
**RULES RELATING TO AUDIT, SURCHARGE, DISALLOWANCE
AND APPEALS UNDER THE ANDHRA PRADESH PANCHAYAT
RAJ ACT, 1994**

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In exercise of the powers conferred by Clauses (IX and X) of sub-section (2) of Section 268 of the Andhra Pradesh Panchayat Raj Act, 1994, (Act No. 13 of 1994), the Governor of Andhra Pradesh hereby makes the following rules relating to Audit, Surcharge, Disallowance and Appeals

1. . :-

The Executive Authority of a Gram Panchayat shall submit all accounts to the auditor appointed under sub-sections (1) and (2) of Section 266 as required by him.

2. . :-

The Auditor may,--

(1)

(a) by summons in writing, require production of any books, deed, contract, account voucher, receipt or other document the perusal or examination of which, he may consider necessary;

(b) by summons in writing, require any person having the custody or control of any such document or accountable for it to appear in person, before him;

(c) require any person so appearing to make and sign a declaration

with respect to such document or to answer any question or to prepare and furnish any statement relating thereto;

(2) Whoever fails to comply with any requisition lawfully made upon him under this rule shall be punishable with fine which may extend to one hundred rupees.

3. . :-

(1) The Auditor shall report to the Gram Panchayat :--

(a) any material impropriety or irregularity which he may observe in the expenditure or in the recovery of moneys due to the Gram Panchayat or in the accounts of the Gram Panchayat; and

(b) any loss, waste or misappropriation of moneys or other property owned by or vested in the Gram Panchayat, if such loss, waste or misapplication or misappropriation is a direct consequence of his neglect or misconduct, with the names of persons directly or indirectly responsible for such loss, waste, misappropriation or misapplication :

Provided that where the Auditor himself is not able to assess the loss caused to the Gram Panchayat due to non-availability of the required material i.e., (records), he may address the concerned District Collector (PW) for furnishing the required information in respect of the following cases, namely :

(i) Where there is no data available to estimate the loss or deficiency caused to the Gram Panchayat in the matter of execution of works; and

(ii) Where there is no required material for assessing the loss caused to the Gram Panchayat due to non-levy of mandatory taxes or due to non-conduct of general revision of House Tax in time.

(2) On receipt of such requisition, the District Collector (PW) concerned shall after getting the matter investigated departmentally, assess the loss caused to the Gram Panchayat Funds, and the person or persons responsible therefor and furnish the required information to the Auditor so as to enable him to take necessary action in the matter.

4. . :-

The Executive Authority shall forthwith remedy any defects or irregularities that may be pointed out by the Auditor, and report

the same to the Gram Panchayat.

5. . :-

(1) Any Auditor may disallow every item contrary to law and surcharge the same on the person making or authorising the making of the illegal payments and may charge against any person responsible therefor, the amount of any deficiency loss or unprofitable outlay incurred by the negligence or misconduct of that person or of any sum which ought to have been, but is not, brought to account by that person and shall in every case, certify the amount due from such person.

Explanation :- It shall not be open to any person whose negligence or mis-conduct has caused or contributed to any such deficiency or loss, to contend that notwithstanding his negligence or misconduct, the deficiency or loss would not have occurred but for the negligence or misconduct of some other person :

Provided that, no surcharge proceedings shall be instituted after a lapse of three years from the date of completion of audit.

(2) The Auditor shall state in writing the reasons for his decision in respect of every disallowance surcharge or charge, and furnish by registered post a copy thereof to the person against whom it is made.

(3) If the person to whom a copy of the Auditor's decision is so furnished refuses to receive it he shall nevertheless be deemed to have been duly furnished with a copy of such decision within the meaning of sub-rule (2). The period of ninety days fixed in Rules 6 and 7 shall be calculated from the date of such refusal.

6. . :-

(1) Any person aggrieved by disallowance, surcharge or charge made, may within ninety days after he has received or been served with the decision of the Auditor, either,--

(a) apply to the Principal Civil Court of original jurisdiction to set aside such disallowance, surcharge or charge and the Court, after taking such evidence as is necessary may confirm, modify or remit such disallowance, surcharge or charge with such orders as to costs as it may think proper in the circumstances;

(b)

(i) in lieu of such application, appeal to the following authorities in the cases noted against each;

(i)	District Panchayat Officer	In respect of a surcharge certificate amount not exceeding Rs.5,000/-.
(ii)	District Collector	In respect of surcharge certificate above Rs.5000 but not exceeding Rs.25,000/-.
(iii)	Commissioner (PR&PS)	In respect of a surcharge certificate exceeding Rs.25,000/- :

Provided that in respect of Surcharge Certificate issued by the Director of Local Fund Audit, Andhra Pradesh, Hyderabad, the appeal powers against the surcharge certificates shall lie with the District Collector against the orders of District Panchayat Officer, and Commissioner, Panchayat Raj and Rural Employment against the orders of the District Collectors. However, the appeal powers shall be with the Government against the orders of Commissioner.

(ii) The orders passed by the respective appellate authority shall be final.

(2) From any decision of the Court under clause (a) of sub-rule (i) an appeal shall lie to the Court.

(3) Where an application is made to the Court under clause (a) sub-rule (1) the Auditor shall be the sole respondent thereto and the applicant shall not be entitled to make either the authorities specified in clause (b)(i) of sub-rule (i) of Rule or any other person as party to the proceedings.

7. . :-

Every sum certified to be due from any person by the Auditor under these rules shall be paid by such person into the nearest Government Treasury or (in rules shall be paid by such person into the nearest Government Treasury or) in the Office of the Gram Panchayat within ninety days after the intimation to him of the decision of the Auditor, unless within the time such person has appealed to the authorities specified in clause (b)(i) of sub-rule (1)

of Rule 6 against the decision; and such sum, if not paid or such sum as the authorities aforesaid shall declare to be due, shall be recoverable on an application made by the Extension Officer (Panchayats) to the Court in the same way as an amount decreed by the Court :

Provided that where the amount covered by a surcharge certificate is Rs.500/- or less the same shall be recoverable by the Divisional Panchayat Officer having jurisdiction over the Panchayat concerned.