

ଓଡିଶା ସରକାର  
ପଞ୍ଚାୟତିରାଜ ବିଭାଗ

Government of Odisha  
PANCHAYATI RAJ DEPARTMENT

E-mail/ Speed Post  
21.5.13  
ଓଡିଶା ସଚିବାଳୟ  
ସଚିବାଳୟ, ମାର୍ଗ, ଭୁବନେଶ୍ୱର-୭୫୧୦୦୧

Odisha Secretariat, Sachibalaya Mar  
Bhubaneswar-751 00  
Tel. No.0674-2536680/232287  
Fax. 0674-239141  
E-mail- prsec.or@nic.i

No.17-PLAN-08-2139

14261

Date: 20<sup>th</sup> May, 2013

From

Shri D.K.Singh, IAS,  
Comm.-cum-Secretary to Govt.

To

All Collectors  
All PD, DRDAs  
All BDOs  
All DPOs

**Sub: Measures to streamline the Financial Management System.**

Sir,

With huge funds flowing through the three tiers PRIs and different agencies/offices of the Panchayati Raj Department, there is an urgent need for sound Financial Management System for effective functioning and prudent financial management. In spite of existing codal provisions, guidelines and instructions issued from Government, instances of non-observance of codal provisions and guidelines by the implementing agencies as well as financial irregularities are coming to the notice of the Government. In order to streamline Financial Management System in Panchayati Raj Department, the following guidelines are hereby issued to be followed meticulously by PD, DRDAs, BDOs, DPOs and E.Os concerned while discharging their financials functions.

**1. Allotment of Funds:**

The allotment of funds under Plan & Non-Plan Schemes is made available in the Budget interface ([www.odishatreasury.gov.in](http://www.odishatreasury.gov.in)) link of Odisha Treasury Portal to all DDOs of Panchayati Raj Department. The DDOs concerned can view and download the Allotment reports from Odisha Treasury Portal. The practice of sending ink-signed copy of the Allotment Order has been discontinued as per Rule- 5(ii) of the DFPR- 1978 (revised up to 08.04.2013).

**2. Incurring Expenditure:**

The DDO shall undertake expenditure as per the Quarterly Expenditure Allocation (QEA) and Monthly Expenditure Plan (MEP) approved by Finance

Department and communicated by Panchayati Raj Department each year. While incurring expenditure, the DDO shall follow codal provisions provided under Odisha Treasury Code, Odisha General Financial Rules and Delegation of Financial Powers Rules as well as guidelines issued by the Finance Department / Panchayati Raj Department from time to time.

The DDO shall, only after actual expenditure, furnish Monthly Expenditure Report to the Controlling Officer by 7<sup>th</sup> of succeeding month in the format prescribed in “Form OGFR – 27” and “Form OGFR – 28” of OGFR Volume-II as per Rule – 319 of OGFR Volume – I.

**3. One Scheme - One Account :**

Since, maintenance of multiple accounts for one scheme goes against the rules and poses difficulty in smooth reconciliation, **the DDO shall maintain and operate only one Savings Bank Account for one Scheme.** The Bank Account shall be maintained in a Nationalized Bank / Scheduled Bank / Regional Rural Bank (RRB) situated within the jurisdiction of DDO. Maintenance of multiple Accounts against one scheme is strictly prohibited and will invite disciplinary action against the officer concerned.

The DDO shall furnish detailed information of the Bank Account with funds position in the enclosed format in **Annexure-“A”** to the PD, DRDA concerned who shall submit a consolidated statement to the F.A.-cum-Joint Secretary, Panchayati Raj Department by **15<sup>th</sup> April each year.**

**4. Monitoring of various Scheme Funds:**

Panchayati Raj Department has put in place a soft-ware called “MASTERS” for tracking the flow of funds, scheme-wise, across the State on a monthly basis. The software is so developed that it will accept / receive one scheme one account only. Hence, maintenance of multiple accounts /change of Bank Accounts are not permissible. However, if it is necessary to change the bank account due to unavoidable reasons, then DDO concerned shall take approval of Government in Panchayati Raj Department for changing the bank account of any scheme.



5. **Reconciliation of Cash Book with Bank Pass Book & Cheque Register:**

The DDO concerned shall make reconciliation of scheme-wise Cash Book vis-a-vis scheme-wise Bank Pass Book & Cheque Register in the **1<sup>st</sup> week of every month** without fail and a certificate to that effect shall be recorded in the Scheme Cash Book with countersignature of Head of Office (PD, DRDA, BDO, DPO, EO etc. as the case may be). Similarly, at the end of the financial year, DDO shall work out and record prominently, the Opening Balance and Closing Balance of each individual scheme. The interest accrued in the scheme wise Bank Account shall be taken periodically to the concerned Scheme Cash Book and it shall be utilized for implementation of that scheme only. No diversion or mis-utilization of funds is permissible. Discrepancy found, if any, should be brought to the notice of higher authority and corrective measures should be taken promptly. The DDO shall maintain a Register for reconciliation of receipts and disbursement of scheme funds as per **Annexure – 8 & 9 of F.D Letter No.15847/F dated 27.04.13** (copy enclosed). If any misappropriation, defalcation of fund is detected, it should be brought to the notice of Government immediately in addition to taking immediate appropriate action.

6. **Diversion of Fund:**

Any diversion of funds from one scheme to another scheme or for any other purpose is strictly prohibited. No DDO shall make any diversion at any cost for any reason whatsoever.

7. **Submission of Utilization Certificate:**

One of the facets of prudent financial management and reporting by an implementing agency is to make effective utilization of funds and prompt submission of Utilization Certificates in support of such expenditure. As per Rule – 173 of OGFR Volume-I read with F.D. Letter No.8437/F dated 06.03.2012, the Utilization Certificate should be furnished, only after incurring of actual expenditure by the PD,DRDAs/ BDOs/ DPOs/ EOs , as per the dateline fixed by Finance Department Letter above. UCs should reflect actual expenditure incurred after due verification by the DDO and Head of Office. **The Officers signing UC will be personally responsible for correctness of the entries.**

8. Deposit of fund accrued out of closed / inoperative schemes.


As per Rule, the funds available under any scheme which has already been closed or is inoperative should be refunded by way of depositing in the Government account. The DDO shall work out all such available funds in the Bank Pass Book and make deposit in proper Government head unless there is specific instruction to the contrary.

9. Adjustment of Outstanding Advances:

The advances granted to any Government servant under orders of the competent authority is to be analysed by concerned DDO and steps should be taken promptly for adjustment of outstanding advance supported by vouchers. If any un-adjustment balance is left on the part of a Government servant, he should be served with a notice by the DDO concerned for refund of the unspent fund. In case, any such advance is outstanding against a Government servant who has in the meantime, has already retired / expired, it should be reported to the pension sanctioning authority for necessary action. Each DDO shall maintain the Advance Register to work out the amount of advance granted and unadjusted outstanding advance pending with different Government servants before closure of the financial year and take effective steps for necessary adjustment of the same as per Rule – 37 of OTC Volume – I. The DDO shall ensure proper adjustment of the outstanding advance before grant of second one in favour of a Government servant.

**These instructions should be meticulously followed. Failure to do so will be viewed very seriously and invite disciplinary proceeding against the officer concerned.**

Yours faithfully,

  
20/5/2013  
(D.K. Singh)

**CC to: For kind information and necessary action.**

1. All Branch Officers / Desk Officers / Section Officers, Panchayati Raj Department.

INFORMATION ON SCHEME-WISE BANK ACCOUNT & FUNDS POSITION AS ON 1ST APRIL OF THE YEAR

As on 01.04.....

Name of the GP/ PS/ZP/DPO/DRDA

Sl. No.	Name of the Scheme	Name of the Bank / S.B. A/c No.	Opening Balance as on 1st April.	P.L. A/c Balance	(Amount in Rs.)			Remarks
					Cash in hand	Amount of Advance given	Total amount	

Signature of the Authority (DDO)