



**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

**PUBLIC SERVICE – ANDHRA PRADESH STATE EMPLOYEES GROUP  
INSURANCE SCHEME 1984 – According Procedure – Orders – Issued.**

**FINANCING & PLANNING ( FIN.WING.ACCTS.II ) DEPARTMENT**

**G.O.Ms.No.323.**

**Dated : 12-11-1984.**

Read the following :-

1.G.O.Ms.No.293, Finance & Planning (F.W.Accts.II)Department , dt.8<sup>th</sup> October 1984

**ORDER:**

**A P U S**

Orders have been issued in the government order read above that Andhra Pradesh State Employees Group Insurance Scheme shall be implemented from 1<sup>st</sup> November 1984. In Para 4 of the said order it has been stated that orders regarding the accounting procedure shall be issued separately.

Accordingly Government hereby order that the accounting procedure and transactions under the group insurance Scheme shall be as in the Annexure to this order.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRAPRADESH)**

D. SANKARA GURUSWAMY,  
Principal Secretary to Government.

**ANNEXURE**

**ANDHRA PRADESH STATE EMPLOYEES GROUP INSURANCE SCHEME 1984**

**ACCOUNTING PROCEDURE**

1.The following procedure is prescribed for accounting of the transactions under the Andhra Pradesh State Employees Group Insurance Scheme 1984, as introduced by Government vide G.O.Ms.No.293,Finance and Planning (Fin.Wing )Department , dated 8th October 1984.

**2.Head of Account**

There shall be no individual accounting under the scheme. The transactions under the scheme shall be accounted for as detailed below in the public Account of State under a new minor head “Andhra Pradesh State Employees Group Insurance Scheme .” below the existing major –head “811-Insurance and pension funds.”

**Insurance funds.**

**Receipts:** 811-Insurance and pension funds –Andhra Pradesh state  
Employees ‘Group Insurance’ Scheme (new Minor head)  
Insurance Fund (sub-head ) (Receipts )

**Disbursements :** 811- Insurance and pension funds –Andhra Pradesh State  
Employees ‘Group Insurance’ Scheme (new Minor head)  
Insurance Fund (sub-head ) (Disbursements)

**Savings Funds.**

**Receipts:** 811- Insurance and pension funds – Andhra Pradesh State  
Employees ‘ Group Insurance ’ Scheme (new Minor head)  
Savings Funds. (sub-head) (Receipts )

**Disbursements :** 811- Insurance and pension funds –Andhra Pradesh State  
Employees ‘Group Insurance’ Scheme (new Minor head)  
Insurance Fund (sub-head ) (Disbursements)

**3.Recovery of Subscriptions:**

**3.1.** Where salaries of members /employees are drawn from a Government treasury , recovery of subscriptions at the appropriate rates shall be made by the Drawing and Disbursing Officer concerned . In the portion of the pay bill pertaining to classification , the total subscriptions recovered shall be exhibited (by the drawing and Disbursing officer) under the sub-head “Insurance Fund ” (Receipts). The Treasury officer shall also classify the recoveries accordingly in the accounts. The apportionment of the subscriptions between ‘ Insurance Fund’ and ‘Savings Fund ’Where is the subscription is at a composite rate shall be made by the Administrator of the Fund at the end of each quarter with reference to the total subscriptions for the state as a whole consolidated by him . The Drawing and Disbursing Officer shall attach a duly completed schedule to the pay bills, as per Annexure ‘A’ .

**3.2.** Where a member / employee is deputed to the Government of India or some other State Government or to foreign service, the borrowing authority / Foreign employer shall remit without delay the amount of subscription recovered from the salary of the member / employee under the scheme to the Head of his parent Department by Demand Draft in his favour together with a schedule in triplicate in Annexure ‘A’ . Separate Demand Draft shall be sent in respect of each Head of the Department.

**NOTE (1) :-** In the order specifying the terms and conditions of deputation, a specific clause shall be in the borrowing authority to recover the subscription from the deputation is that at appropriate rate and remitting the same to the department without delay as envisaged in this rule.

**NOTE (2) :-** In respect of Government Servants on deputation to other State Governments including the Government of India or on foreign service the Head of the department shall make necessary entries in the Register of members preferably by opening a separate folio for this class of persons. He shall be responsible for watching the receipt of contributions regularly and credit in to Government Account by maintaining separate Register for the purpose. All Heads of Office shall invariably and credit of the L.P.Cs. issued, in respect of all employees deputed to other Governments or to foreign watch the contributions to the Fund. In the case of employees sect in foreign service/ deputation the head of the department or his nominated official may record necessary entries in the Service Books of these employees.

**3.3.** The Head of the Department shall send the draft without delay to the Bank / Treasury for realization and credit to Government account under the head indicated in Para 3.1 along with a challan together with the schedules in duplicate, so that one copy of the schedule can be retained by the Bank / Treasury and the other returned to the remitter along with the original challan.

**3.4.** At he time of commencement of subscription to the Insurance Fund / or Insurance and Savings Fund a suitable entry shall be recorded in the Service Book of each

employee specifying the Group to which he belongs, the rate of subscription and the month of commencement of subscription. Whenever there is a change in the group and rate of subscription on account and the month of commencement of subscription. Whenever there is a change in the group and rate of subscription on account of promotion etc., necessary entry likewise shall also be recorded in the Service Book. At the close of March each year, a certificate shall be recorded in the Service Book of each employee that subscriptions to the scheme at the appropriate rates have been recovered for the period from April to March. The entries shall be attested by the Drawing and Disbursing Officer. In the case of those who are on deputation to other Governments of foreign service, the Head of the Department, who has the responsibility to watch receipt of the contributions on account of this scheme, shall record this certificate under his attestation. A few pages in the Service Book may be set apart for making entries regarding this scheme or some additional papers may be pasted securely for this purpose.

### **3.5. The employees of Panchayat Raj Institutions and other local Bodies:**

**3.5.1.** The Executive Officer, if it is notified Gram Panchayat, or, otherwise Sarpanch of the Gram Panchayat, Samithi, the Commissioner of Municipalities / Corporations, the District Development Officer of the Zilla Parishad or other officer, as the case may be, who draw the pay of the employees should show the deductions towards the Group Insurance Scheme in the Pay bills duly supported by schedules in the prescribed form (Annexure A) and draw a separate cheque for the total amount of deductions towards Group Insurance Scheme and remit the amount through challan into the treasury to the relevant head of account indicated in Para 2 duly supported by the schedules in duplicate in the prescribed form. (Annexure A). While the original challan with one copy of the schedule shall be returned to the remitter, the other copy should be retained by the treasury.

**3.5.2.** The Drawing and Disbursing Officers of the Panchayat Raj Institutions and other Local Bodies shall record and attach a certificate to the pay bill every month to the effect that the amounts deducted towards Group Insurance Scheme from the previous month's salaries of the employees have been remitted to Government account vide Challan No. Dt. for Rs.

**3.5.3.** In respect of the employees of the Panchayat Raj Institutions including teachers the Sarpanch / Executive officer of the Panchayat, the Block Development Officer of the Panchayat Samithi, the Commissioner, Municipality / Corporation or the District Development Officer of the Zilla Parishad, as the case may be, should maintain the Register of subscribers to the Insurance Fund / Insurance and Savings Fund in the prescribed form and keep it up to date. At the close of March each year, the above Drawing and Disbursing officers shall record a certificate in the Service Book that subscriptions at the appropriate rates have been recovered from the employees for the period from April to March.

**3.5.4.** The Drawing and the Disbursing officers of panchayat Raj institutions and the other Local Bodies should send a monthly report to the Audit officer, local Fund concerned with details of the amounts credited to government on account of employees' contributions towards Group Insurance Scheme together with copies of the schedules attached to the pay bills (Annexure A) along with a certificate that the contributions are deducted from all employees from whom contribution is required to be recovered and credited to Group Insurance Scheme vide Challan No.

dt. for Rs. . The Audit Officer, Local Funds, concerned should watch the receipt of these monthly reports which should be sent by 10<sup>th</sup> of the following month. These reports shall be maintained properly and systematically and during the course of post-audit, these deductions and remittances should be checked by the staff of local Fund Audit Department.

**3.6.1.** In the case of Forest Department and such other Departments like Project Organizations where the salaries of the employees are drawn through cheques and compiled accounts are rendered to the Accountant-General, the following procedure shall be followed:

**3.6.2.** Every such Drawing and Disbursing officer will arrange for deductions of amounts on account of the scheme from the pay bills of the employees. The deductions shall be, however, be brought to account either in the cash book of the compiled accounts rendered by these officers or while drawing the cheque for the net amount of the pay bill. A separate cheque on the relevant of the deductions towards Group Insurance Scheme shall be drawn simultaneously and remitted in to the Treasury to the relevant head of account indicated in Para 2 duly supported by the schedules in duplicate in the prescribed form Annexure 'A'. While the, original challan with one copy of the schedule shall be returned to the remitter, the other copy should be retained by the treasury.

**3.7.1.** While it is the primary responsibility of the Drawing and Disbursing Officer to ensure that subscriptions at appropriate rates are recovered from the pay bills drawn by him, the treasury officer should also verify in the case of pay bills presented at the treasury that deductions towards the scheme are made from every person whose salary is claimed in the pay bill and who has to subscribe compulsorily to the Fund.

**3.7.2.** In respect of Panchayat Raj institutions, the District inspectors of local Fund Audit shall verify during the course of their visits to the institutions that subscriptions to the scheme at the appropriate rates are recovered from all the employees and that the amount recovered are promptly remitted to Government Account and that relevant records envisaged under the scheme are maintained. If there are any lapses or omissions, they should be promptly brought to the notice of the institutions and also to the Finance Department, by a special report through the Director of Local Fund Audit.

**3.7.3.** The Accounts of the 'Group Insurance Scheme shall be audited twice a year in respect of Zilla Parishads, Panchayat Samithis and Municipalities and in the case of Gram Panchayat's at the time of usual audit by the Local Fund Audit Department as per their programme.

**3.7.4.** The amount of subscriptions recovered from the pay bills and also those remitted through challans shall be credited by the treasury officer to the sub-head "Insurance Fund" (Receipts) in the accounts rendered by him.

**3.7.5.** The District Treasury officer shall detach all the schedules in Annexure 'A' of recovery of monthly subscriptions from member/employees from the pay bills and also those relating to challan remittance by local bodies, departments and others and consolidate them and send the consolidated statement in Annexure 'B' to the Administrator of the Scheme by the 25<sup>th</sup> of the following month. Only the consolidated statement need be sent to the Administrator. The schedules shall be retained by the District Treasury arranger properly. He should ensure that the total subscriptions as per the consolidated statement agree with the account figure for the month under the sub-head 'Insurance Fund' (Receipts).

**3.7.6.** The pay and Accounts Office, Government of Andhra Pradesh, stationed at new Delhi and the P.A.O. at Hyderabad who render compiled accounts every month to the Accountant-General shall credit the recoveries towards the scheme in their compiled accounts under the relevant head in Para 2 above and like any other Treasury officer shall detach the schedules from the pay bills consolidate them and send the consolidated statement in the prescribed form (Annexure 'B') to the Administrator of the fund by the 25<sup>th</sup> of the following month, retaining the schedules duly arranged. They shall render all other returns envisaged under the scheme direct to the Administrator of the Fund like any other Treasury officer.

#### **4. Transfer of Members.**

Where a member / employee is transferred from one office to another or deputed to another Government or sent on foreign service, detailed particulars in regard to the Group to which he belongs, the date of his continuous membership in the group and also in the lower groups, if any, for the benefits from the Insurance Fund or both Insurance Fund and Savings Fund as the case may be, the month up to which subscription has been recovered shall be indicated in the L.P.C. issued to the new office. Where pay is drawn provisionally in the absence of L.P.C. on the basis of the request and statement of the transferred employee giving the particulars of the details regarding subscription to and

deductions, the above details regarding subscription to the scheme shall also be obtained from the employee. On the basis of above particulars given in the L.P.C / Statement of the employee, the Drawing and Disbursing Officer of the new office shall commence recovery of subscription from the individual concerned beyond the month up to which subscription has been recovered earlier. Suitable entries shall also be taken in the Register of members maintained in the new office. Where the pay is drawn on the statement of the officer, the deductions on account of Insurance and Savings Fund should be checked with the L.P.C. as soon as L.P.C. is received.

## **5. Payments from Insurance Fund / Savings Fund :**

**5.1.** The authority competent to sanction payment of amounts due from Insurance Fund / Savings Fund under the scheme is the Head of Office. Where the Head of office is a non-Gazetted officer, his immediate next superior gazetted officer shall be the competent authority for this proposal. The head of the Department to which the employee belongs will be the competent authority for sanction of payment of amounts due under the scheme in the case of Government, employees on foreign service / deputation to the other Governments. The Secretary to Governments, in the Administrative Department of the Secretariat shall be the competent authority in respect of Heads of Departments.

**5.2.** The authority competent to sanction payments of amounts due from Insurance Fund / Savings Fund under the scheme in respect of employees of Panchayati Raj Institutions and other local bodies will be as follows:-

(i) Employees of Municipal Corporations	The Commissioner in the case of Municipal corporation of Hyderabad and Dy. Commissioners, Secunderabad Division, in the case of employees of Municipal Corporation of Secunderabad and Commissioners in respect of other Corporations.
(ii) Employees of Municipalities	Commissioners.
(iii) Employees of Zilla Parishads	District Development Officer, Zilla Parishad.
(iv) Employees of Panchayat Samithis	Block Development Officers concerned.
(v) Employees of Gram Panchayats	
(i) Where there is an Executive Officer,	the Executive Officer.
(ii) Where there is no Executive Officer	the Divisional Panchayat Officer concerned.

**5.3.** The authority competent to sanction payment of amounts due from the Insurance Fund / Savings Fund shall issue a sanction order after verifying the fact of regular subscriptions with reference to the annual certificates recorded in the Service Book of the employee, and the Register of members. The sanction should indicate separately the amounts payable from the Insurance Fund and the Savings Fund. Relevant bio-data of the member / employee shall also be given in the sanction order. In death cases, the names of the beneficiaries and the amounts payable to each shall also be indicated.

**5.4.** On receipt of sanction, for the payment of amounts due from the Insurance Fund / Savings Fund under the scheme the competent Authority, the Drawing and Disbursing Officer shall prepare a bill in each case in a simple receipt form as in Annexure for drawing the amounts disbursements to the payee(s) concerned. The drawing and Disbursing officers shall verify the correctness of the amounts sanctioned with reference to the relevant provisions of the Andhra Pradesh Employees Group Insurance Rules 1984. The bill shall indicate separately the entitlements from Insurance Fund and Savings Fund. In the portion of the bill relating to classification the amounts debitible to each of

the Funds shall be shown separately of the drawing and Disbursing Officer, that subscriptions to the Fund at appropriate rates have been recovered regularly from the Government servant from the date of his admission to the benefits of the scheme to the month of cessation of duties. The bill shall then be sent to the treasury concerned. (A separate procedure is prescribed for employees of P.R. institutions and local bodies). The sub-treasury / Treasury officer shall after due treasury checks and ensuring the furnishing of the above certificates, pass the bill or payment in favour of the drawing officer who will draw and disburse the amounts to the payee(s) concerned under proper acquaintance. A note of the payment with relevant details shall be recorded in the service book by the Drawing and disbursing officer. An entry of the payment shall also be made in the Register of Members.

**5.5.** In the case of Forest and other Departments who draw their requirements of funds by cheques and render compiled accounts, the payments under the scheme shall be made by drawal of bills at the treasury, as in the case of other departments, following the procedure indicated in the preceding Para. The transactions relating to the scheme shall not appear in the departmentally compiled accounts.

**5.6.** In respect of the employees of panchayat Samithis and Zilla Parishads (including teachers) and other local bodies, while the procedure for sanction and preparation of the claim will be same as outlined for their own funds and the amount shall be got reimbursed by presenting bills (in miscellaneous bill form) at the treasury including a copy of the sanction and the acquaintance of the payee with relevant details and bio-data of the employees member as in form Annexure 'C'. The claims for reimbursement shall be pre-audited by the Local Fund Audit Officer, and shall bear the necessary endorsement of the Audit Officer presentation of the claims at the Treasury.

**5.7.** As the Panchayats may not be able to meet the payments to their employees initially from their own funds, the claims of the Panchayats shall be preferred to the District Development Officer, Zilla Parishad who will arrange to make payment from the General Funds of the Zilla Parishad and later claim reimbursement of the amounts from the treasury by furnishing relevant details and documents and following the procedure as indicated in Para.

**5.8.** The Treasury officer/ Pay and Accounts officer shall classify the payments under the respective sub-heads mentioned in Para 2 above. In the lists of payments rendered to the Accountant General, the payments debitable to each of the Funds shall be shown in separate columns and the total payments for the month as per list shall be agreed with the account figures for the month under the respective sub-heads.

**5.9.** The Treasury officer shall keep a record of all disbursements made under the scheme both at District Treasury and sub-Treasuries in a register in Form Annexure 'D' and send a schedule of monthly disbursements as in Annexure 'E' to the Administrator of the scheme by the 26<sup>th</sup> of the month following the month to which the disbursements shown in the consolidated schedule under each of the Funds agree with the accounts figures shown against the relevant sub-heads in the Treasury Accounts.

## **6. Consolidation of accounts and calculation of interest:**

**6.1.** The Administrator of the scheme shall consolidate the accounts to the monthly schedules of receipts and disbursements received from the treasuries. The amounts subscribed by the employed who are members of the Insurance Fund alive, shall be collected and deducted from the total subscriptions for the month the balance apportioned between the insurance Fund and Savings Fund at the prescribed percentage. The figures for each quarter ending June, September, December and March, shall be communicated to the Accountant-General by the 15<sup>th</sup> of the Second month succeeding the quarter for carrying out the adjustment in the accounts. The adjustment of the last month of the succeeding quarter. The adjustment for the last quarter ending March, shall however be carried out in the accounts of the same year in March, final or supplementary Accounts.

**6.2.** After taking into account the payments made during a quarter, the positive balance under each of the funds shall be credited with the interest calculated at the rates of interest notified by Government for the purpose. The Administrator of the scheme shall

work out the interest creditable to each of the Funds and send necessary intimation to the Accountant-General by the 15<sup>th</sup> of Second month succeeding the quarters ending June, September, December, and March for carrying out the account adjustment. The amount of interest credited to the two funds taken together shall have contra debit to the following heads of account.

“249-Interest on Small Savings, Provident Fund etc.,

030-Interest on Insurance and Pension Fund (Minor Head) SH (04) Andhra Pradesh State Employees Group Insurance Scheme (New sub-head)”.

7. The adjustment for a quarter shall be carried out in the accounts of the last month of the succeeding quarter. The adjustment of the interest for the last quarter ending March shall however be carried out in the accounts of the same year in March final or supplementary accounts.

7.1. The Administrator of the Fund shall be responsible to administer both the Insurance Fund as well as the Savings Fund.

7.2. The Administrator of the scheme shall watch the timely receipt of the consolidated schedule of receipts and disbursements from the treasuries and reconcile the figures consolidated by him with these booked by the Accountant-General.

7.3. The Administrator of the scheme shall send a quarterly statement of account to the Secretary to Government, Finance and Planning (Fin.Wing) Department as in Annexure 'F' within two months of the completion of each quarter ending June, September, December and March.

**8. Submission of Budget Estimates:**

At the appropriate time every year, the estimates of receipts and disbursements under the scheme as well as interest payments shall be furnished to the Finance and Planning (Fin.Wing) Department, by the Administrator of the scheme.

**9. Audit.**

The accounts of the Fund shall be audited by the Accountant-General, Andhra Pradesh.

**D. SANKARAGURUSWAMY,  
Principal Secretary to Government.**