

MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
CONTROLLER GENERAL OF ACCOUNTS
PUBLIC FINANCIAL MANAGEMENT SYSTEM

March 22, 2019

Office Memorandum

Subject: - Advisory in regard with PFMS related processes in Centrally Sponsored Schemes (CSS):-

I am directed to refer to the subject above and state that in view of the recent incidents of creation/attempts to create fake agencies and beneficiaries in some departments the existing security protocols of operation of Agency Module of Public Finance Management System (PFMS) is being enhanced. It is required that the Program Divisions/State Scheme Managers in the states responsible for approvals for agency creation, scheme mapping, editing of agency details etc. observe more caution and enforce more effective security protocols while performing their roles.

2. All departmental Secretaries in the state are kindly requested to enforce following security measures through respective State Scheme Manager in operating the agency module of PFMS.

1. **Registration of first level agency.**

- i. Self registration has been done away with. Only State Scheme Managers (SSM), on request of the agency alongwith necessary supporting documents will be able to create new first level agency. Similarly, child level agencies will be created under the login of the respective funding agency.
- ii. Approval will be done by SSM only through Digital Signature w.e.f 01-07-2019. On approval by SSM the agency will be approved by approval level 2 (AAL2).
- iii. While approving first level agency, SSM will ensure that all details including the bank account details are in confirmation with the hard copy proposal available with them. The name of the account holder provided by the Bank while validating the Bank account should also be compared to ensure that correct bank account details are captured.
- iv. SSM is expected to carry out annual KYC of its respective first level agencies and similar process is expected from child agencies in respect of the sub agencies created by them.

2. **Registration of 2nd and below level agencies:**

The states are advised to enforce DSC based agency creation for the second level and down below agencies, to the extent possible.

3. Agency mapping against the schemes created:

Agency mapping against the schemes created and component entry is done by SSM after due validation. The current system of CPMU root users doing the agency mapping has been done away with.

4. Editing Agency

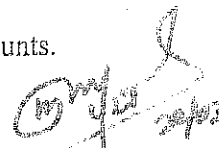
Editing of the agencies' details can now be done through 2 level controls. The initial editing shall be done by the agency itself but it has to be approved by the next higher level agency. The next higher level agency (Funding agency) will give approval after due verification preferably through digital signature. For SSM level use of digital certificate will be applicable w.e.f 01-07-2019 and w.r.t enabling digital signature to below level funding agencies, each state will decide a date in consultation with SPMU.

Editing facility shall not be allowed to parent agency/SSM.

5. Dormant accounts:

The accounts of the Agencies which are dormant since last financial year, will be tagged "NOT IN USE" by PFMS and approval for reactivation shall be given by immediate higher level agency.

3. This issues with the approval of the Controller General of Accounts.



(Chinmay Patil)

Asst. Controller General of Accounts (PFMS)

To:

1. Chief Secretaries of all the States/ UTs.
2. Principal Secretaries (Finance) of all the States/ UTs.

Copy to:

- a. Secretaries of all Ministries/Departments
- b. Financial Advisors of all Ministries/Departments
- c. PPS to CGA
- d. PPS to Additional CGAs
- e. All Joint CGAs/ACGAs (CA)
- f. Pr. CCAs/CCAs/CAs with independent charge of all Ministries./Departments
- g. All State Nodal Officers (SNO's)/ ASNOs, PFMS
- h. Sr. Technical Director (NIC), PFMS
- i. All Sr. AOs/AOs of CPMU & SPMUs