

GOVERNMENT OF ANDHRA PRADESH
FINANCE (TFR) DEPARTMENT

Circular Memo. No.7061-A/99/TFR/2003

Dated: 17.02.2003

Sub:- Reconciliation of Departmental figures with those booked in the Treasuries and the figures booked in the Accountant General Office – Responsibility of the Drawing Officers and Chief Control Officers – Further Orders – Issued.

Ref:- 1. G. O. Ms. No. 277, Fin&Plg. (FW. Accounts) Dept., Dt: 6.6.1990.
2. G. O. Ms. NO. 507, Fin(TFR) Dept., Dt: 10.4.2002.
3. Memo. No. 268/15154-A/TFR/2002, Dt; 18.5.2002.
4. Minutes of the meeting Dt: 24.1.2003 held by the Chief Secretary, Government of Andhra Pradesh, Hyderabad.

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In the reference 1st cited above, orders have been issued stating that:

According to para 19 of the Budget manual, every Chief Control Officer should watch the progress of expenditure continuously and for this purpose, he should require the disbursing Officers to report every month the figures of actual expenditure during the previous month and the liability incurred, but not yet paid. Each Disbursing Officer should therefore maintain a register of disbursements and liabilities and as soon as a bill is encashed at the treasury, it should be posted in the appropriate columns of the register against the District Treasury in which the payments is made. The Disbursing Officer and the Chief Control Officer shall reconcile the figures of expenditure with those booked in the treasury by sending their clerks to the District Treasury and this reconciliation work must be completed on or before 4th of each month for the expenditure incurred in the previous month. After the close of each month, every Disbursing Officer should after such reconciliation with the treasury figures as prescribed by the Chief Control Officer in consultation with the District Treasury officer forward to the controlling Officer immediately, superior to him an extract of his account.

2. The Chief Control Officer should consolidate the totals of his own expenditure and that shown in the extracts from the registers of the subordinate controlling officers and he should send a clerk of his office to the Accountant General's office with the Departmental registers quarterly on a date to be fixed to each Department by the Accountant General. The clerk should, with the assistance of the Accountant General's staff compare the Departmental figures with those recorded in the Accountant General's books. A statement of discrepancies shall be prepared in duplicate and analyzed in two columns one showing the adjustments to be made in the Accountant General's books and the other showing the adjustments to be made by the Chief Control Officer. One copy of the statement of discrepancies shall be handed over immediately to the Accountant General's Officer by the reconciliation clerk for affecting the necessary adjustments and another copy will be taken by the clerk to his office where necessary adjustments should be effected in the Departmental registers.

The Chief Control Officer should inform the Accountant General that this work has been done. Similarly, the Accountant General's Officer will make the necessary adjustments in his books and inform the clerk that the adjustments have been done. The Chief Control Officer should then send a certificate to the Accountant General stating that the figures in his registers have been reconciled with those in the books of the Accountant General.

3. Although instructions are issued from time to time strengthening the need to attend to this important work on priority basis, it is felt by the Government that Drawing Officers, Subordinate Controlling Officers and the Chief Control Officers are not giving as much importance to the reconciliation as required. After taking a serious view of this state of affairs, Government have decided to take stringent action against the officials who fail to complete the timely reconciliation of Departmental figures with the treasury figures and the figures booked in the Accountant General's office.

4. Accordingly, Government direct that the treasuries shall prescribe a date on which each Drawing Officer shall reconcile his figures of receipts and expenditure with those booked by the treasuries and accordingly the Drawing Officers shall reconcile monthly figures with the treasury or Pay & Accounts Office and unless the reconciliation for the previous month is completed before 4th of the succeeding month, the salary of the head of office shall not be allowed to be paid for the following month. For example the expenditure as well as the receipts for the month of April shall be reconciled by 4th of May and a certificate to that effect shall be enclosed with the salary bill of the Head of office for the month of May. In the absence of such certificate the salary of the head of office for the month of May shall not be allowed.

5. The Treasuries and the Pay & Accounts Office shall furnish the list of Officers who fail to reconcile the figures with the treasuries to the concerned Heads of Departments for information. The Treasuries and Pay & Accounts Office shall maintain a register showing the dates on which the Drawing Officers shall reconcile the figures of receipts and expenditure, the dates on which the reconciliation was made by the officers and shall verify the correctness of the certificates furnished by the Drawing Officers along with the pay bills.

6. Government also ordered that the Chief Control Officers (i.e., Heads of Departments) shall get the figures of receipts and expenditure for the entire state reconciled with those booked in the Accountant General's Office on quarterly basis by following the procedure already prescribed and a certificate to that effect shall be furnished to the Pay & Accounts Officer. The Chief Control Officer in his office entrusted with the responsibility of reconciling the consolidated State wise figures of receipts and expenditure with the Accountant General, head of account-wise.

7. Government also directed that the salary of the concerned officer who is responsible for reconciliation, shall not be allowed to be paid by the Treasuries & Pay & Accounts Officer (twin cities and Work Accounts) for the second month in the next quarter if a certificate of reconciliation with the Accountant General's figures is not furnished to the Pay & Accounts Officer i.e., if the officer fails to get the accounts reconciled for the quarter April to June by the end of August, the salary for the month

of September shall not be allowed to be drawn by the treasury or the Pay & Accounts Office as the case may be.

8. In the reference 2nd cited above, while issuing the instructions on Norms for Public Finance Accountability before releases and drawl of funds, the instructions on reconciliation have also been issued stating that, as per the existing instructions in force, all the Drawing and Disbursing Officers are requested to prepare an Expenditure Statement and also the Statement of Receipts every month and reconcile the figures with treasury before 4th of the month succeeding month to which they relate and a certificate as prescribed in Annexure-II to the G. O. 2nd cited has also to be furnished. Similarly, Chief Control Officer (Chief Controlling Officer)/Head of the Department(HOD) is required to reconcile his Department's accounts with Accountant General's figures and issue monthly Reconciliation certificates to Ag every quarter. The nominated officer in the Department is hereby made responsible for such a reconciliation process and a certificate as prescribed in Annexure-III to the G. O. 2nd read above has also to be furnished. The district Treasury Officers and Pay & Accounts Officers shall furnish the list of Drawing Officers, who have failed to reconcile the figures, to the Heads of Department for taking necessary action. Instructions were also issued to the District Treasury Officers and Pay & Accounts Officers to maintain a Register showing the dates on which the drawls have been reconciled with the Departmental figures and the dates on which actually they are reconciled. This would facilitate to check correctness of the verification furnished by the Drawing Officers on the bills. The Government hereby reiterate that the orders already issued in reference 1st read above shall be effectively enforced by all the Treasury Officers and the Heads of Department's /Drawing and disbursing Officer's. In continuation of the instructions already given, it is also ordered that no treasury officer shall permit any amount until and unless the reconciliation of accounts (all kinds of receipts and expenditure figures) upto the previous month is completed and the certificate to that extent is appended to the bills while presenting them before the Treasury /Pay & Accounts Offices.

9. Further in the reference 3rd cited above, clear cut instructions have also been issued on Reconciliation of accounts by the DDO with the Treasury Officer stating that.

- a) The Treasury Officers/Pay & Accounts Officers are requested to allow reconciliation of all kinds of receipts and expenditure without any exception both at Sub-Treasury and district Treasury level, wherever the transactions took place.
- b) The Treasury Officer/Pay & Accounts Officer shall open reconciliation watch registers in the proforma enclosed, allotting separate pages for each DDO.
- c) The Treasury Officer/PAO shall not permit the DDO to draw any amount after 10th of the month, until and unless the reconciliation of accounts upto previous month is completed as per proforma.
- d) For ensuring reconciliation by the DDO with the Treasury before 10th of succeeding month the following changes shall be effected by the Treasury officer/Pay & Accounts Officers in the Account compilation.
 - 1) Bill/Cheque wise checklists for cash and adjustments bills routed though Treasury shall be given to Auditors concerned for verification and

correction before payment, while dispensing lot wise/Auditor wise checklist.

- 2) Day wise checklist for direct cheques shall be given to the auditors concerned for verification, correction and returned on the next day for updation in the computer.
- 3) the Treasury Officers/Pay & Accounts Officers shall constitute Central checking section (CCS) headed by STO Accounts and Main Accountant with 4 – 5 Accountants having full knowledge of classification.
- 4) Day wise Receipt checklist shall be verified and corrected and returned on the next day for validation in the computers by CCs staff.
- 5) Budget authorization entry shall be done by CCS staff. They must affix rubber stamp on budget authorization currents after entry in the computers, that they have entered the authorized budget in the computer and sent to the Auditors concerned for posting in the Budget control Registers. The sub Treasury authorizations are also to be entered by them in the computer in a similar fashion.
- 6) While issuing Deposit cheque Books, DDO Code & Complete Head of Account must be entered on the cheque book by the Treasury for the new & existing cheque books with the Drawing and Disbursing Officers, with a rubber stamp.
- 7) After printing the Main Account and Sub Accounts no correction in the Accounts shall be allowed except through Ams which will be reflected during the next month's Accounts through AM report. Any Manual corrections in the Accounts will be viewed seriously.
- 8) The Reconciliation work shall start only on dispatch of Monthly Accounts to the Accountant General, AP, Hyderabad.
- 9) The Reconciliation to be completed before 9th of the month.
- 10) Trans-ID wise/Challan Number wise Alteration Memorandum for the misclassifications pointed out during reconciliation to be effected on 10th of the month based on AM Register to be maintained by each Auditor and AMs proposed by the Drawing and disbursing Officers at Sub-Treasury as well as District Treasury level. The AMs for the month of March shall be effected during the same month.
- 11) the STO Accounts and Main Accountant shall maintain Auditor-wise Misclassifications for each month and AMs effected.

10. In the reference 4th cited above, in the minutes of the meeting dt: 24.1.2003 held by the Chief Secretary to Government, Government of Andhra Pradesh has instructed that a quarterly review to reconcile the amounts drawn and the budget available for each Department to be done at a higher level.

11. In view of the instructions of the Chief Secretary and also in view of the reasons that some of the Drawing Officers, Subordinate Controlling Officers and Chief Controlling Officers are not giving much importance to the reconciliation work, it has therefore, been felt necessary to put all these orders/instructions etc., in one place.

12. Government after examination has decided that, while reiterating the orders issued in the reference 1st to 3rd cited above, all the Higher Level Officers i.e., Special Chief Secretaries to Government, Principal Secretaries to Government, Secretaries to

Government and all the Heads of Departments are informed to conduct a quarterly review to reconcile the amounts drawn and the budget available for each Department.

S.K. ARORA
PRINCIPAL SECRETARY TO GOVERNMENT.

To

The Principal Accountant General, AP, Hyderabad.
The Director, Treasuries & Accounts, Hyderabad.
The Pay & Accounts Officer, AP, Hyderabad.
The Deputy Financial Adviser(Works& Projects)
All the Special chief Secretaries/Principal Secretaries/Secretaries to the Government.
The Secretary to Government (GA-Services) Department.
Principal the Secretary to governor of Andhra Pradesh, Hyderabad.
The PS to CM and PS to all Ministers.
All Departments of Secretariat.
All head of the Departments including collectors and District Judges.
The Registrar, AP High Court, Hyderabad.
The Registrar, AP Administrative Tribunal, Hyderabad.
All the Directors of Accounts of Projects.
All district Treasury Officers.
All the Chief Executive Officers of Zilla Parishads.
All the District Educations Officers.
The Secretaries of Zilla Grandhalaya Samsthas through the Director of Public Libraries, AP, Hyderabad.
All the commissioners/Special Officers of the Municipalities/Corporations.
All the Recognized Service Associations.
The Managing Director, APTS with request to place the above memo in the Government Web site.
The Registrar of all the Universities.
Copy to SF/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER

Endt. No. JDWA/SACB/Sn1/A1/2002-03/463

Dt: 7.3.03.

Copy communicated to all Pay & Accounts Officers/Asst. Pay & Accounts Officers for information and necessary action.

Joint Director of Works Accounts