

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 23583 /F, Dated, the 10.07.2019
FIN-AA-CAG-0001-2019

From

**Sri A.K.K.Meena, IAS
Principal Secretary to Government.**

To

**The Additional Chief Secretaries/
All Principal Secretaries/Secretaries to Government/
All Heads of Departments/All Collectors.**

Sub:

**Parking of the Government money outside Public Account
in contravention of financial rules and instructions issued
by Finance Department.**

Madam/Sir,

I am directed to say that instances have come to the notice of Government that money drawn by the Drawing & Disbursing Officers (DDO) is lying unutilized in the Bank account of DDOs and other officers in violation of existing financial rules and instructions issued by Finance Department for indefinite period.

2. As stipulated in Subsidiary Rule 242 of Orissa Treasury Code, Volume - I, money should not be drawn from the Treasury unless it is required for immediate disbursement. Besides, it is stipulated in Rule-6 of O.G.F.R, Volume-I that unless otherwise expressly authorised by any law or rule or order having the force of law, moneys may not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Further, Rule-141 (3) of Odisha Budget Manual provides that no money should be drawn from the Treasury unless it is required for immediate payment. It is not permissible to draw money from the Treasury and keep them in Banks without sanction of Finance Department. Money should not be drawn from the Treasury simply on the ground that the charges has been sanctioned by competent authority. Nor is it permissible to draw money from the Treasury and then place it in deposit in order to avoid lapse of allotment.

3. The system of electronic disbursement of Government payments directly to the beneficiary account has been introduced vide Finance

Department O.M. No.27444/F dated 26.7.2012 with the objective of direct payment to the beneficiaries & vendors and to prevent parking of funds in bank accounts by the DDOs.

4. Instructions were issued in Finance Department Circular No.32215/F, dated 21.11.2014 that if any such instance of un-authorized parking of money is noticed, the concerned DDO shall be liable for disciplinary action under Rule-15 of the OCS (CC&A) Rules, 1962. Further, the Heads of Department and Collectors were instructed to cause enquiry into the matter of unauthorized parking of Government money in bank accounts after obtaining information from Drawing and Disbursing Officers/Autonomous Agencies of the Districts. In case, instances of such irregularity are found, the matter should be reported to respective Heads of the Department/Administrative Department. They should take disciplinary action against the Officer committing such irregularity under intimation to Finance Department and ensure that funds are drawn and transferred to implementing agencies only for actual expenditure and not for parking in Bank account. This is also being reiterated every year in Finance Department Circular on Regulation of Expenditure out of Budget Provision.


5. However, in spite of such instructions, Budgetary outlay under different State Government schemes/ programmes is being drawn without requirement of immediate disbursement and kept unutilized in Bank accounts for a long period in many cases. Sometimes, Budget Provision is drawn and parked in Bank account in order to avoid surrender of fund. This adversely affects the Ways and Means position of the State. Drawal and retention of funds results in deferment/deprivation of the expenditure on priority items which are linked with developmental activities. Such drawals give an inaccurate picture of public expenditure as the funds provided in the Budget are not actually put to use for the purpose for it was provided, although drawn from Government account. Besides, there is also risk of misappropriation and fraud if money is parked in Bank accounts. Parking of huge amount of funds in Bank accounts is inviting adverse remarks from C&AG of India every year in the report on State Finances.

6. It is, therefore, once again reiterated that money should not be drawn from the Treasury by the DDOs unless it is required for immediate disbursement. If instances of any such unauthorized drawal and parking of

money in Bank account is noticed, the concerned DDOs shall liable for disciplinary action under Rule-15 of the OCS (CC&A) Rules, 1962. Before concurring in the proposals for sanction of expenditure, the Financial Advisers/AFAs of Administrative Departments and Financial Advisers and Chief Accounts Officers/Accounts Officers of Heads of Departments and other offices should satisfy themselves that the money being sanctioned is required for immediate disbursement and utilisation and it shall not be parked in any Bank account. Before concurring in such proposals, they should call for necessary information and satisfy themselves that money previously sanctioned and drawn under the scheme has been utilized fully and not parked in any Bank account.

The Administrative Departments are requested to scrupulously follow the stipulations contained in Subsidiary Rule 242 of Orissa Treasury Code, Volume-I, Rule-6 of O.G.F.R, Volume-I, Rule-141 (3) of Odisha Budget Manual and instructions issued by Finance Department from time to time as indicated in the preceding paragraphs and guard against drawal of money from the Treasury without requirement of immediate disbursement and un-authorized parking of Government money in Bank accounts. Besides, the Administrative Departments may review the position of unauthorised parking of Government money in Bank accounts and initiate appropriate disciplinary action against the DDOs/Officials responsible for such parking.

Yours faithfully,


10/7/19

Principal Secretary to Government

Memo No. 23584 /F, dated 10.09.2019

Copy forwarded to the Private Secretary to Chief Minister/ Minister, Finance for kind information of Hon'ble Chief Minister/Minister, Finance.

D. Mohanty
10/7/19

Joint Secretary to Government

Memo No. 23585 /F, dated 10.09.2019

Copy forwarded to the Private Secretaries to Chief Secretary/ D.C.-cum-Additional Chief Secretary/ Principal Secretary, Finance Department for kind information of Chief Secretary/ D.C.-cum-Additional Chief Secretary/Principal Secretary, Finance Department.

D. Mohanty
10/7/19

Joint Secretary to Government

Memo No. 23586 /F, dated 10.09.2019

Copy forwarded to the Registrar, Orissa High Court/ Special Secretary, Odisha Public Service Commission/ Secretary, Odisha State Election Commission/ Secretary, Staff Selection Commission/Secretary Sub-ordinate Staff Selection Commission, Registrar, Odisha Administrative Tribunal/ Secretary, State Human Rights Commission/ Secretary, Odisha Electricity Regulatory Commission/ Chief Resident Commissioner, Odisha, New Delhi for favour of information and necessary action.

D. Mohanty
10/7/19

Joint Secretary to Government

Memo No. 23587 /F, dated 10.09.2019

Copy forwarded to all Collectors/ all Controlling Officers for information and necessary action.

D. Mohanty
10/7/19

Joint Secretary to Government

Memo No. 23588 /F., dated 10.09.2019

Copy forwarded to Financial Advisers/AFAs of Administrative Departments and Financial Advisers/Chief Accounts Officers/Accounts Officers of Heads of Departments and other offices for information and necessary action.

D. Mohanty
10/7/19

Joint Secretary to Government

Memo No. 23589 /F, dated 10.07.2019

Copy forwarded to the Director of Treasuries & Inspection, Odisha, Bhubaneswar/ all Treasury Officers/ Sub-Treasury Officers for information and necessary action.

D Phug -
10/7/19

Joint Secretary to Government

Memo No. 23590 /F, dated 10.07.2019

Copy forwarded to all Officers/ all Branches of Finance Department for information and necessary action.

D Phug -
10/7/19

Joint Secretary to Government

Memo No. 23591 /F, dated 10.07.2019

Copy forwarded to State Head Portal, Secretariat with a request to upload the above circular in Finance Department website (www.odisha.gov.in/finance).

D Phug -
10/7/19

Joint Secretary to Government