

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. **19623/F.**,
FIN-BUD2-VR-0001-2020

Date: **02.07.2020**

From

**Shri Ashok Meena, I.A.S.,
Principal Secretary to Government**

To

**Additional Chief Secretaries/
Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries/Special Secretaries to Govt.
All Heads of Departments.**

Sub: **Verification and Reconciliation of Departmental receipt and expenditure figures for 2020-21 with those of Accountant General (A&E), Odisha.**

Sir/ Madam,

I am directed to say that, monthly verification and reconciliation of Departmental figures with Principal Accountant General (A&E) relating to receipts and payments in the Consolidated Fund of the State Government is necessary to watch the trend of receipts as well as payments and avoid misclassification of receipts and expenditure which results in incorrect reporting of receipts and expenditure.

2. (i) Further, the expenditure incurred under a particular scheme is required to be reconciled/verified with the Principal Accountant General (A&E), Odisha for issue of Audit Certificate by the Accountant General (G&SSA and E&RSA), Odisha. Without such Audit Certificate, Government of India and External Funding Agencies will not allow reimbursement of expenditure. It is, therefore, necessary that Controlling Officers/Heads of the Departments should reconcile the accounts with Accountant General (A&E), Odisha on monthly basis as per schedule.

(ii) **During the year 2019-20, the dates fixed by Principal Accountant General (A&E), Odisha for verification/ reconciliation of expenditure for**

different months were communicated to the Controlling Officers/ Heads of Departments in Finance Department Circular No.30342/F., dated 06.09.2019 and despite repeated request, some of the Controlling Officers/ HODs did not ensure verification/ reconciliation, and for which concern was expressed by the Accountant General (A&E), Odisha.

3. The Controlling Officers are required to reconcile their receipts and expenditure with that of the Principal Accountant General (A&E), Odisha as per Rule-25 and Rule-319 (vi) of O.G.F.R. Volume-I. The online reconciliation facility has been made available in the Treasury Portal. In this facility, the expenditure and receipt data compiled in the VLC system of Principal Accountant General (A&E), Odisha is being uploaded into the Treasury Portal through the Principal Accountant General (A&E), Odisha interface in the IFMS. The data pertaining to expenditure and receipts generated from the VLC system is becoming the basis of reconciliation of accounts between the Controlling Officer & Principal Accountant General (A&E), Odisha. **However, it will take some time for the receipt reconciliation module to be fully functional. Till such time, the receipt reconciliation can be carried out through communication of suggestion for change or correction to the O/o the Principal Accountant general (A&E), Odisha manually.**

4. The Controlling Officers' reconciliation functionality in the Treasury Portal is carried out in two separate stages: *At the first instance, this functionality provides facility for correction of accounts between the Drawing & Disbursing Officer and the Treasury/Sub-Treasuries before the submission of monthly accounts to Principal Accountant General (A&E), Odisha. In the second stage, the receipt and expenditure reports compiled by the Principal Accountant General (A&E), Odisha are made available to the Controlling Officers in the Treasury Portal.*

5. The DDO-wise break up of expenditure/receipt details in the Treasuries are provided to each Controlling Officers against the respective Chart of Accounts both in the consolidated manner and also in details, challan/voucher-wise, for identification and settlement of the discrepant items of receipts and expenditure.

6. Further, the Treasury/Sub-Treasury Officers are required to ensure that the DDOs under their jurisdiction should verify and submit the proposal for correction of accounts, if any, in the online reconciliation module prior to finalization of Treasury accounts. The facility of accounting classification of all vouchers passed for payment at the Treasury level will be made available to

the DDO in the online reconciliation functionality. If there is any misclassification in booking of the receipt/expenditure at the Treasury level or otherwise, the DDO shall send a proposal for correction of accounts to the Treasury Officer/Sub-Treasury Officer before closure of monthly accounts, i.e. before 3rd day of the subsequent month. The proposal received from the DDO will be examined by the Treasury and necessary correction may be made in the accounts. The effective use of this functionality will substantially reduce the possibility of misclassification at the level of Accountant General (A&E), Odisha as they are importing data from IFMS and the burden of monthly accounting reconciliation for the Controlling Officers. The COs may impress upon DDOs under their control to ensure that the head classification booked by the treasuries are correct.

7. After submission of Treasury accounts, the proposal for correction has to be submitted by the DDO to their respective Treasuries who shall forward it to the Principal Accountant General (A&E), Odisha for acceptance. On receipt of approval from the Principal Accountant General (A&E), Odisha, Treasury Accounts will be revised by the Treasury Officer. Treasury will not accept any proposal of DDO relating to budgeted heads after submission of accounts to AG.

Secondly, if any correction of account is made through the process of reconciliation between the Controlling Officer and the Principal Accountant General (A&E), Odisha, the same will also be reflected in the Treasury Accounts and shall be communicated to the DDO. The DDO/Controlling Officer shall verify the same from the reports available and update their records accordingly.

8. The Controlling Officers are required to cause verification of the month-wise payment & receipt details in the Controlling Officers reconciliation functionality of Treasury Portal and indicate the discrepant items and suggest corrections/ transfer entry online to the Principal Accountant General (A&E), Odisha, or their acceptance of the accounts as compiled in the VLC system. In case of any discrepancy, the Controlling Officers are required to mention the details and suggest the appropriate Chart of Account in which the expenditure/receipt should be booked. In case where the Controlling Officer has no knowledge as to where the receipt or expenditure would be booked, it should mark the reported figure as not related to them and may also record his/her specific observation in the remark field.

9. On receipt of the online request from the Controlling Officer, the Principal Accountant General (A&E), Odisha shall examine each such suggestion for rectification/ transfer entry and carry out the adjustment on the basis of vouchers/ challan and also the data available at their end. If the suggestion is accepted, then the Principal Accountant General (A&E), Odisha will instruct the Treasuries to rectify the accounts wherever required within a defined time frame which is to be given effect to through the Treasury Portal. On acceptance of the request of the Controlling Officer by the Principal Accountant General (A&E), Odisha, the Treasury accounts should be revised in the Treasury Portal. The Treasury Officers are required to submit revised account as per the prescribed procedure. The Principal Accountant General (A&E), Odisha will download the revised electronic accounts into the VLC after submission of system generated revised Treasury Accounts by the Treasury Officer.

10. Where the Principal Accountant General (A&E), Odisha does not agree to the suggestion of the Controlling Officer the request may be rejected with reasons or suggestions. The Controlling Officer in such a case can either accept the suggestion of Principal Accountant General (A&E), Odisha leading to confirmation of provisional account or may send back to Principal Accountant General (A&E), Odisha with a request to reconsider its decision. It may also suggest a fresh Chart of Account along with the request for reconsideration. Subsequently, the Principal Accountant General (A&E), Odisha will indicate the appropriate head of account for classifying the receipt and expenditure and intimate the Controlling Officers in writing the reasons for non- acceptance.

11. The reconciliation can be taken up by the officials of the Controlling Officers by using their own User ID & Password subsequently for the remaining part of the financial year as per the programme schedule. **In case of failure on the part of the officials of the Controlling Officer to reconcile the expenditure in time, a system generated mail will be sent to the Administrative Department, Finance Department and Principal Accountant General (A&E), Odisha.**

12. Office of the Principal Accountant General (A&E) , Odisha has fixed the following deadline for the monthly verification/reconciliation of expenditures during the year 2020-21 in their letter No.VLC (B&R)/Recon. 2020-21/38 dated 18.06.2020.

Month of Account	Uploading of Data in iFMS	Cut-off date for receipt of alteration proposal/ acceptance letter
April, 2020	17.06.2020	17.07.2020
May, 2020	02.07.2020	
June, 2020	31.07.2020	19.08.2020
July, 2020	31.08.2020	16.09.2020
August, 2020	05.10.2020	22.10.2020
September, 2020	03.11.2020	20.11.2020
October, 2020	03.12.2020	18.12.2020
November, 2020	31.12.2020	20.01.2021
December, 2020	01.02.2021	17.02.2021
January, 2021	04.03.2021	19.03.2021
February, 2021	02.04.2021	20.04.2021
March, 2021	13.05.2021	31.05.2021

13. The reconciliation of the receipt can be made by the Controlling Officer after downloading the report on receipts from the Treasury portal. The suggestion for correction can be made manually in the usual process till the software development in respect of such reconciliation is complete. The time schedule prescribed for reconciliation of expenditure is also to be followed in case of receipts. A list containing the names of the Controlling Officers responsible for reconciliation of various kinds of receipts is enclosed in the **Annexure-I** which is indicative.

14. It has been stated that reconciliation of receipt and expenditure figures beyond the above time schedule shall not be entertained and the figures booked by Principal Accountant General's office will be treated as final and will be reflected in the Finance and Appropriation Accounts for the year 2020-21.

15. I would, therefore, request you to kindly issue necessary instructions to the Controlling Officers for causing online reconciliation of Departmental expenditure figures and also carry out verification of departmental receipts by the prescribed time-frame.

Yours faithfully,

Sd/-

Principal Secretary to Government