

Government of Andhra Pradesh
Finance and Planning (Projects Wing) Department

Memo. No. 2713/F3(2)/2001-1

Dt. 17-5-2001.

Sub:- Works Accounts – Budget and Regulation of expenditure – Introduction of
of
LOC system to all the Departments dealing with Public Works – Public Health – Execution of Deposit Contribution works – Clarification – Regarding.

Ref:- 1. G.O. Ms. No. 60, Fin & Plg (FW. BG) Dept., Dt. 30-3-2001.
2. Govt. memo. No. 2358/F3(2)/2001-1, Fin& Plg (PW) Dept., Dt. 9-4-01.
3. From the ENC (PH) Hyd. Lr. No. 486/Budget/Works Accounts/B1/2001, dt. 20-4-2001.

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The Engineer-in-Chief, Public Health in his letter 2nd read above have requested for a clarification whether Executive Engineers of Public Health are permitted to operate cash book and make payment in respect of Deposit Works exempting from PAO system introduced from 1-4-2001. The Engineer-in-Chief, Public Health has stated that most of the works taken up by Public Health Department are contribution works and they are funded from different sources viz., HUDCO, LIC Loans, Municipal Contributions, amounts allotted during drought etc. from M.P. and MLA funds, by the District Collector and any other deposits placed at the disposal of P.H. Department for executing works. The matter has been examined in detail as follows.

2. Govt. in G.O. Ms. No. 60, Fina & Plg (FW.BG) Department dt. 30-3-2001 have introduced LOC system and also extended PAO works system to all the Departments dealing with public works including Public Health Department for regulation of expenditure and to have effective budget control from 1-4-2001. In the Govt. Memo. 2nd read above working instructions were issued and according to which the drawing account of all the Public Health Executive Engineers with Banks and Treasures is also ceased.

3. The Deposits that are received by public Health Department from HUDCO & LIC Loans are only on the govt. Guarantees repayments with interest thereof. Further, the Municipalities are depositing funds for works to be executed by public health department also form part of Govt. money only. All the Deposit Contribution works executed in public Health Department from part of works accounts only. As per codal provisions the payments for works executed on deposit contributions shall be effected strictly to the extent of amount available under deposits and any payment in excess of the deposits is a serious financial irregularity. It is however observed that the Engineers in Public Health divisions, who were hither to vested with cheque

drawing powers released payments in excess of deposits to an extent of about Rs.40,00 crores. This violation not only resulted a serious financial irregularity but has also resulted in un-authorized cash out flow of Govt. Money.

4. In view of the above position Govt., hereby clarify that the “Deposit Contribution Works” from part of works expenditures and as such no exemption of this items is acceptable secondly, as per the working instructions issued in Govt. Memo. No. 2358/F3(2)/2001-1, dt. 9-4-2001 the power of operation of cash books and issuance of cheques by the executive engineers of public health divisions automatically ceased and therefore the presumption of the ENC that the Executive Engineers could operate the cash books and issue cheques for works executed on deposit contribution is not correct and not acceptable in Government.

Government,

P.K. Rastogi,
Principal Secretary to
(Works & Projects).

To
The Engineer-in-Chief, Public Health,
“KASHANA” A.C. guards,
Hyderabad – 4.

Copy to:
M.A. & U.D. Department (Public Health)
All Joint Director of Works Accounts of Major Projects.
SF/SCs, All PAOs/APAOs.

//Forwarded by Order//
Sd/-
Section Officer.

Endt. No. JDWA/SACB/SA/A1/2001-2002/75

Dt. 28-5-2001.

Copy communicated to all PAOs/APAOs for information and taking necessary action.

Sd/-
JDWA, Dowlaiswaram.