



**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 flexi 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

To
All Special Chief Secretaries/Principal Secretaries/Secretaries to Government.
All. Ex-Officio Principal Secretaries/Ex-Officio Secretaries to Government.
All Department of Secretariat.
All Heads of Departments.
All Administrators of Deposit Accounts/P.D. Accounts.
All District Collectors.
The Director of Treasuries & Accounts, A.P, Hyderabad.
The Pay and Accounts Officer, Hyderabad.
All District Treasury Officers.
All Sub-Treasury Officers.
The Principal Secretary to Chief Minister.
The P.S. to Chief Secretary to Government.
The Principal Accountant General, A.P, Hyderabad.
The Accountant General (A&E), A.P, Hyderabad.
The Accountant General (Audit), A.P, Hyderabad.
The General Manager, State Bank of India, Hyderabad.
The General Manager, State Bank of Hyderabad, Hyderabad.
SF/SCs.

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