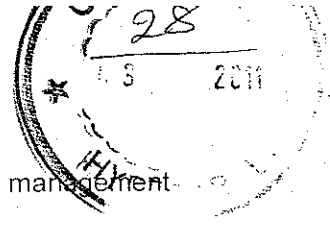


GOVERNMENT OF ANDHRA PRADESH
ABSTRACT



Social Security Pensions – system for efficient disbursement and management of funds— prescribed – Orders – Issued.

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PANCHAYAT RAJ AND RURAL DEVELOPMENT (RD.I) DEPARTMENT

G.O.Ms.No.380

Dated:01.12.2011.
Read the following:

1. G.O.Ms.No.83, PR&RD (RD.III) Department, dated 21.03.2005.
2. G.O.Ms.No.82, PR&RD (RD.II) Department, dated 25.03.2006.
3. G.O.Ms.No.83, PR&RD (RD.II) Department, dated 27.03.2006.
4. G.O.Ms.No.23, PR&RD (RD.II) Department, dated 20.01.2007.
5. G.O.Ms.No.24, PR&RD (RD.II) Department, dated 20.01.2007.
6. G.O.Ms.No.290, PR&RD (RD.II) Department, dated 01.10.2009.
7. G.O.Ms.No.406, PR&RD (RD.II) Department, dated 29.12.2009.

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ORDER:

1. Government vide reference 2nd to 5th cited, issued detailed guidelines for sanction and disbursement of all categories of Social Security Pensions so that all pensions are distributed on the 1st of every month in the village. Government vide reference 6th cited also brought in certain reforms in management of Social Security Pensions scheme in the State.

2. Under this existing fund management system, funds under various budget heads of the Social Security Pension Scheme are released to the Project Directors, DRDA on quarterly basis, who in turn, transfer them to Pension Disbursing Agencies (PDAs) viz., MPDOs/Municipal Commissioners/MROs/ Smartcard Banks on monthly basis based on the acquittances generated centrally for that month. The undisbursed amounts are returned to the Project Director, DRDA / District Collector, Hyderabad before 10th of each month. With a view to eliminate benami payments, all villages are being brought under biometric smart card system in phases. However, it is observed that there are issues about timely availability of funds for pension disbursement at the district level due to problems in drawing the amounts from treasury in time, which need to be addressed.

3. The Chief Executive Officer, SERP proposed that in the above context, in continuation of the reforms in systems for smooth implementation of the pension disbursement, there is a need to migrate to an Electronic Fund Management System (eFMS) to avoid delays in transfer of money to the disbursement accounts, to reduce the drudgery at the level of DRDAs and MPDOs, and to have a greater discipline in utilization of funds. The Electronic Fund Management System is a fund transfer module which involves online transfer of funds from State Nodal Accounts to the destination Accounts of the smart card banks / MPDOs in an electronic manner.

4. Government, after careful consideration of the proposal, approved the implementation of the electronic Fund Management System (eFMS) for social security pensions in order to improve the timely service delivery of pensions as per the following details:

- a) All funds shall be located in State Nodal Bank(s) as identified by Chief Executive Officer (CEO) SERP, which have enabled electronic transfer of funds in such a way that funds can be transferred within 24 hours to the destination disbursement accounts. The banks identified as Nodal Banks under eFMS will upgrade their IT system to allow for a seamless transfer of the funds from the State Nodal Account to the Destination Accounts. The Chief Executive Officer, SERP shall enter into MoU with the identified nodal banks to operationalize the eFMS.

[Contd..2.]

- b) All the MPDOs (in rural areas) and Municipal Commissioners (in urban areas) shall ensure that the signed acquittances are obtained from the villages before 10th of each month; and based on that, shall update the disbursement data electronically in the facility provided for this purpose on or before 15th of each month. In case of pensions being paid through the Smartcard system, the disbursement details will be automatically captured in the central server. The system of manual acquittance will however, continue for audit purpose.
- c) The State Office, based on this data and after due verification if need be, shall generate the Proceedings, acquittances and PDA-wise releases in electronic format and sent to the Districts as mandated in GO 6th cited for obtaining approval of the District Collector concerned on or before 17th of each month.
- d) On securing the approval of the Collector, the Project Director, DRDA shall arrange to enter the Funds Transfer Request (FTR) on www.ssp.ap.gov.in after securing it through the digital signature key provided to him on or before 20th of each month.
- e) This FTR shall trigger the movement of funds from the State Nodal Account to the relevant Destination Accounts of smart cards; or to the accounts of MPDO/Municipal Commissioners (in areas which are not yet converted to smart card system) in such a way that the funds are received at the destination account before 25th of each month.
- f) In case of disbursements through the PDAs, MPDOs/Municipal Commissioners shall ensure that:
- i. The amount is withdrawn from their accounts and handed over to the PDAs along with the acquittances before the last day of the month so that disbursement is done in the villages on the 1st of every month (even if 1st is a holiday).
 - ii. All undisbursed cash along with the acquittance shall be deposited with the MPDOs/Municipal Commissioners before 5th of every month by the PDAs.
 - iii. The above data is computerised in the manner provided by SERP before 10th of every month.
- g) In case of smartcard system, amounts will reach the designated smart card bank accounts before 25th of each month; and thereafter, based on the electronic acquittance, Banks shall arrange to reach the cash to the Customer Service Provider (CSP) in the village before last day of the month. Banks will also be responsible for arranging disbursement after biometric authentication on the 1st of each month ensuring the following:
- i. Further any disbursement in the smart card villages by 'manual override' method i.e. payment without biometric authentication shall be strictly banned. Banks will be responsible for returning all such money to back Government.
 - ii. The disbursement details shall be captured in the bank server (and from there to the State server) through automatic synchronization of the biometric device.
 - iii. All undisbursed cash shall be remitted back in the account specified by SERP before 10th of each month.

5. The Chief Executive Officer, SERP shall to ensure that the service charges for smart card operation and the other administrative costs shall be met from the overall administrative costs permitted by Government of India under various schemes. For such expenses, a separate FTR shall be generated.

6. All the pensions distributed since 1st April 2011 shall be subject to half-yearly social audit being conducted by the Society for Social Audit, Accountability and Transparency (SSAAT), alongside the social audit of the MGNREGS expenditure. Further, the State Nodal Account will be subject to audit at State level and at District level.

7. "The MPDOs and Municipal Commissioners shall take responsibility for periodic reconciliation of the SSP accounts at Mandal and Municipal Level and internal audit shall be conducted on all payments made each month. The Project director, DRDA shall collect monthly FTR reconciliation statement duly signed by the MPDOs / Municipal Commissioners. The Project Director, DRDA shall conduct the Annual audit and reports shall be sent to CEO, SERP. The CEO, SERP shall develop MIS system for the purpose of monitoring the entire system and shall reconcile all the bank wise transactions taken place in the entire state with bank statements".

8. The Chief Executive Officer, SERP shall to ensure that this system for pension disbursement shall come into effect from 1st December, 2011. A copy of this order is available on the Internet and can be accessed at the address: <http://www.rd.ap.gov.in>.

9. This order issue with the concurrence of Finance (Expr.PR&RD) Department. Their U.O.Note.No.20428/679/Expr.PR&RD/11, Dt:24.11.2011.

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

R.SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (RD)

To

~~The~~ Chief Executive Officer,
Society for Elimination of Rural Poverty,
A.P., Hyderabad.

The Commissioner Rural Development (for arranging for smart card distribution)

The Convener, SLBC (for communication to all Bankers)

The Director, SSAAT (for organising social audit)

All the District Collectors in the State.

All the Project Directors of DRDAs in the State (for communication to all MPDOs)

Copy to:

The Secretary MA & UD Department (for organising the same in the urban areas and communication to the Municipal Commissioners)

//FORWARDED :: BY ORDER//

M. V. U. Prasad,
SECTION OFFICER
Jen

