

AP FINANCIAL CODE

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.

Sources of Sanction

- Article 93 of A.P. Financial Code
- Apex. 7 A.P.F.C. Volume II
- G.O. Ms. No. 490, G.A, AR&T, dt: 28.09.1994
- G.O. Ms. No. 389, G.A, AR&T, dt: 04.09.1996
- G.O. Ms. No. 148, FRP dt: 21.10.2000

CHAPTER II,DEFINITIONS

- ▣ 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 COLLECTON BALANCE SHEETS,AUDIT APPEX 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

- ▣ Andhra Pradesh Financial Code Volume – I – Rules and instructions governing the
- ▣ Purchase of Stores – Rule III 7 under Article 125 of Andhra Pradesh Financial Code Volume – I
- ▣ 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.

- ▣ Andhra Pradesh Financial Code Volume – I – Rules and instructions governing the Purchase of Stores – Rule III 7 under Article 125 of Andhra Pradesh Financial Code Volume – I
- ▣ 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 upto 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 upto 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

$X - Y - 1000 / 3$

X=Gross pay

Y=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

Chapter VI Art 91 to 121

- ▣ 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, noted & Head of account wise expr attested by head of office

Chapter VII Art 122 to 146

▣ Stores

- ▣ The term 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