

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.

RESPONSIBILITY OF THE DDO

The Constitution of India

- **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 .
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The Business rules

- **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

- **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

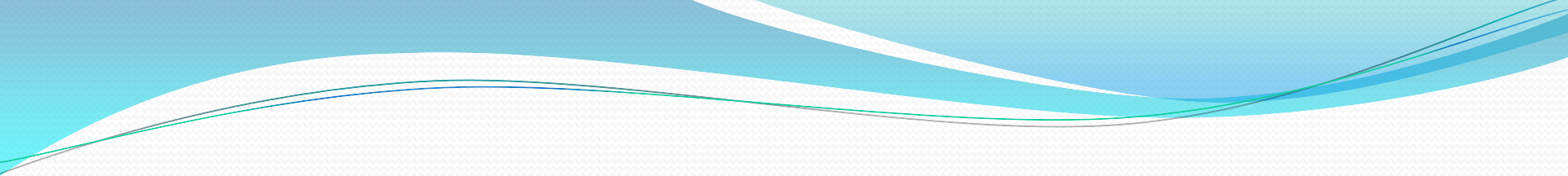
- **A.P Treasury** Code is primary reference source to the Treasury officials.
- It contains control systems, procedures for withdrawal, payment,
- custody of monies, responsibilities of officers and forms to be used for
- discharge of those responsibilities. It also contains detailed instructions
-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

A.P Financial Code

- **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.
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A.P Accounts Code

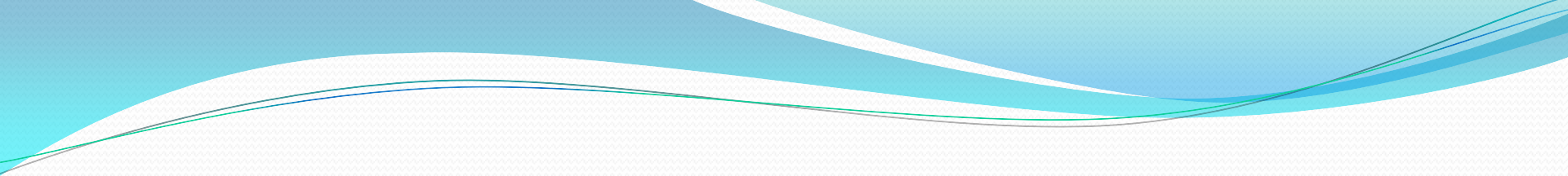
- **A.P Accounts Code** sets out how all financial transactions are to be
- accounted for. The AP Accounts Code comprises the Comptroller and
- Auditor General's (CAG) rules together with local rulings relating to local
- AP variations in accounts procedure. The code sets out the general
- principles, 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.

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- 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.

Financial Accountability of Drawing and Disbursing Officer

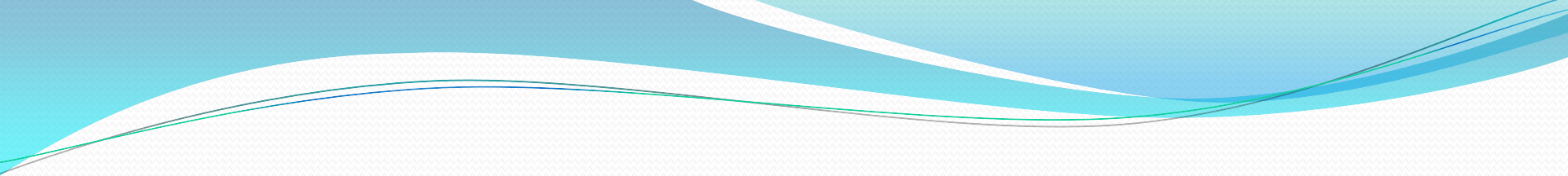
- **Drawing & Disbursing Officer (DDO)** one who is empowered to
- draw money from Treasury/PAO on bills and cheques by applying
- relevant rules, set out in Financial Code, Treasury Code, Budget Manual, and Account Code, who is very critical to minimise the fiduciary risk and reports to his Subordinate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



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- 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.

Responsibilities towards receipts:

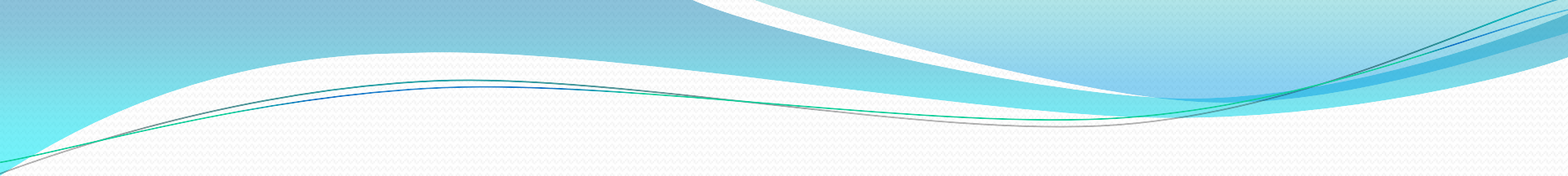
- (Article 2, 7 to 11 of A.P. Financial Code Vol. I)
- a) To assess the demand carefully in advance
- b) To take steps to realize the revenue promptly
- c) To maintain proper accounts of collections
- d) To watch the progress of collection against the total demand
- e) Prompt steps to collect all arrears
- 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
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- 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.
 -

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.

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- 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.

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]
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- **1 Challan Form -APTC Form 10**
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- **2 Employees Advance Bill form — A.P.T.C. Form 40**
- a. All Loans and Advance like FA, G.P.F., A.P.EW.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

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

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- Drawal of pay and allowances for both Gazetted. and Non-Gazetted.,
- Encashment of leave, Leave Salary, Educational concessions.
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- **4. TA Bill form-A.P.T.C. Form 52**

- [a] T.A

- [c] F.T.A.

- [e] Bus Warrants

- [b] TTA

- [d] Conveyance Allowance

- [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

- **Fully vouched contingent bill form — A.P.T.C. form 58**
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- [a] Over time allowances
-

- [c] Medical Reimbursement
-

- [e] Honoraria payments
-

- [g] Wages
-

- [I] Professional and Special
-

- [b] Tiffin Charges
-

- [d] Ex-gratia/ adhoc payments
-

- [f] ESI allowance
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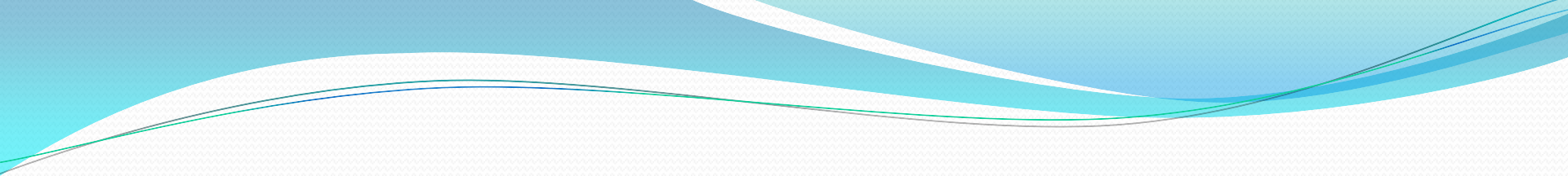
- [h] Office expenses
-

- [j] Rents, rates and taxes
-

- Services
-
-
-

- k] Publications
-
- [m] Hospitality charges
-
- [o] Materials and Supplies
-
- [q] Diet charges
-
- [l] Advertising, sales & publicity
-
- [n] Secret services
-
- [p] Other charges-legal 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.

- **Refund of Revenue Bill - A.P.T.C. Form 62**
- [a] Refund of Revenue
- [b] Refund on account of spoiled stamps
-
- **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

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- **Pension Bill form — A.P.T.C Form 75 / 76**
 - [a] First payment of pension
 - [b] Lifetime arrears
 - [c] Death relief

- **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 servic

- **Scholarships and stipends bill form - A.P.T.C. 103**
For drawl
- **of all kinds of scholarships and stipends**
-
- **Loan Bill form - A.P.T.C. Form 108**
-
- **For drawal of loans sanctioned by the Government in
favour of**
- **institutions and private individ**

- **General Precautions to be taken before the bills are**
- **Preferred**
- Bill should be signed by the DDO (SR.1 under TR.16)
- 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).
- 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.)
- Carbon copy of the bill or voucher is not admissible (SR 2 (b)
- Under TR-16)
-
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- The bill should contain the office seal of the Department. (SR 2 (c) under TR-16)
-
- The bill should contain discharge endorsement and pass order in figures rounded-off to the nearest Rupee. (SR. 2 (c) under TR 16)
-
- The bill should contain protective endorsement. (SR. 2 (c) under TR-16)
-
- All corrections, alterations and erasures to be attested with full signature of the DDO (SR. 2 (d) Under TR-16)
-
- 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)
-

- 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)
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Contingent Bills

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- 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

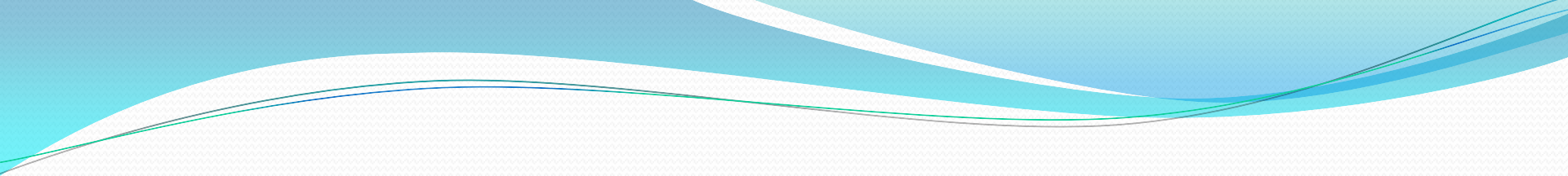
- exceeding Rs.1,000/- should be cancelled and filed in the
- Office copy and a certificate to that effect should be furnished
- on the bill. (SR.18 (e) TR-16)

- Invoices attached should be passed for payment and should
- bear the full signature of the Drawing Officer.
-
- The prescribed sales tax certificate should be recorded on
- the invoices/bills.
-
- 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.

- 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.
-
- Bills of the Telephohe/Electricity/Telegraph Department
- should be enclosed.
-
- 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.
-
- 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 individval should be enclosed.
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- In support of the claims relating to contingent employees,
- certificate to the effect that all the contingent emhas been claimed in this bill were actually entertained in
- government service should be furnished.
-
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- 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)
-
- Certificate of reasonableness of rent should be furnished
- whenever there is change of rent (Instrn.7 TR-16)
- ployees whose

- 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.
-
- All items should be purchased from SSI Units (GO Ms.No.
- 101, Industry, Commerce & Power (SSI) Department dt. 09-
- 04-1985.
-
- DTA authorization should be enclosed to the first bill. The number
- should be quoted for further bills.

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- Special sanction from the superior authority, wherever
 - necessary, should be furnished.
 -
 - 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.

-
- certificate as required for drawal of third A.C.Bill stating that
- first AC Bill is cleared should be furnished
-
- 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.

Pay and Allowances

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-
- General Check noted in checklist I should be applied in the
- first instance.
- Bill should be prepared in the prescribed APTC Form No. 47.
- Separate bill for temporary and permanent and Plan and Non-
- Plan posts should be prepared (SR 7 of T.R. 16).
- Correct schedules of deductions should be enclosed to the
- bill (SR 2[1] TR 16).
- Arithmetical accuracy to be verified (SR 7 TR 16).

- In case of **first appointment**:

- Sponsorship by APPSC or Employment Exchange
- should be verified (Act. 2 of 1994).
- Age and Health certificate should be insisted upon (FR 10).
- If appointment is made on compassionate grounds, the
- authority and method, including nodal agency, should
- be verified.

- In case of **Increment**, the periodical increment certificate
- should be signed by the competent authority (SR 13 of TR
- and an Increment Watch Register should be maintained.

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- In case of **subsistence allowance**, the provision in FR 53 should be followed.
- In case of **Foreign service** claim, the sanction of competent authority be observed (FR 127).
- **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)
- Upto 3 years – Appointing authority.
- Ad hoc sanction – Head of the Department.

-
- **Additional pay (FR 49). Competent authority:**
- Upto 3 months – Head of the Dept.; Beyond 3 months – Government.
- Period to exceed 14 working days for FAC and 30 days for Current Duties
- No Addl. charge shall be given to Class IV, Chowkidars, Drivers and Record Assistants.
- Addl. charge is not permissible from a retrospective date

Encashment of Earned Leave (EL):

- Surrender of E.L. 15 days for each financial year while
- in service.
- Encashment of E.L. on retirement or death –
- Maximum 300 days (vide G.O. Ms. No. 232 Finance
- (FRI) Department, dated 16.9.2005)

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.

- **Flag Day Contribution:** Rs. 10/- for Gazetted officers
- and Rs. 5/- for Non-Gazetted staff shall be deducted
- from 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).



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- **Deduction of Income Tax**
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- 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)

- **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.
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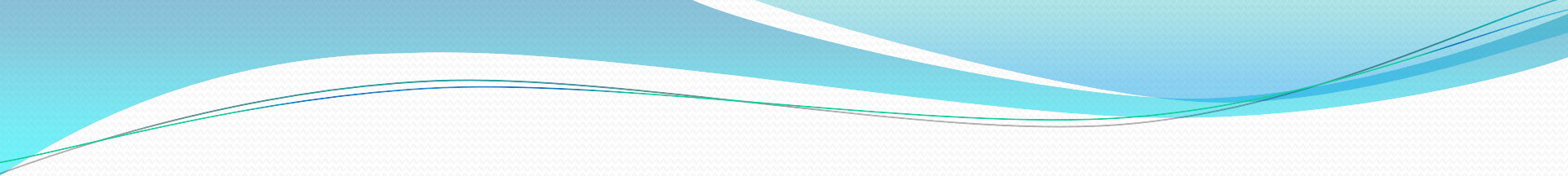
Subsistence Allowance

- 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].
-
- 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]]
-
- 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)]
-
- 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]]

- 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)

- No increment shall be sanctioned during suspension period.
-
- No leave should be sanctioned during suspension period.
- [Authority: FR 55]
- 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]
- 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]]

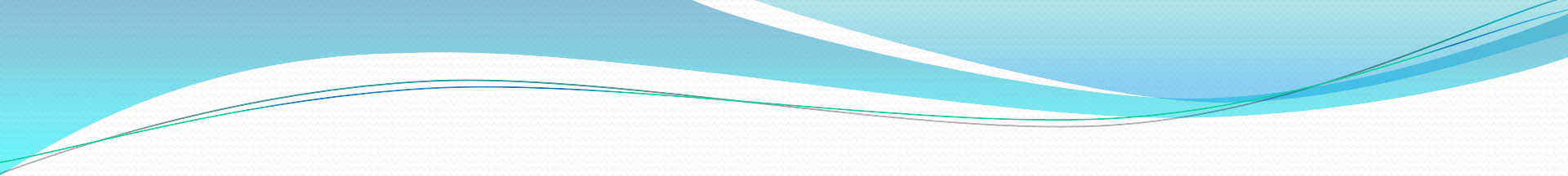
- The vacant post of suspended official shall not be filled in by
- way of promotion, appointment by transfer or regular transfer
- except making additional charge arrangements. [Authority:
- G.O.Ms.No. 189 GA [SER.C] Dept. dt. 20-04-99 read with
- Memo. No.20225/219/FR.II/99 dt. 23-07-99 of F&P]
- During the period of suspension, the family of the suspended
- official can be sanctioned and availed L.T.C. except the
- suspended official.
- 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.
-
- The subscription and recovery of loan of G.P.F. shall not
- be made at the request of the suspended official during
- suspension.
-
- Declaration to be given by the suspended employee and
-
- the DDO

- **Court Attachment** (Art 87 & 88 of APFC Vol I, SR 2K under TR 16)
-
- Exempted Allowances from court attachment orders are:
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- 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:
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- All kinds of traveling allowances.
- All kinds of conveyance allowances.
- All allowances granted for meeting the cost of uniforms and rations.

- Allowances granted as compensation for higher cost of living in
- localities considered by Government to be expensive localities,
- including hill stations.
- All House Rent Allowances.
- All allowances granted to provide relief against increase in cost of
- living
- Children's Education allowance.
- The amounts paid by way of reimbursement of medical expenses.
- 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.

- 
- 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.

- **Pay Fixations & Automatic Advancement Scheme**
- **Pensions(Rule 51 of A.P.R.P. Rules of 1980)**
- **Anticipatory Family Pension**
- **Anticipatory Gratuity**
- **Leave Travel Concession**
- **Traveling Allowance**
- **Transfer Traveling Allowance**
- **Traveling allowance on retirement**
- **Medical Reimbursement**
- **Educational Fee Reimbursement**
- **LOANS AND ADVANCES**
- **ARREAR CLAIMS**
- **DEPOSITS**
- **GPF**
-

REGISTERS

- **Treasury Bills Register (Instruction 33 – TR 16)**
- **PAO Bill Register**
- **Register of Cheques**
- **Cash Book SR₃. TR 10; SR₂ – TR 11)**
- **DDO Current Account Register**
- **Custody of Cash and Maintenance of Cash Chest**
- **Maintenance of Undisbursed Pay Register**
- **Acquittance Register**
- **Undisbursed Contingencies Register (U.D. Contingency Register)**
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- **Permanent Advance Register**
 - **Reconciliation of Departmental Figures with Treasury / PAO**
 - **A.C.Bills**
 - **Purchase of Stores**
 - **Tenders**
 - **Stock Register**
 - **Reconciliation**