds for the Government and it may not be punishment.”</p>
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(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

P. RAMAKANTH REDDY

SPECIAL CHIEF SECRETARY TO GOVERNMENT

**5.9 GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

ESTABLISHMENT – Outsourcing of Services of Data Processing Officers & Data Entry Operators and other Supporting Services in Government Departments through an Agencies – Enhancement of the remunerations – Orders – Issued.

FINANCE (SMPC) DEPARTMENT

G.O.Rt.No. 2501

Dated: 13.07.2006.

oOo

ORDER:

Government are outsourcing of certain services like Computer Work, Driving, Typing, Sweeping and Scavenging to the private agencies and the remuneration to those services is being paid to the Agencies.

2. Hitherto, the remuneration for the Outsourcing of services is being paid the basic pay of the post to which the persons are being taken on outsourcing basis through an Agency as per the pay scales 1999 and for the Data Processing Officers and Data Entry Operators @ Rs. 4500/- and Rs.4000/- respectively.

3. In this connection many proposals are coming from the departments / agencies again and again for enhancement of remunerations stating that the cost of living has been steeply increased and hence requested to enhance the remuneration as per the RPS-2005.

4. After careful examination of the above proposal Government hereby ordered to enhance the remuneration to the personnel being taken through outsourcing agencies on the following categories:

Sl. No.	Name of the Outsourcing Category	Enhanced Remunerations
1)	Junior Assistant	Rs. 4,900/- p.m.
2)	Typist	Rs. 4,900/- p.m.
3)	Junior Steno	Rs. 4,900/- p.m.
4)	Senior Steno	Rs. 6,200/- p.m.
5)	Driver	Rs. 4,500/- p.m.
6)	Attender/Class IV	Rs. 3,900/- p.m.
7)	Lift Operator	Rs. 4,400/- p.m.
8)	Data Entry Operators	Rs. 5,500/- p.m.
9)	Data Processing Officers	Rs. 6,500/- p.m.

5. These orders shall come into force with immediate effect.

6. All the Departments who are getting personnel on outsourcing through the agency should strictly monitor and ensure the amounts specified above reach the individuals employed. The identification and allotment of work to an agency should be done in a transparent manner going through the open tender route. The commission to the agency will be in addition to the remunerations fixed above. The agency should be selected on the most competitive commission rate offered by them and Department should monitor the remuneration as fixed above reaches the individuals taken for work through the agency.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**I.Y.R. KRISHNA RAO
PRINCIPAL SECRETARY TO GOVERNMENT (R&E)**

**5.10 GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Consultants - Procurement of Consultants – Certain guidelines – Orders –Issued.

FINANCE (TFR.II) DEPARTMENT

G.O.Ms.No.289

Dated.04-10-2006

Read the following:-

1. Letter No. 3L – IRC 1 dated 10-1-1983 Central Vigilance Commission, Government of India.
2. Office Memorandum No. OFF 1 CTE 1 dated 25th November 2002 on Appointment of Consultants, Central Vigilance Commission (CTE's Organization) Government of India.
3. Office Order No.75/12/04 of Central Vigilance Commission, Government of India Dated the 24th December 2004.

* * *

ORDER:

In the references 1st, 2nd and 3rd read above, the Central Vigilance Commission has issued guidelines regarding selection and appointment of consultants to ensure transparency and efficiency in procurement in their services.

2. The State government and its agencies are taking up various infrastructure projects for development of State. Consultants are being appointed for evaluating the financial and technical aspects of the projects and also for contributing technical and financial expertise to the Government.

3. Government after careful examination hereby issue the following guidelines which shall be adopted for procurement of consultants in fair and transparent manner in State Government Departments / State Government Under takings / Entities promoted or owned by State Government.

- (i) The appointment of consultants should be absolutely need based and for specialized jobs only.
- (ii) The selection of consultants should be made in a transparent manner through competitive bidding preferably by inviting tenders and taking into consideration the past performance, capability and experience. The selection must be made with maximum attention to the suitability, competence and proven track record.
- (iii) The final selection and commissioning of the consultant should be done with the approval of the competent authority.
- (iv) The scope of work and role of consultants should be clearly defined and the contract should incorporate clauses having adequate provisions for penalizing the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants. There should be no major deviation in the scope of work after the contract is awarded.
- (v) The role of the consultants should be advisory and recommendatory and final authority and responsibility should be with the Government officers only.
- (vi) A firm, which has been engaged by the Government / State PSU/ Local Bodies/ organizations promoted by the Government to provide goods or works for a project and any of its affiliates shall be disqualified from providing consulting services for the same project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project. Consultants or any or their affiliates shall not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

4. All the Secretariat Departments / State Government Undertakings / Entities promoted by State Government are informed to follow the above guidelines scrupulously.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

A. GIRIDHAR
SECRETARY TO GOVERNMENT (IF)

**5.11 GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

PUBLIC SERVICES – Outsourcing of supporting services in the Government Departments – Guidelines – Orders – Issued.

FINANCE (SMPC) DEPARTMENT

G.O.Rt.No. 4459

Dated: 27.12.2006.

Read the following:-

1. G.O.Rt.No. 2501, Finance (SMPC) Department, Dated: 13.7.2006.

oOo

ORDER:

- Government have decided for outsourcing certain services in the Government departments to the agencies and accordingly Government have outsourcing the responsibility of supplying the required manpower to the private agencies. Accordingly Government have permitted several departments to outsource certain functions and functionaries for support services.

2. Specific guidelines on outsourcing or on method of outsourcing and the qualifications for the outsourcing agencies have not been prescribed by the Government resulting in lot of complaints about the manner in which the outsourcing is presently taking place.

3. In order to have specific guidelines for outsourcing the services in the Government Departments, Government after careful examination hereby issue the guidelines as annexed to the G.O. for better implementation of the functions under outsourcing.

4. It is also ordered that a Committee with the following officers is constituted for selection of outsourcing agencies at the district level headed by the District Collector since most of the outsourcing of the functions and functionaries in the districts is done locally.

District Collector	Chairman.
Dy. Director T&A	Member.
District Labour Officer	Member
District Employment Officer	Member –Convener.

5. The District Employment Officer at the district level is the officer responsible to move the proposal for outsourcing of the functions and functionaries and take the orders of the Collector and other Members concerned.

6. It is also ordered that for outsourcing the functions and functionaries in the offices located at Hyderabad both at Secretariat and Heads of Departments, the General Administration (Services) Department shall act as nodal department since they are dealing with service matters and finalize the outsourcing agency/agencies from whom the Departments located at Hyderabad would access their requirements.

7. All the departments of the Secretariat, Heads of Departments and all the District Collectors are requested to follow the guidelines scrupulously and should ensure that the identification and allotment of the work to the outsourcing agencies should be done in a transparent manner going to the open tender as indicated in the reference cited.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**I.Y.R. KRISHNA RAO
PRINCIPAL SECRETARY TO GOVERNMENT (R&E)**

Annexure to G.O.Rt.No. 4459, Fin. (SMPC) Dept., Dt: 27.12.2006.

GUIDELINES ON OUTSOURCING:

The Head of Office or Department who is principal employer should get permission from the Government in Finance Department to engage for outsourcing the services.

2. The principal employer for outsourcing Agencies shall have to register his office or department as per the provisions of Contract Labour (Regulation and Adoption) Act, 1970 to engage the outsourcing services.
3. The principal employer i.e. Heads of Department or Head of Office shall get registration certificate under section-7 of the said Act, 1970.
4. When the outsourcing Agency gets the permission from the HOD/Head of Office for outsourcing the services in the said Department or Office, the details of registration of principal employer shall be furnished to the Labour Department under section 13 of the said Labour Act, 1970 and rules made there under for grant of license.
5. The outsourcing agency at the time of obtaining contract labour license for supplying man power to the principal employer shall pay necessary fees and deposits into the Government Treasury as per the provision of the said Act.
6. The Outsourcing Agency shall renew its license every year.
7. The individuals sent by the outsourcing Agency are eligible for 15 days Casual Leave per year or proportionately to the actual outsourcing period and there shall not be any reduction from the remuneration due to availing of such Casual Leave.
8. The outsourcing Agency is responsible for payment of remuneration to each individual by the Agency before the expiry of such period as prescribed.
9. The outsourcing Agency should pay the remuneration as ordered by the Government from time to time to the categories of posts indicated therein. This should be closely monitored by the department and any violation in this regard should be brought to the notice of the Collector in the district or Secretary, General Administration (Services) Department at Hyderabad as the case may be who will black-list concerned agency against whom such complaints on verification are found true.

10. The women individuals are eligible for 120 days maternity leave without paying remuneration for the said period.
11. E.S.I. contribution will be made as per rules.
12. As far as E.P.F. is concerned employees contribution would be deducted from his remuneration, as far as employers contribution is concerned agency will pay it. There will be no reimbursement of this amount separately to the agency and the agency has to quote its commission keeping this in mind. However a certificate should be produced by the agency regarding proper remittance of EPF/ESI for release of payment for subsequent month.
13. Payment of service tax is the responsibility of the agent and he will hence to quote his commission including this as well.

SECTION OFFICER

5.12 GOVERNMENT OF ANDHRA PRADESH
Finance (FR.II) Department

Cir. Memo. No.2620-A/65/FR.II/07

Dated 20/2/2007.

Sub: Fundamental Rules – Anomaly between the pay drawn by Senior and Junior arising out of reintroduction of pay fixation under FR 22-B for those employees who got regular promotion after availing the benefit of Automatic Advancement Scheme in the Revised Pay Scales, 2005 – Clarification – Issued.

- Ref:
1. G.O.Ms.No.117, Finance & Planning (FW.PRC.I) Department, dated 25-5-1981.
 2. G.O.Ms.No.297, Finance & Planning (FW.PRC.I) Department, dated 25-10-1983.
 3. G.O.Ms.No.75, Finance & Planning (FW.PC.II) Department, dated 22-2-1994.
 4. G.O.Ms.No,223, Finance & Planning (FW.PC.II) Department, dated 10-9-1996.
 5. G.O.Ms.No.239, Finance & Planning (FW.FR.II) Department, dated 23-08-1983.
 6. G.O.Ms.No.182, Finance & Planning (FW.FR.II) Department, dated 7-5-1984.
 7. G.O.Ms.No.358, Finance & Planning (FW.FR.II) Department, dated 25-10-1993.
 8. G.O.Ms.No.7, Finance & Planning (FW.FR.II) Department, dated 17-1-1995.
 9. G.O.Ms.No.399, Finance (FR.II) Department, dated 18-11-2005.

The Automatic Advancement Scheme was introduced first with effect from 01-04-1981 vide reference first cited. According to this Scheme, an employee who completes 10 years of incremental service in a post, and eligible to be promoted to the next higher post will be appointed to Special Grade Scale and an employee who completes 15 years of incremental service will be appointed to Special Temporary Promotion Post or Special Adhoc Promotion Post. In

1986 Pay Scales, Special Promotion Post Scale-II was introduced vide G.O.(P) No.2, Finance & Planning (FW:PRC.I) Department, dated 4-1-1988, which will be given to the employees on completion of 22 years of incremental service, which was the next promotion scale over the first Special Promotion Post. This G.O. also termed the Special Temporary Promotion Post and Special Adhoc Promotion Post of G.O. first cited as Special Promotion Post Scale-I and Special Adhoc Promotion Post Scale-I respectively. Subsequently in 1993 Pay Scales, the above span of the period has been changed as 8 years, 16 years and 24 years for awarding Special Grade, SPP-I and SPP-II (one increment in the existing scale) respectively vide G.O.(P) No.290, Finance & Planning (FW.PRC.II) Department, dated 22-7-1993.

2. Consequent on introduction of Automatic Advancement Scheme, a situation arose wherein the senior who got regular promotion without availing the benefit of Automatic Advancement Scheme was drawing less pay than his junior who got regular promotion after availing the benefit of Automatic Advancement Scheme. To set right this anomaly, orders were issued in the references second to fourth cited, for stepping up the pay of the senior on par with that of the junior subject to satisfaction of certain conditions mentioned therein.

3. The system of pay fixation under FR 22-B was first introduced with effect from 25-12-1982 in the reference fifth cited read with G.O.Ms.No.332, Finance & Planning (FW.FR.II) Department, dated 13-12-1983. After introduction of FR 22-B for fixation of pay on promotion, a situation arose wherein the senior who got promotion before introduction of FR 22-B and whose pay was fixed under FR 22 (a) (i) was drawing less pay than his Junior who got promotion after introduction of FR 22-B and got his pay fixed under FR 22-B. To set right this anomaly orders were issued in the reference sixth cited, stepping up of the pay of the senior on par with the junior subject to the satisfaction of the conditions mentioned therein.

4. Till 1993 Pay Scales, the benefit of Automatic Advancement Scheme available to the employees by virtue of long incremental service rendered in one category/post and the benefit of pay fixation under FR 22-B were both available to the employees on promotion to the higher post. After introduction of 1993 Pay Scales orders were issued in the references seventh and eighth cited, to the effect that the employees who got the benefit of Automatic Advancement Scheme (Special Grade / SPP-I / SPP-II) are not entitled to the benefit of pay fixation under FR 22-B consequent on their regular promotion to the higher category with effect from 1-7-1992. The pay of such employees must be fixed under FR 22 (a)(i) only. This situation continued till 30-06-2003.

5. The benefit of pay fixation under FR 22-B to those who got the benefit of Automatic Advancement Scheme (Special Grade / SPP-I / SPP-II) is reintroduced with effect from 01-07-2003 in the reference ninth cited, based on the recommendations of the Pay Revision Commission 2005.

6. After re-introduction of FR 22-B in the reference ninth cited, a new situation of anomaly arose wherein the senior who availed the benefit of Automatic Advancement Scheme (Special Grade / SPP-I / SPP-II) and got promotion before 01-07-2003 and had the pay fixed under FR 22 (a) (i) is drawing less pay than his/her Junior who availed the benefit of Automatic Advancement Scheme (Special Grade / SPP-I / SPP-II) and got promotion after 01-07-2003 and has his/her pay fixed under FR 22-B.

7. In view of the above, it is observed that the earlier anomalies arose between the pay drawn by Senior and Junior due to **introduction** of the Automatic Advancement Scheme with effect from 01-04-1981 and the **introduction** of system of pay fixation under FR 22-B on promotion to the higher post with effect from 25-12-1982 and they were not linked together. Both the anomalous situations i.e. the anomaly arising out of Automatic Advancement Scheme and the anomaly arising out of pay fixation under FR 22-B were independent of each other and was due to **introduction of these schemes and thus the anomalies were rectified**. Accordingly orders were issued in the references second to fourth cited and sixth cited respectively.

8. The present situation is different. During the Revised Pay Scales 1993, Government have taken a policy decision not to extend the benefit of fixation of pay under FR 22-B for those employees who got regular promotion after availing the benefit of Automatic Advancement Scheme. In the Revised Pay Scales 2005, the benefit of fixation of pay under FR 22-B on regular promotion for those employees who got regular promotion after availing the benefit of Automatic Advancement Scheme has been **reintroduced**. The anomaly arising out of this situation cannot be set right, because any action in this direction will defeat the purpose of the policy decision taken in 1993 Pay Scales that the benefit of fixation of pay under FR 22-B on regular promotion is not available for those employees who got regular promotion after availing the benefit of Automatic Advancement Scheme.

9. In the circumstances stated above and after careful examination, Government hereby clarify that the anomaly between the pay drawn by the senior and junior arising out of the **reintroduction** of pay fixation under FR 22-

B for those employees who are holding Special Grade / Special Promotion Post Scale-I and got regular promotion after 1-7-2003 **cannot be rectified.**

10. All the Departments of Secretariat and Heads of Departments are requested to follow the above clarification scrupulously.

**RANJEEV R ACHARYA,
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

5.13

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Finance Department – Streamlining of fund flow, Accountability and proper utilization of funds received directly from Government of India and releases by State Government – Regulation of release of funds – Orders – Issued.

FINANCE (WAYS & MEANS) DEPARTMENT

G.O.Ms.No.113

Dated: 10-05-2007

Read the following:

1. G.O.Ms.No.43, Finance & Planning (FW:W&M) Department dated 22.14.2000.
2. G.O.Ms.No.97, Finance (W&M) Department, dated 20-04-2007.

ORDER:

In the reference first read above certain instructions were issued regarding withdrawal of funds from Deposit Accounts.

2. In the reference 2nd read above instructions were issued to certain departments to operate P.D Accounts in respect of funds received from Government of India under Centrally Sponsored Schemes instead of Bank Accounts.
3. A meeting was convened by Principal Secretary to Government (R&E) on 21-04-2007 with Secretaries and Heads of Departments of certain major Departments which are receiving funds directly from Government of India bypassing the State budgetary mechanism and also to discuss modalities of regulating Government of India releases through Personal Deposit Accounts.
4. Funds in various proportions are received directly from GOI under Velugu, Sarva Siksha Abiyan, Kasturba Gandhi Balika Vidyalaya, National Programme of Elementary Education for Girl Child, Horticulture Department under APMIP Scheme, Housing Department under IAY Scheme, Agriculture Department in ATMA Scheme and ANTEWA Scheme, Medical and Health Department under National Rural Health Mission, Municipal Administration and Urban Development Department under SGSRY Scheme, Panchayat Raj and Rural Development Department under Sujaladhara Scheme and under Total Sanitation Campaign.

The amount received from Government of India is being credited directly into the bank account of the concerned administrator whereas the State share is credited to the P.D. Account subsequently adjusted to the bank account.

5. By and large payments are regulated through Treasuries and Pay and Accounts Offices in respect of P.D. Accounts but for the funds which are directly released by Government of India are being handled outside state treasury control system..

6. In order to ensure proper utilization of funds released either by Government of India or by State Government and to bring accountability, improve transparency, bring sense of financial discipline and to avoid any misuse/misappropriation of funds, Government hereby issues the following further orders for scrupulous adherence and any deviation will be viewed seriously.

- I. The funds received from Government of India directly should be routed through only one Bank for all the schemes coming under one department i.e., even though the schemes are handled through different accounts, the accounts will be with one Bank only both at State Level as well as for field officers. For example, if it is 'X' bank at the State Level, the accounts at the field level in the Districts or Sub Units of the Districts will be with the same 'X' bank only. Bank Accounts should invariably be opened by the Head of the Department at the State level and by the Head of the Office at the District level and shall be in the designation of the Head of the Department at the State headquarters and in the designation of the District Officers in the Districts and all accounts shall be operated with joint signatures.
- II. For all the funds that are released by Government of India, where a restriction of one bank one scheme does not exist, one bank one Scheme principle should be followed.
- III. Heads of Departments/District Officers shall not withdraw any funds released by Government of India or by State Government to keep them in Fixed Deposit. This does not prohibit the Department to make use of any flexy interest that can be given by the Bank to the Department, which is operating its funds.
- IV. The transfers from Head Office to Districts or unspent balances coming back to Head Office shall not be through Financial Instruments and shall be handled as a Bank-to-Bank transaction only.

- V. Reconciliation on a monthly basis shall be done and the Head of Department shall be personally held responsible for it.
 - VI. The Internal Audit Wing of the department shall be strengthened. If the work is outsourced, no Internal Auditors shall work in the same department for more than three years.
 - VII. Pre audit shall be done before the release of funds by the concerned departments if the amount exceeds specified limit. The limit shall be fixed by the concerned administrative department in consultation with Finance (Expenditure) Department. This only applies to cheques for payment for execution of works by other agencies and do not apply to intra-departments transfer between the Head of the Department and District offices.
 - VIII. The Departments shall develop a Financial Management Package and ensure that all financial transactions are routed through the package only. The data should be uploaded to the Website of the Department as mandated under the Right to Information Act.
 - IX. No self-cheque from P.D Account will be permitted, except for the salaries and petty Office Expenses and for Imprest Permanent Advance purposes, as fixed by the respective administrative departments and no cheque will be issued in the name of any Manager of Bank nor it shall be allowed by the Administrators of P.D Accounts.
7. Since funds directly flow from Government of India to Districts and even state head office to District Collectors for onward implementation of programmes, the District Collectors and other subordinate officers, both at the District Level as well as Sub District level shall also follow all the instructions issued from time to time.
8. The above mentioned guidelines should be strictly followed by concerned Departments of Secretariat, Heads of Departments and District Collectors and any deviation will be viewed seriously.

9. This order is available in the Internet and can be accessed at the address <http://www.aponline.gov.in> **and** <http://www.apfinance.gov.in>

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA
PRADESH)**

P. RAMAKANTH REDDY
SPECIAL CHIEF SECRETARY TO GOVERNMENT

**5.14 GOVERNMENT OF ANDHRA PRADESH
FINANCE (W&M) DEPARTMENT**

Circular Memo No.1320/659/A2/W&M/2007,

Dated:11.12.2007

Sub:- Ban on purchase of new vehicles – Procedure for hiring of the vehicles and enhancement of hiring charges – Further instructions – Issued.

- Ref:-
1. G.O.Ms.No.5, Finance & Plg. (FW.W&M) Department, Dated:04.01.1994.
 2. G.O.Ms.No.333, G.A.(OP.II) Dept., dated:31.07.1997.
 3. Circular Memo.No:3813 / 644 / A2 / W&M / 98, dated:08.01.1999 of Fin. & Plg. (FW.W&M) Department.
 4. Circular Memo.No.164-B / 25 / A2 / W&M / 2000, dated:28.02.2000 of Fin. & Plg. (FW.W&M) Department.
 5. Memo No.19026/OP.II/A1/2001, G.A.(OP.II) Dept, dt.7.7.2001.
 6. Circular Memo No.30692/1116/A2/W&M/2002, Finance (W&M) Department, dated 22.04.2003.
 7. Circular Memo No.13667-B/524/A2/W&M/2007, Finance (W&M) Department, dated 21.06.2007.
 8. Representation dt.22.6.2007 from Sri R.Krishnaiah, President, AP B.C Welfare Association, Hyderabad.
 9. D.O.Letter No.6905/C1/2007, dated 6.10.2007 from Transport Commissioner, A.P., Hyderabad.
 10. D.O.Letter No.8188/V1/2007, dated 17.11.2007 from Transport Commissioner, A.P., Hyderabad.

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In the reference first cited, orders have been issued imposing ban on purchase of new vehicles by the Government Departments / Government

affiliated organizations and prescribing the procedure to be followed for hiring the private vehicles in case of extreme necessity.

2. In the reference eighth cited the President, A.P. Backward Classes Welfare Association has represented to the Government in Finance Department for enhancement of hire charges in view of increase in Diesel rates, driver's salary and maintenance charges etc. The Transport Commissioner, A.P., Hyderabad who were consulted in the matter has also recommended for enhancement of hire charges and proposed certain procedure vide references ninth and tenth cited.

3. After careful examination, the Government hereby revise the hiring charges fixed in the reference 6th cited as indicated below which includes Petrol, Driver Bata and Maintenance charges.

4. The above revised hire charges shall come into effect from **1st January, 2008**.

5. For hiring charges exceeding 2,500 K.Ms, specific sanction of Finance (W&M) Department have to be obtained through the concerned Administrative Department of Secretariat with proper justification along with logbook particulars.

6. The following instructions have to be necessarily followed at the time of hiring of private vehicles.

- i) The private vehicles, which are registered as a Taxi can only be hired for Government duty.
- ii) The owner of the vehicle hired for Government duty should produce the pollution control certificate for every six months.
- iii) The owner of the vehicle hired for Government duty should produce the valid documents like permit, fitness certificate, insurance, tax etc., for plying for hire.
- iv) The owner of the vehicle hired for Government duty should also produce the Professional Driving License with badge of the Driver proposed to be engaged.

7. All Departments of Secretariat and Heads of Departments and all Sections in Finance Department are requested to follow the above instructions and also follow the instructions issued in the references 1,2 and 5th cited while hiring the private vehicles for Government duty.
8. The Treasury Authorities are advised not to admit the bills pertaining to hire charges in respect of vehicles whose hiring has not been concurred by the Finance Department.
9. This order is available in the Internet and can be accessed at the address <http://www.aponline.gov.in> and www.apfinance.gov.in

P. RAMAKANTH REDDY
SPECIAL CHIEF SECRETARY TO GOVERNMENT

**5.15 GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Assignment of Code to each and every employee of the Government - Issue of guidelines - Orders - Issued.

FINANCE (IOC & IT) DEPARTMENT

G.O.Ms.No.80

Dated:19 -03-2008,
Read the following:-

Lr.No.N1/ 3898 /2007, dt.13-11-2007 of DTA, AP, Hyderabad.

ORDER:

In the reference read above, the Director of Treasuries and Accounts has informed that all Government employees have been assigned a unique 7 digit code by all the DTOs and PAO, Hyderabad. All the DDOs have been requested to maintain the respective code for all employee related claims. The subject has been viewed in detail and the following guidelines are issued.

1. Each and every employee has been issued a unique 7 digit code. All new entrants into Government service also shall be assigned a code at the station where he gets his/her first appointment by the concerned D.T.O.
2. After a code has been assigned to an employee, it remains the same throughout the service.
3. Even after an employee retires from service, the code shall not be assigned to any one else and continues as his unique number.
4. All the transactions pertaining to an employee shall be recorded with that code only.
5. At the time of transfer of an employee, the code shall be written against the employee in the LPC, failing which his salary cannot be paid in the new station.

6. The employee code shall be recorded in the individuals Service Register on the first page.
7. All employees related claims like Salary, Loans and Advances, T.A Bills, Medical Reimbursements etc., shall contain this number. The code shall be noted against each employee in all pay bills and the deduction schedules also.
8. All financial sanctions in favour of an employee and administrative orders like transfers, etc. shall bear the code of the employee along with the name.
9. The following employee details shall be captured into a database at the Treasury/PAO, Hyderabad.
 - (a) Department Code
 - (b) DDO Code
 - (c)
 - i) First name
 - ii) Middle name
 - iii) Surname
 - (d) Gender (Male / Female)
 - (e) Marital Status
 - (f) Spouse Name
 - (g) Employment of spouse
 - (h) Sector code with description
 - (i) Date of Birth
 - (j) Date of Joining into service
 - (k) Category
10. There are different account numbers for the following employee related transactions
 - i) All accounts of Loans and Advances
 - ii) GPF Accounts
 - iii) Contributory Pension Accounts
 - iv) Insurance Policies, etc.

Steps shall be taken by all concerned including DDOs to maintain the above accounts and transaction with the unique employee code.

11. The employee codes shall be given to all Government employees. A separate code will be given to all employees working on grants – in –

aid. All the employees who are on Foreign Service shall obtain a code immediately after they are repatriated to Government jurisdiction.

12. Roles and Responsibilities:-

- a) All the DDOs shall use the employee code for all the employee related claims like
- i) Salaries
 - ii) TA bills
 - iii) LTC
 - iv) All Loans and Advances
 - v) GPF Loans/Deductions/Part-final and Final Withdrawals
 - vi) All deductions of Contributory Pension Scheme etc.

The DDOs shall note this code on all the deduction schedules also.

- b) The DTOs / PAO, Hyderabad shall be responsible for allocating the codes to the employees in their respective districts. Whenever a new employee is recruited, the concerned DTOs / PAO, Hyderabad shall obtain the details of the employee from the DDO and a new code shall be assigned. Audit of all employee related claims shall be with respect to the employee codes.
- c) DTA shall be responsible for monitoring the scheme of allocation of employee codes as per the guidelines of the Government. He shall be responsible to coordinate with all concerned and ensure that no two employees get the same code. No employee shall get two codes. He shall be responsible to look into the software needs for smooth implementation of the scheme.

These orders come into force with immediate effect.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

**I.Y.R.KRISHNA RAO
PRINCIPAL SECRETARY TO GOVERNMENT**

5.16

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

ECONOMY MEASURES – Economy in expenditure for the financial year
2008-09 – Orders – Issued.

FINANCE (W&M) DEPARTMENT

G.O.Ms.No.168

Dated: 26-06-2008

Read the following:-

G.O.Ms.No.100, Finance (W&M) Department, dated 05.04.1988.

* * *

ORDER :

In order to ensure that adequate funds are available for taking up priority developmental programmes of the Government, the following instructions are issued.

- 1) Creation of posts would be done based on absolute necessity only. No proposals for upgradation will be entertained.
- 2) No proposal for abolition of existing revenue or concession which result in reduction of the revenues shall be entertained.
- 3) All proposals for purchase of vehicles shall be deferred.
- 4) Strict Economy should be followed under office contingencies.
- 5) Entertaining at Government expenditure should be reduced to the barest minimum.
- 6) All Departments should observe economy in expenditure in holding conferences / seminars / meetings.
- 7) No new scheme even under Plan which has not been provided for in the Budget shall be entertained.
- 8) The permission for Air Travel should not be allowed to any officer who is not eligible to travel by air under rules.
- 9) Purchase of machinery and equipment shall be deferred till a detailed examination has been made and formal Government orders obtained.

- 10) The expenditure on advertisements directly by departments shall be limited to the barest minimum and it must be paid from the budget provision of the concerned departments.
- 11) Incurring of expenditure on any item beyond the powers of the concerned authority will be viewed very seriously and ratification will not be accorded.
- 12) No Foreign visits at the cost of State exchequer will be allowed.

2. All the Departments of Secretariat and all Heads of Departments are requested to follow the above instructions scrupulously without any deviation. Any failure on the part of the Departments to implement the above instructions will be viewed seriously by the Government.

3. The above instructions are also applicable to the Panchayat Raj Institutions, all Local Bodies including Municipalities / Municipal Corporations, Public Sector Undertakings, Universities and all grant-in-aid institutions.

4. This order is available in the Internet and can be accessed at the address <http://www.aponline.gov.in> and <http://www.apfinance.gov.in>

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I.Y.R.KRISHNA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

6. Financial Accountability for PAO (W&P) Organisation

6.1 Introduction

- a. The PAO (Works & Projects) Organisation has payment control over
 - i. Irrigation Sector
 - ii. Works expenditure in respect of R&B, PR, PH and Forest Department.
- b. The PAO functions as Pre-check–cum–Treasury office in respect of the offices under the jurisdiction of its payment control.
- c. This organization has to pre-check 100% claims of DDOs
- d. Arrange payment, maintain accounts and various records with reference to rules and regulations in force.
- e. Render accounts to AG, provide data on expenditure to Government, CCO, CO and DDO on a monthly basis.
- f. The main aim is to plug the loopholes, to minimize the audit observations by statutory audit.
- g. Maintain and place the accounts in a correct shape at the proper time in the hands of Government, CCO, CO and DDO.
- h. The overall administrative control over the accounts organisation in the first level shall rest with the Principal Secretary (Works & Projects), Finance (W&P) Department, Secretariat.

6.2 The Hierarchy of the PAO (W&P)

Principal Secretary to Govt. (W&P)



Director of Works Accounts (HOD)



Joint Director of Work Accounts



PAO/APAOs



Superintendents



Senior Assistants

6.3 Duties and Functions of Various Functionaries

a. **Principal Secretary (W&P)**

He will exercise overall administrative control over the organization.

b. **Director of Works Accounts**

He is the Head of Department as constituted in G.O. Ms. No.303 Finance (SMPC) Department, dated 24.04.2003.

6.4 Director of Works Accounts

The salient features are:

1. Compilation of accounts and reporting to Government.
2. Authorization for incurring of expenditure by PAO/APAO of Treasury control items/LOC in respect of payments under the payment control of PAO.
3. Laying down procedure and suggesting modifications to the existing procedure.
4. Act on CCO for the PAO organization.
5. Statutory inspection of accounts and records in the offices of JDWA and subordinate offices.

6.5 Joint Director of Works Accounts

- a. The duties and functions of JDWA are incorporated in 2-1-2 in PAO (W&A) manual.
- b. The salient features with reference to Financial Accountability are as under:
 1. He is the chief accounting authority and chief **internal auditor**.
 2. He should ensure that payments are made in accordance with rules and orders in force and withhold payments, which he considers to be irregular, and bring it to the notice of the Government.
 3. He should ensure timely warning of probable excess/saving anticipated against BE to the concerned CCO & the Government.

4. He is responsible for rendering of accounts to AG/DOWA/Government in respect of major projects.
5. He is responsible for accounts documentation of all transactions.
6. He should conduct inspection of offices of PAO/APAO and of DDOs annually as per the procedure prescribed in Chapter 14 of PAO (WA) Manual.
7. He should conduct scrutiny of estimates/agreements whose value is more than Rs.10.00 lakhs and supplemental agreement whose value is more than Rs.2.00 lakhs (Chapter 13 of PAO [WA])
8. He should conduct post-review of vouchers whose value is more than Rs.2 lakhs to ensure that the prescribed norms have been observed in making payments and the postings are made in the concerned register and accounts records (Chapter 13 of PAO[WP])
9. He should conduct post-check of bills of works whose value is more than Rs. 10 lakhs at two stages, i.e., 40% and 80% from higher audit point of view.
10. He is responsible for arranging comparison of rates in SSRs of various departments and should bring any inconsistencies to the notice of the Government.

6.6 PAO/APAO

1. PAO/APAO is responsible for conducting 100 percent check over the claims preferred by DDO.

2. PAO has to arrange payment, maintain accounting records and rendering of accounts to AG.
3. PAO has to furnish accounts of expenditure to the CCO/CO/DDO/JDWA/ Government.
4. PAO has to see that the expenditure is incurred out of the consolidated fund against a proper sanction accorded by the competent authority against the funds authorised by the competent authority.
5. PAO has to ensure that the sanction conforms to the relevant provisions of the financial rules and regulations in force (Chapter 5 of PAO/APAO).
6. PAO is responsible for the overall functioning of the office.
7. PAO/APAO is responsible for indenting, receipt and safe custody of adequate number of blank cheque pads.
8. PAO is responsible for drawal, delivery and despatch of cheques and maintenance of cash books.
9. PAO is responsible for reporting the results of his checking to the proper authority so that appropriate action is taken to rectify irregularities where possible and to prevent the recurrence of such irregularities (Chapter 10)
10. PAO has to do annual physical verification of bank guarantees/stock of cheque pads and annual physical verification of furniture and stationery.

6.7 Superintendent

1. The Superintendent is responsible for smooth conduct of pre-check of the bills.
2. Compilation of accounts and records of accounts.
3. Maintenance of calendar of returns.
4. He should submit the monthly progress report indicating the status of work in the section and the position of arrears, if any.
5. The Superintendent is responsible for the receipt of bills, their proper distribution and timely action on the bill.
6. The Superintendent is responsible for conducting 100% precheck, check against sanction, check against funds and exchequer control
7. The Superintendent is responsible for maintenance of accounts, records and registers and documentation of accounts/vouchers.
8. Superintendent in-charge of cash sections is responsible for;
 - i. indenting receipt and safe custody of blank cheques.
 - ii. receipt and disposal of valuables/securities.
 - iii. passing on recoveries effected from the bill.
 - iv. ensuring that statement of bills paid is sent to each DDO and certificate of verification of DDO is received.

- v. ensuring that the reconciliation as per GO MS No. 507 is done.
9. The Superintendent in-charge of compilation section is responsible for
- i. proper and prompt rendering of accounts to AG/DOWA/ JDWA/ DDO/Govt.
 - ii. for reconciliation with Bank/Treasury, obtaining CTRs, CTIs and sending schedules of settlement with treasuries to AG.
 - iii. for maintenance of records and documentation of accounts.
 - iv. the accuracy of the claims passed is his section.
 - v. correctness of classification adopted.
 - vi. accuracy of the postings made in various accounts register.
10. The Superintendent is responsible for training the SAs/JAs to make them fit to do the work efficiently and promptly.

6.8 Senior Assistants

- 1. Senior Assistant is a primary auditor.
- 2. He is responsible for arithmetical accuracy of the claims handled by him.
- 3. He is responsible for applying various checks to the claims in accordance with rules and orders in force.
- 4. He is responsible for posting, maintenance of various accounts, registers and keep them up-to-date and accounts

are rendered monthly the due date.

5. He is responsible for the accuracy of the information furnished by him in the calendar of returns and monthly progress report.
6. Senior Assistant acting as cashier is responsible for:
 - i. accurate and proper maintenance of cash book, prompt and correct drawal despatch/delivery of cheques.
 - ii. prompt receipt diarising the valuables received by him. Watching of the receipt of the challans in support of the remittances made into the bank/Treasury.
7. He should review the bill transit registers received from pre-check section to ensure that cheques have been drawn in respect of all bills sent by the pre-check section.
8. He should ensure that there is no delay in issue of cheques drawn and delivered on the same day.

6.9 Registers and Records

The PAO should maintain Registers and Records as prescribed in PAO (WA) Manual.

7. Financial Accountability for CCOs, SCOs and DDOs of Works & Projects

7.1 Introduction

Each wing of the PWD is headed by an Engineer-in-Chief/Chief Engineer. The functions of various departments include, construction of minor, medium and major irrigation projects, construction and maintenance of non-residential and residential buildings, roads and bridges, public health, sanitation, water supply, rural development, conservation of forests, social forestry, environmental management and execution of works on behalf of the Government (para 2 of 'D' code).

The PWD as the agent of GOI has to execute public works on behalf of the Central Government debitable to Central Revenue (para 4 of 'D' code).

7.2 The Duties and Responsibilities of CCOs (ENC/CEs) in brief are as follows:

1. Each Chief Engineer (CE) is a responsible professional adviser to the Government on all matters relating to his branch (para 6 of 'D' code).
2. The CE will exercise concurrent control with the Audit officer over the duties of officers of the department in connection with maintenance of accounts. He shall give legitimate support to the Audit officer in enforcing strict attention to the regulations concerning the disbursement of money, custody of stores need, submission of accounts, etc. The CE should arrange that the Audit officer is kept fully cognizant of all proceedings and proposals to enable the latter to fulfill his functions. (para 8 'D' code)

3. The CE will prepare annual budget and revised budget for the works under his control and prepare a report on the progress made during that period on the public works under his charge. He is also responsible for supervision and control of the assessment of such revenues as are collected in PWD (para 9 of 'D' code).
4. The CE is responsible for utilization of budget allocations and prompt surrender of anticipated savings (para 10 of 'D' code).
5. The CE is the highest technical sanctioning authority. He should personally inspect all works costing Rs.500.00 lakhs and above, before according technical sanction. (para 415 of 'D' code & G.O. Ms. No. 94, I & CAD Department, dated 01.07.2003)
6. The CE can pass excess expenditure that is over and above technical sanction upto 15% of the value of original Technical Sanction. (415 [c] of 'D' code).
7. The CE is vested with powers of re-appropriation during the first three quarters of the financial year subject to certain conditions (415 of 'D' code & Govt. Memo No. 3464/890/BG1/A1/2003, Finance [BG.II] Department, dated. 13.09.2003)
8. The CE can accept tenders for the works costing upto Rs.200.00 lakhs (G.O. Ms. No. 94, dated. 1.7.2003).
9. The CE has powers to write-off irrecoverable value of stores or public money (para 415 of 'D' Code).
10. The CE should arrange for distribution of grant CO/DDO-wise.

11. The CE should arrange for maintenance of a Register for Distribution Grant.
12. The CE should arrange for Reconciliation of Departmental Expenditure with those in AG's Office on a monthly basis and furnish verification statement to the AG.
13. The CE is responsible for furnishing the reconciliation certificates to AG for each grant on a quarterly basis (19.7.1.of B.M).
14. The CE is responsible for furnishing expenditure statement to the Government on a monthly basis.
15. The CE is responsible for preparing and submitting performance budget to the Legislative Assembly along with BE.
16. The CE is responsible for submitting the Number Statement to the Government by June (16.20.1. of B.M.).
17. The CE is responsible for preparation of material for FMS, including surrenders, by 15th March (20.13.3.of B.M.).
18. The CE is responsible for submitting Appropriation Accounts by 15th June.
19. The CE is responsible for submitting the Finance (Administrative) Accounts to the AG by the end of July (para 582 of 'A' code).
20. The CE is responsible for submitting proposals for supplementary grants latest by 15th February (20.13.3 of B.M.).

21. The CE is responsible for maintaining Register of Broad Sheet for noting down sanction of **Loans and Advances**, compliance of sanctions, watching recoveries, etc.
22. The CE has to assist the Government in furnishing replies to the **Draft Paras** to the AG within six weeks.
23. The CE has to arrange to furnish material to the Government to submit explanatory notes to the PAC within 30 days (20.17.1 of B.M.).
24. The CE should implement the recommendations of PAC and submit ATRs to the Government for placing them before PAC (20.6 of B.M.).
25. The CE should arrange for maintenance of Project Register for recording expenditure and watching the record of completion reports.
26. The CE is responsible and conducting annual inspection of the COs (SEs).
27. The CE is competent to approve alterations to technical specifications and according approval to the observed data (P.S. 2 & P.S 63 to APSS).
28. The CE is competent to award works costing upto Rs.1.00 lakh on nomination (para 154 'D' Code).

7.3 Duties and Functions Of SCOs (SEs)

1. The administrative unit of the Department is in charge of the SE, who is accountable to the CE for general and professional control of public works (para 13 "D" code).

2. It is the duty of the SE to inspect important works in his circle that the systems of management are efficient and economical, that regulations, works, stock and accounts are strictly observed (para 14 “D” code).
3. The SE is responsible for checking the measurement of all works costing Rs.50 lakhs and above at 1/3rd, 2/3rd and final stage of the works to the extent of 30% of value of work done.
4. The SE is responsible to watch and control the rates paid for the work (para 15 of “D” code).
5. The audit officer and SE should assist each other in rendering the management of departmental accounts as perfectly as possible. To this end, during inspection of the Divisional Offices, the SE will look into methods of preparations of estimates, contractor’s accounts and agreements, the system of recording plans and office work (para 17 “D” code).
6. The Superintending Engineer should generally supervise and control the correct assessment and realization of such revenue as is assessed or collected in PWD (21 “D” Code).
7. The SE has powers to accord technical sanction to plan works upto Rs.100.00 lakhs and other works upto Rs.50.00 lakhs (para 418 of “D” Code & G.O. Ms. No. 94 I & CAD (PW.COD) Department, dated 01.01.98).
8. The SE has to inspect the works costing from Rs.50.00 lakhs to Rs.500.00 lakhs before according technical sanction by a competent authority (G.O. Ms. No. 94, dated 01.07.2003)

9. The SE has powers to pass excess expenditure over technical sanction up to the limit of powers of technical sanction (para 418 of “D” Code).
10. The SE can undertake full contribution works upto Rs.1,00,000/- (para 418 of “D” Code).
11. The SE has powers to sanction photography charges within the limits of budget provisions (para 421 of “D” Code).
12. The SE has powers to accept and finalise tenders upto the limit of his powers of according technical sanction (para 422 of “D” Code & G.O. Ms. No.94, dated 01.07.2003).
13. The SE can sanction estimates for losses due to depreciation of stock upto a limit of Rs.10,000/- (para 422 of “D” Code).
14. The SE can write off the irrecoverable value of stores or public money upto Rs.500/- in each case (para 423 of “D” code).
15. The SE is the highest Authority for concluding agreements for the tenders accepted by him and higher authorities.
16. The SE is delegated with the powers of awarding works on nomination basis upto a value of Rs.50,000/- (para 154 of “D” code).
17. The SE should arrange for maintenance of Register of Tender Notices to record the details of number of tender notices issued to ensure that there are no manipulations.
18. The SE should arrange for maintenance of a register for recording applications received for supply of tender schedules and tender schedules sold with details of DDs received and disposed.

19. A register of Tenders received should be maintained by the SE. This register is also utilized to watch receipt and disposal of DDs submitted by the contractors towards EMD and return of EMD of unsuccessful tenders. This is also treated as subsidiary cash book.
20. The SE is responsible for verification of variations in classifications of soils, etc., when the variation is in excess of 10%. It should be done along with SE, Quality Control.
21. The SE has to arrange for distribution of grants allotted to the circle DDO-wise.
22. The SE has to arrange for conducting of inspection of divisions annually.
23. The SE, as the convener of the Audit Committee, has to arrange review meetings to reduce Audit objections.
24. The SE is responsible to submit progress reports in prescribed formats to watch the expenditure against grant allotted on a monthly basis. (P 117 of APPW 'A' code & 19.12.1 of B.M.).
25. The SEs of R&B Department are responsible for fixation of KM war rates for sanctioning maintenance estimates. (para 418, 429 (a) of "D" code).
26. The SE should maintain Register of Estimates sanctioned.
27. The SE should maintain Register of Agreements concluded at his level.
28. The SE should maintain Register of Purchase Orders placed at his level.

29. The SE has to ensure genuineness of BGs and accept them before sending them to PAO for safe custody. (G.O. Ms. No. 5, F & P [PW] Department, dated 25.01.1996.

7.4 Duties and Responsibilities of DDOs (EEs)

1. The executive unit of the Department is the division which is incharge of an Executive Engineer, who is responsible to the SE, for execution and management of all works within his Division (para 25 of "D" code).
2. The EE is responsible to ensure that proper measures are taken to preserve all the buildings and works in his division and to prevent encroachment on Government lands in his charge (para 27 "D" code).
3. The EE has to maintain Register of Buildings and Lands in his charge.
4. Every EE should immediately report to the AG, CE, through the SE, and to the Collector of the District, any serious loss of immovable property caused by any accident or other occurrences (para 20 of "D" code).
5. The EE is prohibited from commencing any work or expending any public funds without sanctioned designs in the course of execution, except in the case of emergency (para 31 "D" code).
6. Immediately after a work is finished, it will be the duty of the EE to close the Accounts and prepare the completion report (para 32 of "D" code).

7. The EE is responsible to see to it that the accounts of his division are kept upto date are not allowed to fall into arrears (para 35 “D” code).
8. The EE is responsible for detailed assessment of revenue and is collected through PWD within his division and will maintain such records and accounts for the purpose as may be prescribed (para 37 “D” code).
9. The EE is responsible for maintaining Register of Completion Reports and obtain approval of the competent authority for the expenditure beyond his powers to regularize.
10. The EE is responsible for fixing standard rent of buildings in his division.
11. The EE has to maintain a register of miscellaneous properties (para 255 PW of “A” code).
12. The EE has to maintain a Register of Revenue realized.
13. The EE is responsible to see to it that surveying and mathematical instruments in his division are properly cared for and will report on their condition to the SE at the end of each working season (para 38 “D” code).
14. The EE can accord technical sanction for works upto Rs.10,00,000/- (para 428 of “D” code & G.O. Ms. No. 94, I & CAD (CoD) Department, dated 01.07.2003).
15. The EE can sanction expenditure over and above the technical sanction up to 5% of original T.S. upto the limit of powers of his technical sanction (para 428 of “D” code).

16. The EE can divert provision for contingencies to new works or repairs not provided for in the estimate upto a maximum of Rs. 500/- in each case (para 428 of “D” code).
17. The EE can divert provision under unforeseen works for new items within the same works, which are required by the administrative authority (para 428 of “D” code).
18. The EE can sanction expenditure for emergent repairs to all works of the department to any necessary and reasonable extent in case of imminent danger to the structure (para 429 of “D” code).
19. The EE can accept tenders upto the limit of powers of technical sanction plus such excess as he is empowered to pass over the original T.S. (para 431 of “D” code).
20. The EE has powers to write-off irrecoverable value of stores or public money lost by fraud or negligence of individuals or other causes, unprofitable outlay on works and loss of revenue (para 432 of “D” code).
21. All works costing Rs.5.00 lakhs and above should be check measured by the EE to the extent of 30% of value of work done. In addition, every part bill requires check measurement by the EE before payment. (para 297 of ‘A’ code and para 294 of “D” code).
22. The EE should maintain Register of Estimates sanctioned.
23. The EE should maintain Register of Agreements concluded.
24. The EE should maintain Register of Purchase orders placed.

25. The EE should maintain Register of Tender Notices released.
26. The EE should maintain a Register for recording applications received for supply of Tender schedules and Tender schedules sold together with the particulars of DDs and their disposal.
27. The EE should maintain Register of Tenders received. This register is also utilized for recording the receipt of DDs towards EMD and return of DDs to unsuccessful bidders.
28. The EE should maintain Register of Check Measurements.
29. The EE is responsible for assigning numbers to the MBs and arrange to issue blank MBs to sub-divisions.
30. The EE should maintain Register of Masonry works, Culverts, Causeways, Bridges, etc.
31. The EE should conduct annual inspection of sub-divisions.
32. The EE has to arrange for physical verification of assets.
33. The EE is responsible for furnishing of booklets to I.R. paras and settlement of audit objections.
34. The EE has to submit annual certificates of balance to AG after getting validated by the PAOs.
35. The EE is responsible for settlement of inter-departmental/ inter-divisional transactions like Cash Settlement Suspense Account.
36. The EE should arrange for execution of works as per administrative approval, technical sanction, agreement and supplementary agreement.

37. The EE should send the copies of Estimates, Agreements and Supplementary Agreements along with data to the PAO well in advance for scrutiny and release of payments.
38. The EE should inspect the sub-divisions annually.
39. The EE is responsible to submit the return of Estimates sanctioned to the higher officer and audit officer, including PAO, not later than 5th of succeeding month (para 212 of “D” code).

7.5 Duties and Responsibilities of DDOs

(Including those in CCO & SCO Offices)

1. DDOs are responsible for correct drawal of funds. He should see to it that each bill is drawn against a proper sanction.
2. DDO should see that there is sufficient budget/LOC available and within quarterly regulation.
3. DDO should submit the claim in the proper form and ensure that the classification is correctly reflected as per BE.
4. DDO should enclose all the relevant sanctions attested by him with ink-signed copies, and also the schedules required for passing the claim.
5. DDO is responsible for verifying the bills paid statements received from PAO, certify its correctness or otherwise and return one copy to PAO with certificate. (para 9.12.1 of PAO [WA] Manual).

6. DDO should reconcile the expenditure with PAO every month and furnish reconciliation certificate to PAO in Annexure II to G.O. Ms. No. 507 Finance (TFR) Department, dated 10.04.2002.
7. The DDO is responsible for furnishing replies I.R. paras, Audit paras/PAC paras and furnish monthly certificate in Annexure I to G.O. Ms. No. 507, Finance (TFR) Department, dated 10.04.2002.
8. The DDO is responsible for submission of DC bills to the PAO and on furnishing a monthly certificate to the PAO in Annexures to G.O. Ms. No. 507, Finance (TFR) Department, dated 10.04.2002.
9. The DDO, as the primary disbursing officer of the division, is responsible not only for the financial correctness of the transactions of the whole division but also for maintenance of the accounts of the transactions correctly and in accordance with rules in force (para 86 of PWD "A" code).
10. DDO should maintain budget/appropriation register showing the budget allotment and expenditure.
11. The DDO/EE is responsible for maintaining the Register of Cheques received from PAO to ensure the delivery of the cheques to the correct Payees.
12. The DDO is responsible for obtaining simple receipts in token of delivery of third party cheques and send them to the PAO for tagging on to the vouchers within seven days from the date of delivery of cheques.

13. The DDO is responsible for prompt transmission of DDs/valuables to the PAO and ascertain the fact of realization of credit to the Government.
14. The DDO is responsible for submitting cash balance certificate to the PAO in April every year.
15. The DDO is responsible for noting the fact of payment by noting the cheque number and date in the office copy of the bills.
16. The DDO is responsible for ensuring submission of challans remitted by individuals for incorporation in the accounts by the PAO.
17. The DDO is responsible for obtaining duplicate keys from the Treasury. He should verify and arrange to deposit alternate keys in the Treasury once in five years.
18. The DDO/EEs should maintain the following records in the prescribed formats for ensuring financial accountability:
 1. Office copy of Pay Bill
 2. Office copy of the Supplementary Bill
 3. Office copy of Imprest account.
 4. Register of UDP
 5. Register of Valuables
 6. Register of Securities
 7. Register of T&P
 8. Register of Assets
 9. Register of Revenue

10. Register of TEOs
11. Register of Deposits
12. Register of MPWA
13. Register of Purchases
14. Work abstracts
15. Work Audit Register
16. Schedule of work expenditure
17. Classified abstracts
18. Register of reconciliation with PAO
19. Register of HBA
20. Register of TA Bills
21. Register of Acquittances
22. Register of Permanent Advances
23. Register of LPCs issued.
24. Register of Tour Advance
25. Register of Miscellaneous recoveries
26. Register of Increments
27. Register of Service Books
28. Register of Remittances
29. Register of Printed Receipt books
30. Register of Library books
31. Register of Stationery items
32. Register of Audit notes
33. Register of Duplicate keys.

8. Financial Accountability

Subordinate Controlling Officers (W&P)

8.1 The following are the responsibilities of SCOs towards effective financial accountability:

- I) Work as bridge between DDOs and CCOs (Para 113 of APPWA Code);
- II) See that the budget is redistributed to DDOs in time (Para 159 of APPWA Code);
- III) Issue redistribution statement of budget to the DDOs strictly based on the budget distribution by the CCOs (Para 109 of APPWA Code);
- IV) Ensure that in no case distribution is made in deviation of the allocation done by the CCOs (Para 109 of APPWA Code);
- V) Consolidate the reconciled accounts statements of all the DDOs under his control and submit the consolidated statement of expenditure and revenue to the CCO (Para 117 of APPWA Code);
- VI) In respect of Public Works Department, the SE, who is in charge of a circle is treated as SCO and he discharges the following functions that come under financial accountability:
 1. The SE is accountable to the CE for general professional control of public works (Para 13 of APPW “D” Code);
 2. The SE is responsible for watching and controlling the rates paid for the work (Para 15 of APPW “D” code);

3. The SE should generally supervise and control the exact assessment and realization of such revenues as is assessed or collected in PWD (para 21 of APPW “D” code);
4. The SE has powers to accord technical sanction to plan works upto Rs.100 lakhs and other works upto Rs.50 lakhs (Para 418 of APPW “D” code and G.O. Ms. No.1, I&CAD (PW COD dated 01-01-98);
5. The SE has powers to pass excess expenditure over technical sanction upto the limit of powers of technical sanction (Para 418 of APPW “D” code);
6. The SE can undertake full contribution works upto Rs.1 lakh (para 418 of APPW “D” code);
7. The SE has powers to sanction photography charges within the limits of the budget provision (Para 421 of APPW “D” code);
8. The SE has powers to call for and finalise tenders within their limits of powers for according technical sanction (Para 422 of APPW “D” code and G.O. Ms. No.94, dated 01-07-03);
9. The SE can sanction estimates for losses due to depreciation of stock upto a limit of Rs.10,000/- (Para 422 of APPW “D” code);
10. The SE can write off the irrecoverable value of stores or public money upto Rs.500/- in each case (Para 423 of APPW “D” code);

11. The SE is the authority for concluding agreements for the tenders accepted by him and higher authorities;
12. The SE is delegated with the powers of awarding works on nomination basis upto the value of Rs.50,000/- (Para 154 of APPW “D” code);
13. The SE has to ensure genuineness of bank guarantees prior to accepting and sending them to PAO for safe custody (G.O. Ms. No. 5 F&P [PW] Department dated 25-01-96);
14. The SE is responsible for Check measurement of all works costing Rs.50 lakhs and above at 1/3rd, 2/3rd and final stage (G.O. Ms. No. 84, I&CAD Department);
15. The SE has to conduct the inspection of Divisional offices to look into the method of preparation of estimates, contractors accounts and agreements, the system of recording plans and office works generally (Para 17 of APPW “D” code);
16. The SE has to inspect the works costing between Rs.50 lakhs to Rs.500 lakhs before according technical sanction by a competent authority (G.O. Ms. No.94 I&CAD dated 01-07-2003);
17. The SE is responsible for verification of variations in classification of soils, etc., when the variation is in excess of 10%. It should be done along with SE Quality Control (P499 of PAO Manual);

18. The SE has to furnish the copies of estimates sanctioned by him along with data, drawings, etc., to the PAO as soon as the estimate is sanctioned along with the Check slip (Para 95 of APPWA code, Para 212 of APPWA code);
19. The SE has to furnish the copies of agreements concluded by him along with drawings to the PAO (Para 95(2) of APPWA Code).

Registers to be maintained

1. A Register showing the distribution made by him indicating the details of budget provisions/BRO (Detailed Head of Account-wise);
2. A Register to note the reappropriations made under each unit, savings received from units and final surrenders made to Government for resumption (Para 424 of APPWA code);
3. Register of actuals (Para 19.3.1 of AP Budget Manual);
4. In case of Public Works Department, the SE, who is SCO, has to maintain the following registers;
 - i) Register of tenders received to watch receipts and disposal of DDs submitted by the contractors towards EMD and return of EMD in case of unsuccessful tenders,. This is also treated as subsidiary cash book (G.O. Ms. No. 107 PWD dated 25.01.68, Para 109 of APPWA Code);
 - ii) Register of estimates sanctioned (Para 112 of PWD Code);

- iii) Register of agreements concluded (Para 150 of PWD Code);
- iv) Register of purchase orders placed (Para 307 of PWD Code);
- v) Register of Check Measurement G.O. Ms. No. 270;
- vi) Register of Lands and Buildings (Para 261 & 166 of PWD Code);
- vii) Register of Tools and Plants (Para 309 of APPWA Code);
- viii) Register of Special Tools and Plants;
- ix) The SCO has to maintain all the registers that are to be maintained by DDOs as given in DDOs manual

Register Formats

Formats as prescribed in all the codes and manuals and in G.O. Ms. No. 507 and 451;

Authority/Rule Position

As per Budget Manual and relevant codes and G.O. Ms. No. 507 and 451;

Reports to be sent including Formats and Monthly Accounts

1. Extract of actual register as per Budget Manual;
2. Monthly account of receipts and expenditure as per Account Code Volume III;

3. Classified abstract of receipts and expenditure as per Account Code Volume III;

Periodicity of Reports

1. Reconciliation certificate to be furnished to the CCO every month;
2. SCO to submit proposals for supplementary grants to the CCO in time so that CCO can submit the same to the Government by 15th February;
3. SCO to submit Final Modification Statement based on actual expenditure incurred against budget provisions indicating surrenders, etc., to the CCO in time so that CCO can submit the same to the Government by 15th March;
4. The SE of the PW Department has to submit the return of estimate sanctioned to the CE and to the PAO by 5th of succeeding quarter (Para 212 of APW “D” Code);
5. The SE has to submit return of agreements concluded to the CE and PAO by 5th of the succeeding month;
6. The SE has to submit the return of works let out on nomination to the CE by 5th of the succeeding month.

Enforcing Mechanisms

To ensure that the SCO furnishes all the relevant certificates required to be furnished as per G.O. Ms. No.507 and 451 or otherwise action to be taken as per the above mentioned GOs

Review/Inspections

1. The SCO offices have to be inspected by the CCO annually;
2. The CCO has to conduct review meetings with SCOs, preferably every month, to ensure that the SCO complies with all the duties and responsibilities entrusted to him.

Chief Controlling Officers (ENCs/Chief Engineers)

8.2 Responsibilities and Financial Accountability

1. Each Chief Engineer (CE) is a responsible professional Adviser to the Government on all matters relating to his branch. (Para 6 "D" code)
2. The CE will exercise concurrent control with the Audit Officer over the duties of officers of the Department in connection with maintenance of accounts and will give legitimate support to the Audit Officer in enforcing strict attention to the regulations concerning the disbursement of money, custody of stores and submission of accounts. The Chief Engineer should ensure that the Audit Officer is kept fully cognizant of all proceedings and proposals to enable the latter to fulfill his functions. (Para 8 "D" of code)
3. The CE will prepare annual budget and revised budget for the works under his control and prepare a report of progress made during that period on the public works under his charge. He is also responsible for supervision and control of the assessment of such revenue as are collected in PWD. (Para 9 "D" code)

4. The CE is responsible for utilization of budget allocations and prompt surrender of anticipated savings. (Para 10 of "D" code)
5. The CE is the highest authority for according technical sanctions. He should personally inspect all works costing Rs. 500.00 lakhs and above before according technical sanction. (Para 415 of "D" code & G.O. M.S. No. 94, I & CAD Department dated 01.07.2003)
6. The CE can pass excess expenditure over technical sanction up to 15% of the original technical sanction. (415 (c) "D" code)
7. The CE is vested with the powers of re- appropriation during first three quarters of the financial year subject to certain conditions. (415 "D" code & Govt. Memo No. 3464/890/BG1/ A/2003, Finance (BG. II) Department dated 13-09-2003)
8. The CE can accept tenders for works costing upto Rs.200.00 lakhs. (G.O. Ms. No.94, I & CAD Department dated 01.07.2003)
9. The CE has powers to write off irrevocable values of stores or public money. (415 "D" code)
10. The CE should arrange for distribution of grant CO/DDO-wise.
11. The CE should arrange for maintenance of a register for distribution of grant.
12. The CE should arrange for reconciliation of Departmental Expenditure with those in AG's Office on a monthly basis and furnish verification statement to AG.

13. The CE is responsible for furnishing the reconciliation certificate to AG for each grant on a quarterly basis. (19.7.1.of Budget Manual)
14. The CE is responsible for furnishing expenditure statement to the Government on amonthly basis.
15. The CE is responsible for subject to the performance budget to the Lesislative Assembly along with BE.
16. The CE is responsible for submitting Number statement to the Government by June. (16.20.1. of Budget Manual)
17. The CE is responsible for preparation of material for FMS, including surrenders by 15th March. (20.13.3 of Budget Manual)
18. The CE is also responsible for submitting appropriation accounts by 15th June.
19. The CE is responsible for submitting the Finance (Administrative) Accounts to the AG by the end of July. (Para 582 'A' code)
20. The CE is responsible for submitting proposal for supplementary grants latest by 15th February. (20.13.3. of Budget Manual)
21. The CE is responsible for maintaining register of Broad Sheet for noting down sanction of loans and advances, compliance of sanctions watching recoveries, etc.
22. The CE has to assist the Government in furnishing replies to the draft paras to the AG within six weeks.

23. The CE has to furnish material to the Government to submit explanatory notes to the PAC within 30 days. (20.17.1. of Budget Manual)
24. The CE should implement the recommendations of PAC and submit ATRs to the Government for placing them before PAC. (20.6 of Budget Manual)
25. The CE should arrange for maintenance of Project Register for recording expenditure and overseeing the record of completion reports.
26. The CE is responsible for arranging and conducting annual inspection of the COs (SEs).
27. The CE is competent to approve alterations to technical specifications and according approval to the observed data. (P.S. 2 & P.S. 63 to APSS)
28. The CE is competent to award works costing upto Rs. 1.00 lakh on nomination. (Para 154 'D' Code)

8.3 Registers to be maintained by the CCO (ENC/CE)

- | | |
|---|-------------|
| 1. Monthly Expenditure Report | Annexure 43 |
| 2. Draft Appropriation Accounts | Annexure 44 |
| 3. Distribution of Grants | Annexure 45 |
| 4. Register of Inspection of Regional Offices | Annexure 46 |
| 5. Forecast of Inspection of Regional Offices | Annexure 47 |
| 6. Final Modified Grant | Annexure 48 |
| 7. Letter of Credit/Budget Release Order | Annexure 49 |
| 8. Project Register | Annexure 50 |
| 9. Reconciliation with Accountant General | Annexure 51 |
| 10. Register of Revenues Realized | Annexure 52 |

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Works in Non – PW Engineering Departments – Execution of construction & repairs works – Procedure prescribed for Execution, Payment and Accounting – Orders – Issued.

FINANCE (TFR.I) DEPARTMENT

G.O.Ms.No.278

Dated:22-09-2006.
Read the following:-

* * * * *

ORDER:

It is in practice that the Drawing Officers of various Departments are presenting bills to Treasury by enclosing the Advanced Stamped Receipt and Administrative sanction orders obtained from the Engineering Wing / Executive Agency for construction and repairs to Government buildings and the amount drawn is kept in P.D. Account or Bank Account as per the practice in that Department.

2. To strengthen the Bill drawal procedure in respect of construction and repairs of Government Buildings works, Government after careful examination of the matter issues the following orders.

Construction and Maintenance works in all Non-P.W. Engineering Departments which do not have an Engineering Wing.

3. The procedure of funds flow, execution of works, payment and accounting being followed in PW Engineering Departments as at present shall be followed. The details of the procedure shall be as follows:-

- i. Government releases BRO / LOC in favour of Heads of Departments of all Departments.
- ii. The Heads of Departments of respective departments issue distribution of such amounts released to them among various offices of his department as required and communicate a copy of that to the Director of Works Accounts, Hyderabad.
- iii. The Director of Works Accounts authorizes such amounts to the respective Pay and Accounts Office of the districts concerned for honoring claims made by the assigned executing agencies.

- iv. Administrative sanctions shall be accorded by the competent officers of the respective departments as per procedures & delegation of powers in vogue and also specify in that sanction orders the executing agency chosen by them also whether R&B or PR Engineering Wing – and communicates a copy of it to the Pay and Accounts Office of the district concerned.
- v. The assigned executing agencies follow all prescribed procedures, guidelines and provisions of various codes, manuals & Government orders- execute the works, prepare the claims and present to Pay and Accounts Office of the district for payment as is now being done in respect of works in Public Works Departments.
- vi. The Pay and Accounts Office shall exercise all pre – checks on the claims as prescribed in Public works department and admits the bills. All prescribed provisions of Pay and Accounts Organization shall be followed by them. The Pay and Accounts Office of Director (W&A) Department are permitted to operate all heads of accounts related to works of all the departments and render monthly accounts to Accountant General (A&E) as usual along with PWD accounts.
- vii. The Pay and Accounts Offices shall prepare a monthly schedule of works expenditure department wise and furnishes a copy of it to the Heads of Departments of the Department concerned in the format as shown below.

DEPARTMENT / HOD

Sl. No.	CB Vr. No.	Head of Account	Name of Work	Executing Agency	Account			Remarks
					Gross	Cheque No.	Amount	
1	2	3	4	5	6	7	8	9

- viii. The executing agencies, as usual, do reconciliation of expenditure in respect of expenditure on all departments works with Pay and Accounts Office.
- ix. The Head of the Department continues to do necessary econciliation as usual with Accountant General (A&E).

Construction & Maintenance Works in all Non-PW Engineering Departments, which have an Engineering Wing.

The Engineering Wing of respective Departments shall execute all works of construction and maintenance and follow the following procedure:

- i. Government releases BRO / LOC in favour of respective Heads of Departments of concerned Departments.
- ii. The Heads of Departments of respective departments issue distribution of such amounts released to them among various offices of his department as required and communicate a copy of that to the Director of Works Accounts, Hyderabad.
- iii. The Director of Works Accounts authorizes such amounts to the respective Pay and Accounts Office of the districts concerned for honoring claims made by the assigned executing agencies.
- iv. Administrative sanctions shall be accorded by the competent officers of the respective departments as per procedures & delegation of powers in vogue and also specify in that sanction order the Executive Engineer who executes the work and communicate a copy of it to the Pay and Accounts Office of the district concerned.
- v. The Engineering Wing shall follow all prescribed procedures, guidelines and provisions of various codes, manuals & Government orders- execute the works, prepare the claims and present to Pay and Accounts Office of the district for payment as is now being done in respect of works in Public Works Departments.
- vi. The Pay and Accounts Office shall exercise all pre – checks on the claims as prescribed in Public works department and admits the bills. All prescribed provisions of Pay and Accounts Organization shall be followed by them. The Pay and Accounts Officer and Director (W&A) are permitted to operate all heads of accounts related to works of all the departments and render monthly accounts to Accountant General (A&E) as usual along with PWD accounts.
- vii. The Pay and Accounts Offices shall prepare a monthly schedule of works expenditure department wise and furnishes a copy of it to the Head of Department of the Department concerned in the format as shown below.

DEPARTMENT / HOD

Sl. No.	CB Vr. No.	Head of Account	Name of Work	Executing Agency	Account			Remarks
					Gross	Cheque No.	Amount	
1	2	3	4	5	6	7	8	9

viii. The Engineering Wing shall do reconciliation of expenditure in respect of expenditure on all departments works with Pay and Accounts Office.

ix. The Head of the Department continues to do necessary reconciliation as usual with Accountant General (A&E).

4. There is no change in the existing procedure in respect of Public Works Engineering Departments i.e., Irrigation Department, R. & B. Department, PH. Engineering Department, P.R. Department and Forest Department.

5. The Special Chief Secretaries / Principal Secretaries / Secretaries of Secretariat Departments are also requested to issue suitable instructions to their subordinate officers for strict compliance of these orders.

6. The G.O. is available on Internet and can be accessed at the address <http://www.aponline.gov.in>. and <http://www.apfinance.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

A. GIRIDHAR
SECRETARY TO GOVERNMENT (IF)

Part-II

Annexures & Proformae

Annexure 1

Number Statement **Proforma I**

Sl. No.	Scale of pay	Description of post	No. of posts vacant for more than six months as on 01.07.2002	No. of posts for which provision is claimed	G.O. Ms. No. and date on which the staff was sanctioned (temp)	Stage of scale	No. of persons in that stage	Salary drawn on 01.04.2003				Provision for budget for 2003-2004				Decrease and increase in strength compared to 2002-2003	Remarks if any	
								PAY	D.A.	H.R.A.	C.C.A.	PAY	D.A.	H.R.A.	C.C.A.			Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

Proforma II

Head of Account :
 Major Head :
 Sub-Major Head :
 Minor Head :
 Sub-Head : (Non-Plan)

Amount
 011 Pay
 012 Allowances
 013 Dearness Allowance

Pay	DA	HRA	CA	Total
1	2	3	4	5

1. Officers (Permanent)
 2. Officers (Temporary)
 TOTAL
 1. Establishment (Permanent)
 2. Establishment (Permanent)

TOTAL

Proforma III

Head of Account :

Sl.No.	Cadre	No. of Posts Sanctioned	Filled in	Vacant	G.O. in which sanctioned
1	2	3	4	5	6

Proforma for REs, BEs (Para 16.19.1) of Budget Manual

Major Head

Sub-Major Head

Minor Head

(Non-Plan)

Sub-Head

(Rupees in Thousands)

Detail Head & Sub-Detailed Head	Accounts 2002 - 03	Budget Estimate 2003 - 04	Revised Estimate 2003 - 04	Budget Estimate 2004 - 05
(1)	(2)	(3)	(4)	(5)
010 - Salaries :				
011 - Pay :				
012 - Allowances :				
013 - Dearness Allowance				
Total (010) - Salaries :				
020 - Wages :				
110 - Domestic Travel Exp				
111 - Travelling Expenses				
Total (110) - D.T.Expenses:				
130 - Office Expenses:				
131 - Utility Payments:				
132 - Other Office Expenses:				
Total (130) - Office Expenses:				
140 - Rates, Rents & Taxes:				
240 - Petrol, Oil & Lubricants				
280 - Professional Services:				
281 - Pleader Fees:				
284 - Other Payments:				
Total (280) - Proff. Services:				
310 - Grants-in-aid				
312 - Obseques Charges:				
Total (310) - Grants-in-aid				
500 - Other Charges:				
503 - Other Expenditure:				
Total (500) - Other Charges:				
510 - Motor Vehicles:				
GRAND TOTAL				

Annexure 3
Format for Re-appropriation of Funds (Para No. 22.6) of AP Budget Manual
Name of the Department
 Present

Progs. No & Date

Sub :
 Ref :

ORDER

An Amount of Rs. _____ is hereby Re-appropriated

Sl.	Head of Account	Original Appropriation	Amount Decreased	Amount Increased	Revised Modified Appropriation	Remarks
	Head of Account to be decreased					
	Major Head					
	Sub-Major Head					
	Minor Head					
	Sub-Head					
	Detailed Head					
	Sub-Detailed Head		XXXXX	XXXXX		
	Head of Account to be Increased					
	Major Head					
	Sub-Major Head					
	Minor Head					
	Sub-Head					
	Detailed Head					
	Sub-Detailed Head		XXXXX	XXXXX		
	Total Decreased					
	Total Increased					
	Net Increased / Decreased					

Signature of the Head of the Department

Annexure 4

Format for Supplementary Estimates

Original Grant
Charged

Estimates of the amount required for further expenditure

Voted
Charged

SUMMARY

(Rupees in Thousands)

Major Head	Minor Head	Sub-Head & Detailed Head of Appropriation	Estimated amount of further expenditure	
			Charged	Voted

Annexure 5
Watch Register of Supplementary Estimates

1	SI. No.	
2	Nature of the amount sanctioned	
3	Head of Account	
4	No. & Date of GO in which expenditure is sanctioned / in from contingency Fund / in relaxation of Treasury Control	
5	Amount sanctioned	
6	Purpose for which amount has been sanctioned	
7	Details of expenditure incurred viz. amount, Token No, name of the Treasury & Date	
8	Balance Remaining Unspent	
9	Details of Supplementary Grant proposal sent to Government	
10	Page number in which supplementary Grant has been sanctioned by the Government	
11	Signature	
12	Remarks	

Annexure 6

Major Head

Sub-Major Head

Minor Head

Sub-Head

Detailed Head

Sub-Detailed Head

Sl No	Name of the District	Category	April Amount	May Amount	June Amount	July Amount	August Amount
1	Srikakulam	AG Figure					
		Dept Figure					
		Difference					
2	Vizianagaram	AG Figure					
		Dept Figure					
		Difference					
	etc.....						
			November Amount	December Amount	January Amount	February Amount	March Amount

Annexure 8

AG's Inspection Report Watch Register

Sl. No.	Year of AG's Report	AG's reference where report communicated	Para No.	Gist of para	Lr No. of which reply sent	AG's ref.No where para is dropped	Remarks
1	2	3	4	5	6	7	8

Annexure 9

Final Modified Grant

Sl. No.	Head of Account	Revised Appropriation	Surrenders	Excess	Final Modified grant	Remarks
1	2	3	4	5	6	7

Annexure 10

AC Bills Watch Register

Sl. No	Head of Account	Amount Drawn	Govt. Go No./ Sanction Procg. & Date	Signature of Officer	Date of Submission of DC Bill	Signature
1	2	3	4	5	6	7

Annexure 11

Forecast of Inspection of Unit Offices

Sl. No	Name of the Office	Date on which last inspected	Programme for the year
1	2	3	4

Annexure 13

Pension Cases Watch Register

SI. No	1	
Name & designation of the employee & office of retirement	2	
Date of retirement	3	
Category of pension	4	
Letter No of the Unit Officer who received pension papers	5	
Letter No & date Pension papers sent to AG	6	
AGs verification No & date	7	
PPO / GPO / CVP No.	8	
Amount	9	
Address after retirement	10	
Signature	11	

Annexure 14
Cadre Strength Register

Sl. No.	Designation / Nomenclature of the Post	No of Posts Sanctioned			G.O. No. & date on which the post was originally sanctioned	G.O. No in which further continuation accorded (in case of temp posts)	Period upto which further continuation accorded	Signature	Remarks
		Perm	Temp	Total					
1	2		3	4	5	6	7	8	
9	10								

Annexure 15
Increment Watch Register - Increment Due in the month of APTC Form 106

1	2	3	4	5	6	7	8	9	10
SI. No.	Name	Designation	The scale of pay	Pay now drawn	Rate of increment	Pay to be drawn after increment	Reference No. & Date of releasing the increment	Remarks	Initials of the Drawing Officer

Annexure 16

LTC Advance Register

Sl. No.	Name and Designation of Government	Details of advance paid		Details of recoveries made		Remarks
		Date and place of payment	Amount	By adjustment	In cash	
1	2	3	4	5	6	7

Annexure 17

**Register showing the details of Advances of
Travelling Allowance on tour and recovery
APFC FORM 23 (Tour Advance Register)**

Sl. No.	Name and Designation of Government servant	Details of advance paid		Details of recoveries made		Remarks
		Date and place of payment	Amount	By adjustment	In c ash	
1	2	3	4	5	6	7

Annexure 18
Register for Counter Signature of TA Bills

Sl. No.	1	
Name of the Officer	2	
Period to which the T.A. Bill pertains	3	
Date of submission for counter-signature	4	
Date of counter-signature	5	
Amount claimed	6	
Amount counter-signed	7	
Amount disallowed	8	
Amount of advance adjusted	9	
Signature of counter-signing authority	10	
Remarks	11	

Annexure 19
Medical Advance Recovery Watch Register

Sl. No.	1	2	3	4	5	6	7	8	9	10	11
	Name of the employee and designation office	Nature of disease	Advance sanctioned	Sanction proceeding No. & date	Name of the hospital in which the patient is admitted	Total medical claim	Amount admitted by DME	Total amount eligible	To be adjusted in final bill	Remarks	

Annexure 20

Marriage Advance Recovery Watch Register

Name & Designation of Employee

Sanction and Proceeding No

Total Amount Sanctioned

Sl. No.	Month in which recovered	Monthly amount of recovery	Trans ID and BBP or Cheque No & Date	Installment No	Balance	Initial of Officer
1	2	3	4	5	6	7

Annexure 21

Motor Cycle / Motor Car / Bicycle Advance Watch Register

Name and Designation of Employee

Sanction and Proceeding No

Total Amount Sanctioned

Sl. No.	Month in which recovered	Monthly amount of recovery	Trans ID and BBP or Cheque No & Date	Installment No	Balance	Initial of Officer
1	2	3	4	5	6	7

Annexure 22
Register of Safe Custody of HBA Mortgage Deeds

1	2	3	4	5	6	7	8	9	10
SI. No.	Name of the individual and designation	Amount of loan sanctioned	Current No. of AG, AP/HOD	List of documents submitted	Date of deposit for safe custody	Signature	Date of taking out the packet for verification	How disposed off with current No.	Signature

Annexure 23

HBA Advance Recovery Watch Register

Name & Designation of Employee

Sanction and Proceeding No

Total Amount Sanctioned

Sl. No.	Month in which recovered	Monthly amount of recovery	Trans ID and BBP or Cheque No & Date	Installment No	Balance	Initial of Officer
1	2	3	4	5	6	7

Annexure 24
**Register of Security Deposits
 (APFC Form 17)**

Item Number	1	
Date of receipt of deposit	2	
Depositor's name	3	
Depositor's designation	4	
For what purpose or work (quoting reference to agreement for bond)	5	
Particulars of the deposit	6	
Amount	7	
Initials of the Departmental Authority	8	
Date when refunded or adjusted	9	
Amount refunded or adjusted	10	
Under what head of service adjusted	11	
Number and date of depositor's receipt or acknowledgement	12	
Initials of the departmental authority	13	
Balance, if any, carried over a separate entry	14	
Remarks (reference to annual verifications, etc.)	15	

Annexure 25

Temporary Advances Recovery Watch Register

- 1) Name & Designation of the Employee
 - 2) Sanction No. with Date
 - 3) Amount Sanctioned
 - 4) No of Installments
 - 5) Commencement of Recovery (with month & year)
 - 6) End of Recovery (with month & year)
- Details of Recovery

Month with Year	G.P.F.			F.A.			Education Advance			Signature of DDO
	Amount recovered	Installment Number	Token No with gross & net particulars	Amount recovered	Installment No	Token No with gross & net particulars	Amount recovered	Installment No	Token No with gross & net particulars	
January										
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										

Annexure 26

**Treasury Bill Book
(APTC Form 70) (Revised)**

Register of Bills sent by _____ to the _____ Treasury for payment of money

1	Sl.No	
2	Bill No & date	
3	Particulars of the bill	
4	Gross amount of the	
5	Net amount	
6	Name & designation of the Person in whose favour Government	
7	Name & designation of the messenger authorized to collect token from the Treasury and cash from the bank/Treasury	
8	Signature of the drawing or disbursing officer	
9	Date on which the bill was received	
10	Token Number / Transaction ID allotted by the Treasury & Date	
11	Date of return	
12	Date of re-submission and Sl.No	
13	Initial of the DDO	
14	Amount passed by the Treasury	
15	Amount disallowed, if any	
16	Date of receipt of money and initial of the DDO	
17	Reference Page No of Register UDP/Cash Book in which entered	
18	Initial of the DDO	

Annexure 29

**General Cash Book
(APTC Form 5)**

Date of Receipt	Particulars	Amount Rs.	Date of Disposal	Particulars	Amount Rs.
1	2	3	4	5	6
	Opening Balance			Payments	
	Receipts			Closing balance	
	Total	XXXX		Total	XXXX
	Details of Closing Balance			Memorandum of Verification (Book Balance)	
	Cash in hand			Balance as per Cash Book	
	DDO Current Accounts			Balance as per UDP	
	PAO Cheques			Balance as per PA	
	DDs			Balance as per Non-Govt Cash Book	
	Total	XXXX		Total	XXXX

Note :

Cash in hand should be verified by the DDO once in a week physically and denominations should be noted in the Cash Book

Annexure 30

**Non-Govt Cash Book
(APTC Form 5)**

Date of Receipt	Particulars	Amount Rs.	Date of Disposal	Particulars	Amount Rs.
1	2	3	4	5	6
	Opening Balance			Payments	
	Receipts			Closing Balance	
	Total			Total	
	XXXX			XXX	
				Abstract	
				LIC	
				Bankloan	
				Societyloan	
				Court attachments	
				Etc	

Note:

Cash in hand should be verified by the DDO once in a week physically and denominations should be noted in the Cash Book

Annexure 32

**Register of Undisbursed Pay
(APTC Form 20)**

Undisbursed Balance of Bills Cashed								Disbursement			
1	2	3	4	5	6	7	8	9	10	11	12
Date	Annual serial number	Description of bill or cheque originally cashed	Amount of the bill or cheque	Amount undisbursed	Date of subsequent disbursement	Amount disbursed	Balance	Date	Number or receipt item from which disbursed	Particulars of payment	Amount

Opening balance xxx

Amount received xxx

Total xxx

Deduct amount paid xxx

Closing balance xxx

(Rupees)

Annexure 33

**Acquittance Register
(APTC Form 88)**

Acquittance Roll of Permanent (or Temporary) Establishment of _____ for or TA for the month of _____

1	2	3	4	5	Outside deduction								14
Item No.	Name	Designation	Net amount payable	Dated, signature with stamp where necessary. Unpaid items to be noted as such and attested	6	7	8	9	10	11	12	13	Remarks
					Due to Cooperative Society	House Building Society	Payroll Savings Scheme	Court attachment	Benevolent Fund	LC	Miscellaneous	Net amount	

Total Unpaid Rs.

(Rupees)

Passed for Rs.....

(Rupees) on the authority of Establishment of Bill of TA for _____

Certified that a proper acquittance has been taken in respect of each amount paid in this roll from the person entitled to receive it.

Signature of DDO

Annexure 34

Undisbursed Contingent Register

1	2	3	4	5	6	7	8	9	10	11	12
Date	Annual serial number	Description of bill or cheque	Amount of the bill or cheque	Amount undisbursed	Date of subsequent disbursement	Amount disbursed	Balance	Date	Number or receipt item from which disbursed	Particulars of payment	Amount

Annexure 35

**Permanent Advance Register
(APTC Form 89)**

Charges							Receipt				Remarks
1	2	3	4	5	6	7	8	9	10	11	
Date	Monthly serial number	Description and department	Amount	Mode of recoupment	Date or recoupment from the Treasury	Date	No. of bill	Serial No. of item o charge recuped	Amount		

Opening balance xxx

Total xxx

Deduct charges xxx

Closing balance xxx

Add unrecouped expenditure as per sub-vouchers xxx

Total permanent advance xxx

Annexure 36

General Stock Register

Name of the article / item :

Sl. No.	2	3	4	5	6	7	8	9	10	11
	Date of purchase	Invoice No. and date	Name of the firm from which the article is purchased	Sanction proceeding No. & date	Cost of articles received	Opening balance	No. of articles received	No. of articles issued	Closing balance	Signature

Annexure 38

**Stock Register of Furniture
(APFC Form 10)**

Date	Number and date of contingent voucher, invoice, etc.	Nature of transaction	Receipts	Issues	Balance	Remarks
1	2	3	4	5	6	7

1st April		(Sample entries)			
		Opening balance		46	
15th June	Voucher No. 10 dated 15th June	Purchased	4	50	

Annexure 39

Stock Register of Computer Hardware

Name of the Article / item :

Sl. No.	2	3	4	5	6	7	8	9	10	11
	Date of purchase	Invoice No. and date	Name of the firm from which the article is purchased	Sanction Proceeding No. & Date	Cost of articles received	Opening balance	No. of articles received	No. of articles issued	Closing balance	Signature

Annexure 40
Stock Register of Computer Stationery

Name of the Article : Item

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Date of Purchase	Invoice No. and date	Name of the firm from which the article is purchased	Sanction Proceeding No. & Date	Cost of articles received	Opening balance	No. of articles received	No. of articles issued	Closing balance	Signature

Annexure 41

Usage Register of Computer Stationery

Opening balance	Number of pages used	Purpose for which used (Give Ref. No. of the files)	Signature of the staff member who used the stationery	Closing balance	Signature of the accountant & head of the Office
1	2	3	4	5	6

Note : The head of the office should review previous usage of stationery before placing fresh indent for computer stationery.

Annexure 42

Unserviceable/Condemned Article Register

Sl. No.	Article	Invoice and date of purchase	Book value	Date on which it is being unserviceable	Nature of disposal
1	2	3	4	5	6

Annexure 43

Monthly Expenditure Report for the Month of

Name of the Department :

Name of the HOD :

Sl. No.	Head of Account	BE	Expenditure			Liabilities	Remarks
			To end of previous month	During the month	To end of the month		
1	2	3	4	5	6	7	8

Annexure 44

Draft Appropriation Accounts for the year

Sl. No.	Head of Account	Final Modified grant	Expenditure as per books of Accountant General	Variation		Remarks
				(+)	(-)	
1	2	3	4	5		6

Annexure 45

Distribution of Grants

Sl. No.	Head of Account	BE Provision	Already authorised	Now authorised	Balance
1	2	3	4	5	6

HOD should prepare abstract indicating DDO-wise, Sub-detailed head-wise BE, Already Distributed, now proposed for authorisation.

Annexure 46

Register of Inspection of Regional Offices

Sl. No.	Name of the office inspected	Period of last inspection	Date of Communication report	Final disposal of Inspection Report
1	2	3	4	5

Annexure 47

Forecast of Inspection of Regional Offices

Sl. No.	Name of the Office	Date on which last inspected	Programme for the year
1	2	3	4

Annexure 48

Final Modified Grant

Sl. No.	Head of Account	Revised appropriation	Surrenders	Exceses	Final modified grant	Remarks
1	2	3	4	5	6	7

Annexure 49

Letter of Credit / Budget Release Order

Name of the DDO

HOD :

Sl. No.	Head of Account	BE	Amount released by Govt.	Amount released so far by HOD	Amount released now by HOD	Balance with HOD
1	2	3	4	5	6	7

**Annexure 50
Project Register**

Name of the HOD

Name of the project

Ref to Admn. Sanction

Sl. No.	Sub-Head in the estimate	Provision in the project estimate	Amount of tech sanctions	Expenditure	Balance/excess provision in the project estimate	Stage of completion report	Remarks
1	2	3	4	5	6	7	8

Annexure 51

Reconciliation with AG

Name of the HOD

Programme/ Scheme	Month & year upto which reconciliation has been completed	No. of months for which reconciliation pending	Amount involved in pending reconciliation	Action taken to complete the pending reconciliation
1	2	3	4	5

Annexure 52

Register of Revenues Realised

Sl. No.	Nature of Revenue	Amount of revenue proposed in BE	Amount of revenue realised to end of	Amount of revenue realised during the months.....	Total amount of revenue realised during the year	Shortfall/excess	Reasons for shortfall	Remarks
1	2	3	4	5	6	7	8	9