

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Budget Release Orders – Further Streamling of Procedures – Instructions Issued –
Regarding.

FINANCE (BG.I) DEPARTMENT

G.O. Ms. No. 273

Dated. 1-4-2003.

Read the following.

1. G.O. Ms. No. 59, Fin and Plg. (FW.BG) Dept, Dt. 30-3-2001.
2. Memo. No. 11084-B/497/BG/A1/2001 Dt. 4-4-2001.
3. Memo. No. 6403/998/BG/A1/2001 dt. 10-10-2001.
4. Memo. No. 9731-A/291/BG/A1/2002, dt. 2-4-2002.
5. G. O. Ms. No. 507 Fin and Plg (TFR) Dept. dt. 10-4-2002.
6. G. O. Ms. No. 97, Finance (BG) Dept. Dt. 18-2-2003.

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ORDER:

1. In the orders first to fourth read above, the Government had introduced the procedure of issue of Budget release Orders by Finance Department to facilitate early release of budgetary allocations to the Heads of Departments which had been refined in the subsequent references read above. Experience in the last two years, has shown the utility of this process. However, there are still bottlenecks in getting budget distribution statements from the Heads of Departments to the District Officers and further down to the Drawing and disbursing officers in the field. In order to further streamline the procedures and make them user-friendlier, Government hereby orders that, in partial modification of the references read above, the following procedures shall be followed with immediate effect.

2. Immediately after the Legislative Assembly passes the Appropriation Bill for the financial year and the Governor conveys his assent the relevant expenditure sections of the Finance Department shall issue Budget Release Orders (BROs) or Letters of Credit (LOCs) as the case may be, for all the Departments for individual schemes/projects under Plan Budget covered by Group Sub-Heads of Externally Aided Projects, Normal State Plan Schemes and Rural infrastructure Development Fund. These BROs/LOCs shall authorize budget release for 75% of the allocation as per the approved Budget under all schemes as the first installment of funds to cover the requirement for the first three quarters of the financial year. On receipt of BROs/LOCs, the concerned HODs shall obtain administrative sanctions from the respective Secretariat Departments wherever required and shall furnish Budget Distribution Statements to DTA/Director Works Accounts for getting budget authorizations.

3. In December, the Finance Department will indicate the ceilings for the Revised Estimates for Non-Plan and Plan Budget on the basis of updated projection of available resources and the review of actual financial performance of departments. Each Head of the Department shall then indicate the requirement of funds for each scheme within the overall ceilings prescribed by the Finance Department. Accordingly the concerned Expenditure Sections in the Finance Department will

issue BROs/LOCs for each scheme/project towards the second installment to cover the requirement of funds for the fourth quarter of the financial year.

4. For the remaining Group Sub-Heads i.e., Prime Ministers Grameen Yojana (PMGY), Eleventh Finance Commission (EFC), Centrally Sponsored Schemes (Central Share as well as State Matching Share) under Plan budget, the concerned Expenditure sections in the Finance Department shall continue the practice of issuing individual Budget Release Orders for each scheme/project on the basis of release of funds by the Government of India and the actual financial performance of the concerned department. On receipt of specific proposal from the Head of the Department through their administrative proposal from the Head of the Department through their administrative Secretariat Department once they receive the sanction letters from Government of India.

5. In the Memo second read above, it was clarified that where no specific concurrence of Finance Department is required, no BROs need be issued. These instructions generally apply to Non-Plan Budget except release of Grants-in-Aid for which BROs shall continue to be issued. Similarly, for release of User Charges, the procedure prescribed in GO sixth read above shall be followed. In all other cases of Non-Plan Budget, the Heads of Departments shall continue to suo moto furnish Distribution Statements to the DTA/Director Works & Accounts for authorization of expenditures as per existing procedures.

6. In order to ensure that Drawing and Disbursing Officers (DDOs) are able to draw funds from the local treasuries from the beginning of the year, particularly for certain categories of expenditures under Plan as well Non-Plan Budget, Memo fourth read above permitted Treasury Officers to admit bills for payments in the first quarter, pending receipt of Distribution Statements and DTA authorizations. This permission was restricted to the extent of amounts distributed by the Heads of Departments for the first quarter during the previous financial year. Since a number of schemes are being merged or reclassified every year, this has led to considerable misclassification errors and excess withdrawals under several Detailed Heads of Accounts. Accordingly, in partial modification of the orders fourth read above, it is hereby ordered that the permission granted so far shall be continued subject to the condition that there is adequate provision under the relevant Sub-Head in the current years Budget and the total expenditure during the year is restricted to authorized limit under each Head of Account. It shall be the joint responsibility of the DDO and the Treasury Officer to comply with this stipulation.

7. All BROs/LOCs and Treasury Authorization mentioned in the preceding paragraphs shall be subject to usual Treasury Control (except already exempted items like expenditures under Salaries, Relief, Pensions etc.) and Quarterly Control Regulations already in force. Finance Department will issue special orders for relaxations in individual cases only on specific requests from concerned departments to meet seasonal variations in expenditure patterns. All Treasury Officers shall also comply with the requirements of GO 507 dt. 10-4-2002 fifth read above, as amended from time to time.

8. All the Secretariat Departments, Heads of Departments, Treasury Officers in Treasury & Accounts/Works & Accounts Department and Pay & Accounts officer, Hyderabad and all the DDOs are instructed to follow these instructions to ensure timely and adequate flow of funds.

9. This order is available on AP ONLINE.

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

S.K. Arora,
Principal Secretary to

Government.

To

All Department of Secretariat.

All the Heads of Departments.

The Director of Treasuries & Accounts, A.P., Hyd.

The Dy. Directors/District Treasury Officers in the State.

The Pay & Accounts Officer, Hyd.

Dy. Financial Adviser, Fin(Project Wing) Dept.

The A.G., A.P., hyd.

Copy to all Expenditure Sections in Finance Dept.

Copy to all Officers in Finance Dept.

Copy to SF/SC

//Forwarded by Order//

Sd/-

Section Officer.

Copy communicated to all PAO/APAO for information and necessary action.

Sd/-
JDWA.