FINANCIAL ACCOUNTABILITY

Every item of expenditure should be prima-facie necessary.

It should be covered by adequate budget sanctioned for the purpose.

There should be competent administrative sanction.
Held responsible for any loss that may be found due to neglect of his duties

The fact that he is mislead by subordinates will not mitigate responsibility

Ignorance of rules, No excuse
Sources of Sanction

- Article 93 of A.P. Financial Code
- Apex. 7 A.P.F.C. Volume II
CHAPTER III RECEIPTS, COLLECTION AND CHECK. ART 7 TO 37.

1. RENTS, COST OF SURVEY, AUCTION, FINES, RECEIPTS, RECOVERY, REFUND, TIME LIMIT, PREPARATION OF DEMAND COLLECTION BALANCE SHEETS, AUDIT APPENDIX 10.
RESPONSIBILITY OF THE DDO’S

- Article- 5: A demand for receipts should be raised after proper assessment
- Article- 9: Controlling Officers should monitor D.C.B
- Article-13: Rents of residential buildings should be recovered at 10% of standard rent
- Article- 22: A: Auctions- usufruct; unserviceable; conveniences; Notified in newspapers if anticipated value exceeds Rs.5000.00

FINANCE (TFR) DEPARTMENT

G.O.Ms.No. 258, Date:20-9-2013

materials/stores costing more than Rs.1,00,000 shall be procured through e-procurement platform only.

FINANCE (TFR) DEPARTMENT

G.O.Ms.No. 40, Date:14-02-2014

stores means all articles and materials purchases (both for works and office use i.e., for all the purchases of Goods/Products/works/services etc.,) including live-

stock [other than cash and documents]
- Article - 26: Fine collection – monitoring

- Article – 32: Refunds of Revenue- Appendix
  Two lays down authorities
  Competent to order refund

- Article – 35: Exgratia refunds to be sought within 3 months; statutory within one year
CHAPTER IV ART 38 to 60

- EXPENDITURE - GENERAL PRL. AND RULES
- SANCTION, DATE OF EFFECT OF SANCTION, LAPSE, CONTRACTS, ARREAR CLAIMS,
- Article - 38: Inevitable payments to be settled without delay
- Article - 39: Budget lapses by close of fiscal year
- Article - 42: Sanction to be in conformity with sanction and statutes

- Article – 45: Formal – communicated to Accountant General; Finance Departments concurrence for Govt Sanction

- Article – 49: Takes effect from date of issue unless otherwise specific

- Article – 50: Sanction lapses at close of financial year if specified otherwise after one year

- Article – 51: Contracts – formats standardized in codes & manuals. New contracts changes need legal opinion

- Article - 52: Any claim not preferred within one year becomes time barred A.Gs pre audit is necessary.
- **Article – 54:** T.A claims within 3 months, L.T.C, within one month to be preferred.

- **Article – 52:** Arrear claims – one year from due date allowed by drawing officer. If exceeds one year pre audit by A.G. required.

- **Individual claims up to Rs. 500 May be paid without pre audit up to period of 3 years**

- **Claims on Govt. securities paid without time limit in regard to interest.**
G.O. Ms. No. 161, F&P. dt: 27.04.1991, stipulates A.Gs pre audit for claims upto a period of six years. If it exceeds 6 years Head of the department may order sanction without need of pre-audit.

Article – 54: Claim for T.A. entertained by controlling officer if received within 3 months of performance of tour-L.T.C within one month. Delayed presentation will result in a 15% cut over total claims. This is allowed only up to one year.
Treasury officer will admit pay bills for staff in a temporary scheme only up to a period of 3 months beyond sanction on certification by head of the office that further continuance is applied for.
Chapter V Art 61 to 90

- Establishments, claims of Govt. Servants and Recoveries from them.
- Article - 63: Govt. is competent for the creation of posts.
- Art 65: The scale of pay proposed for a new post should be the same time scale that already in force.
- Art 70: Distribution of Gazetted and non-gazetted establishments.
- Article - 72: Due date of pay is first working day of month – exceptions are – transfer to another audit circle: retirement: ousting resignation, transfer of among PWD circles
Article – 73: Grants in aid bills need counter signature by department

Article – 74: Efficiency bar orders to be issued by competent authority

Article – 85: Deduction of provident fund: postal life insurance & other mandatory funds made from salary

Article – 86: Deduction of income tax at source to be made from salaries & annual return sent to I.T. Authorities
- Article – 87: court Attachments
  \[ X-Y-1000/3 \quad X=\text{Gross pay} \]
  \[ Y=\text{Allowances} \]

- Article – 88: Cooperative dues to be recovered from salaries of employees

- If notice received after retirement recovered effected from gravity after issuing show cause notice as per appendix of revised pension rules
Article – 90: Fines imposed on subordinates for neglect of duties to be recovered (only last grade employees)
Contingent expenditure.

Article – 91: Contingencies – mean incidental to run any orgn. E.g.: Furniture, books, machinery & equipment diet money etc.

Article – 93: Heads of offices may sanction of a routine nature for their offices they may delegate powers to subordinates

Article – 94: Permanent advance for initial payment of office expenses advance to be recouped at least twice in a month.

Initial sanction of permanent advance & its increase require Govt. Sanction
Article – 98: 15th of April permanent advance acknowledgement to be sent to HO DEPT & Certificate enclosed to pay bill of April of drawing Officer

Article – 99: Temporary advances Industries Mines Animal Husbandry, Dept collectors, police etc are authorised

Article -100: Advances for contingent expr. On tour allowed

Article – 102: Contingent expr grouped as counter signed & non counter signed

Article – 103: Contingent regr to be maintained, Head of account wise expr noted & attested by head of office
Article – 108: D.C. Bill for A.C. Bills to be furnished to DTO Directly

Article – 115: Inter departmental adjustments made by book transfer

Article – 120: Municipal & local taxes on buildings not occupied as residences

- The occupant dept to pay taxes
- If more than one dept – revenue dept.
- If revenue dept is not in occupation the dept in major occupation

- No municipal tax is payable on a public building situated in a cantonment
Stores

- The team stores is used to indicate all articles & materials like furniture, chemicals, scientific instruments, appliances, stationery diet in hospitals, jails, material for construction of buildings departmentally manufactured stores, tools & plant but exclude books, publications periodicals etc in a library. (Article 122 F.C)

- Article – 123: Competent authorities are as directed by Government from time to time
Price Preference

- Indigenous products over imported products up to 15%
- Cottage & small scale industries 10% price preference
- Co-operatives 5% preference (Article: 123)
- Foreign Goods: As far as possible to be placed through local representatives of manufacturers preferring those who have after sale service and holding stock sufficient spares (Govt. MEMO No. 41990) Acts (60-10 F/DD 24-2-1961)
Goods manufactured with in state allowed 5% price preferred

The products manufactured out side the state (Govt. MEMO No.8410/Accts/62-UFD282/62)

Purchasing officer to keep a list of reputed dealers in the trade well in advance so that communications are sent directly also besides advertisement in news papers
Unserviceable stores to be written off as items if it is due to fair wear & tear otherwise money value to be written off (Article: 140)

Stores to be verified periodically by competent person (Article: 144)

Discrepancies – incorrect accounting – theft, fraud, wastage, driage (Article: 145)

Grants in aid... Article 211 conditional & unconditional.
143 library books – 3 vols. For every 1000 issues may be written off
Chapter VIII Art 147 to 208

Works