

**GOVERNMENT OF ANDHRA PRADESH**  
**A B S T R A C T**

Norms for Public Financial Accountability on Chief Controlling Officers and Subordinate Controlling Officers to be enforced by DTA/PAO/Treasury before authorization, release and drawl of funds - Further Instructions - Issued

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**GO Ms No 451 FINANCE (TFR-I) DEPARTMENT Dated 09.10.2003**

**O R D E R:**

In the GO Ms No 507 Finance (TFR) Department dated 10.04.2002 detailed instructions have issued regarding norms of public finance accountability that have to be scrupulously followed by the Drawing and Disbursing Officer and to be enforced by the concerned Treasury/PAO/Works PAO at the time of further releases and admission of claims.

Even though there is substantial improvement in the fields like submission of DC Bills for AC Bills drawn, Reconciliation of Departmental figures between the DDO and Treasury and 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 need to improve and strengthen accountability norms to be adhered 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 following proper accounting procedures.

As per the Budget Manual, CCOs and SCOs are responsible for estimating the budget requirements of coming financial year and re-adjustment of current financial year's requirements based on the 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 to facilitate the drawls for implementation of various schemes provided the basic requirements are fulfilled viz., availability of sufficient budget, financial powers and administrative sanction etc., Hence there is a greater need to enforce accountability on maintenance of accounts.

Accordingly, Government, after careful consideration, has decided that the following norms on accountability on 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 AP 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 CCOs are not maintaining the Register of Actuals resulting in booking of excess expenditure by their subordinate DDOs. Therefore, Government

hereby order that the Pay & Accounts Officer shall insist 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 instruction is that the Register of Actuals should be maintained up-to-date every month. However, allowing for teething troubles in restoring monthly cycle, a lead period of three months is given in the first instance. The CCOs and SCOs must complete the Register of Actuals up-to September 2003 before presenting the bills to PAO for the month of January 2004. After getting over the initial backlog Register of Actuals 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 CCO with the DTO/PAO and the CCO with the Accountant General, AP, 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, AP, Hyderabad in all receipts and expenditure heads. The Accountant General, AP, Hyderabad time and again has been pointing-out the delays and huge arrears of reconciliation work with the AG 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, AP, Hyderabad, the following further instructions issued.
- (a) All the drawing and Disbursing Officer shall reconcile figures of expenditure with those booked in Treasury/PAO on or before 20<sup>th</sup> 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 the Para 19.5 of AP 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 receipts and expenditure are not received in the office of CCO and if received, they are with delays from two to six months. It is serious lapse on the part of the SCO. Due to this, the CCOs are not able to reconcile the Departmental figures with AG in time and the whole exercise becomes futile. Therefore, Government hereby order that each SCO should submit the reconciled figures of receipts and expenditure of the previous month to the CCO before end of the 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-II. Treasury/PAO shall not admit the bills of the SCO (District-level Officer) without the above certificate. The DTO/PAO shall insist the above certificate as an addition to the existing certificates as per GO 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 AG up to the previous but one quarter. However, as one time relaxation, in Circular Memo No 1276/452/TFR/2003 of Finance (TFR) Department dated 06.09.2003, 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 unnecessary re-appropriations and non-regularization of excess expenditure through supplementary grants. Therefore, Government hereby order that the PAO shall not admit the claims of the Department in the month of February (once in a year) without production of certificate prescribed in Annexure-IV.

(iv) **Maintenance of other Registers:** As per the provisions of AP Financial Code, AP Treasury Code and Government instructions issued from time-to-time, the CCO/CO/DDO shall maintain other registers like Cash Book (APTC Form 5), Un-Disbursed Pay Register (APTC Form 20), Permanent Advance Register (APTC Form 89), Non-Government Cash Book (APTC Form 5), Contingent Bills Register (APTC Form 7), Recoveries Watch Register and Loans & Advances Register 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 CCO/CO/Unit Officer/DDO to maintain the above registers in the prescribed formats for the moneys drawn from the Treasury. Therefore, Government hereby order that the CCO shall furnish a certificate to the 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 the financial year i.e., April for the previous financial year.

A Check List is 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.

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.

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

**V S SAMPATH**  
**PRINCIPAL SECRETARY TO GOVERNMENT**