

New Delhi, Dated: 2nd Dec., 2014

OFFICE MEMORANDUM

Subject:- Digitization and reconciliation in Government Accounts and Integration of PFMS with various stand alone systems of receipts and payment.

The undersigned is directed to convey in principle approval to CGA to proceed with Digitization of Government Accounts through PFMS, as per flowchart (attached) suggested by CGA vide their notes dated 27.8.2014 and 19.9.2014 in CGA's file No 1-15/MF/CGA/ITD/2014-15, subject to following deliverables and timelines:

- i. All the receipts and payment of GoI (Plan and non-Plan) should be taken on board in PFMS. Development of this system will subsume existing systems like e-lekha, COMPACT, COMPACT-RAMS, COMPACT-REACT, CFMS, COMDDO, CDDO-2 PAO, e-DDG, OCEANS, GePG, State Loan Package, Rupee Loan Package, etc, in a phased manner. This may involve process re-engineering for standalone accounting packages developed over old platforms. The entire work of integration should be taken up immediately and entire integration to be completed in FY 2015-16.
- ii. Integration of PFMS with both Direct Tax and Indirect Tax receipts, which are at present being captured on standalone system of RAMS and REACT respectively, should be completed by March 2015.
- iii. To enable e-receipts of non-tax revenue, a citizen friendly non-tax revenue portal should be launched during FY 2014-15 enabling e-receipts of all the non tax revenue of GOI.
- iv. At present about 90% of salary expenditure are covered in e-mode. It should be the objective to achieve 100% coverage through a **centralised** HR MIS module by June 2016, subject to present provisions / revision of JCM Agreement. It should also facilitate online viewing and printing of salary slip, GPF statements, etc. and be able to give consolidated details of Central Government employees.
- v. Integration with other standalone systems like *PARAS* (Pension Authorisation Retrieval Accounting System) and e-Samarth (a web based application for providing online information to subscribers of PF used by CISF at MHA) should be completed by FY 2014-2015.
- vi. Development of common format for data exchange & development of a data exchange protocol should be completed by the end of March 2015 enabling integration and daily exchange of data with the non-Civil Ministries like Railways, Defence, P & T, etc.
- vii. Interface with State Treasuries and AG offices and RBI for capturing expenditures under Consolidated Fund of the States, enabling generation of online clearances memos from RBI & IG advices should be completed in a phased manner, starting by March 2015. This should be able to track in real-time progress / expenditure on transfers to States/UTs and generation of MIS.

The modifications should enable 100% e-payments, direct payments to all payees through integrated bank interface and processing of e-advices for central transfers to the States/ UTs under the Centrally Sponsored Schemes/ Central assistance to State Plans (CASP).



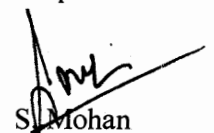
- ix. Development of accounting module, including Transfer Entry Module, Inter-departmental Adjustments module and Loan and debt processes to enable preparation of Monthly Accounts, Appropriation Accounts and Finance Accounts of GoI should be completed by June 2015.
- x. Development of modern evidence based cash flow system should be available during the year 2015-16, on the basis of audited utilization of the preceding year.
- xi. Common System-Application Software and Meta Data Structure should be evolved and used by all Ministries/ Departments and their attached and subordinate offices, including Defence, Railways and P&T by 2016-17.
- xii. Adaptability of PFMS to new accounting codes, as and when a decision on the revision of List of Major and Minor Heads of Accounts is taken in future, should be inbuilt in the architecture.
- xiii. It is expected that the Account preparation cycle should be considerably advanced after inclusion of Plan expenditure, non plan expenditure, expenditure of non-civil Ministries, both tax and non tax receipts, and development of Accounts module including adjustments/transfer entries enabling timely preparation of Monthly Accounts, Appropriation accounts and Finance Accounts of GoI.

2. While implementing digitization as indicated above, savings in approved cost is also envisaged especially under the Heads of Infrastructure & Office and Training /Capacity Building. Expenditure under these Heads may be rationalized and CGA may come out with fresh estimation of expenditure under these heads in the changed scenario, including decision on transfer of CASP to CF of States and not directly to implementing agencies.

3. Since DeitY has the necessary domain expertise, the technical aspects of the project will be vetted by DeitY and for the amount of expenditure indicated under Technology component of PFMS and estimation of manpower requirement, DeitY's views and oversight may be inbuilt. All hardware and software requirements and hiring of personnel, may be authorized by DeitY after following extant procedure in a transparent manner.

4. It has been decided to constitute a cell in the PF1 Division of DoE for which CGA is requested to depute Shri Alok Verma, Dy CGA and one AO on loan basis. They may be assisted by two technical persons to be taken on recommendation of Diety as part of the technical manpower approved for PFMS.

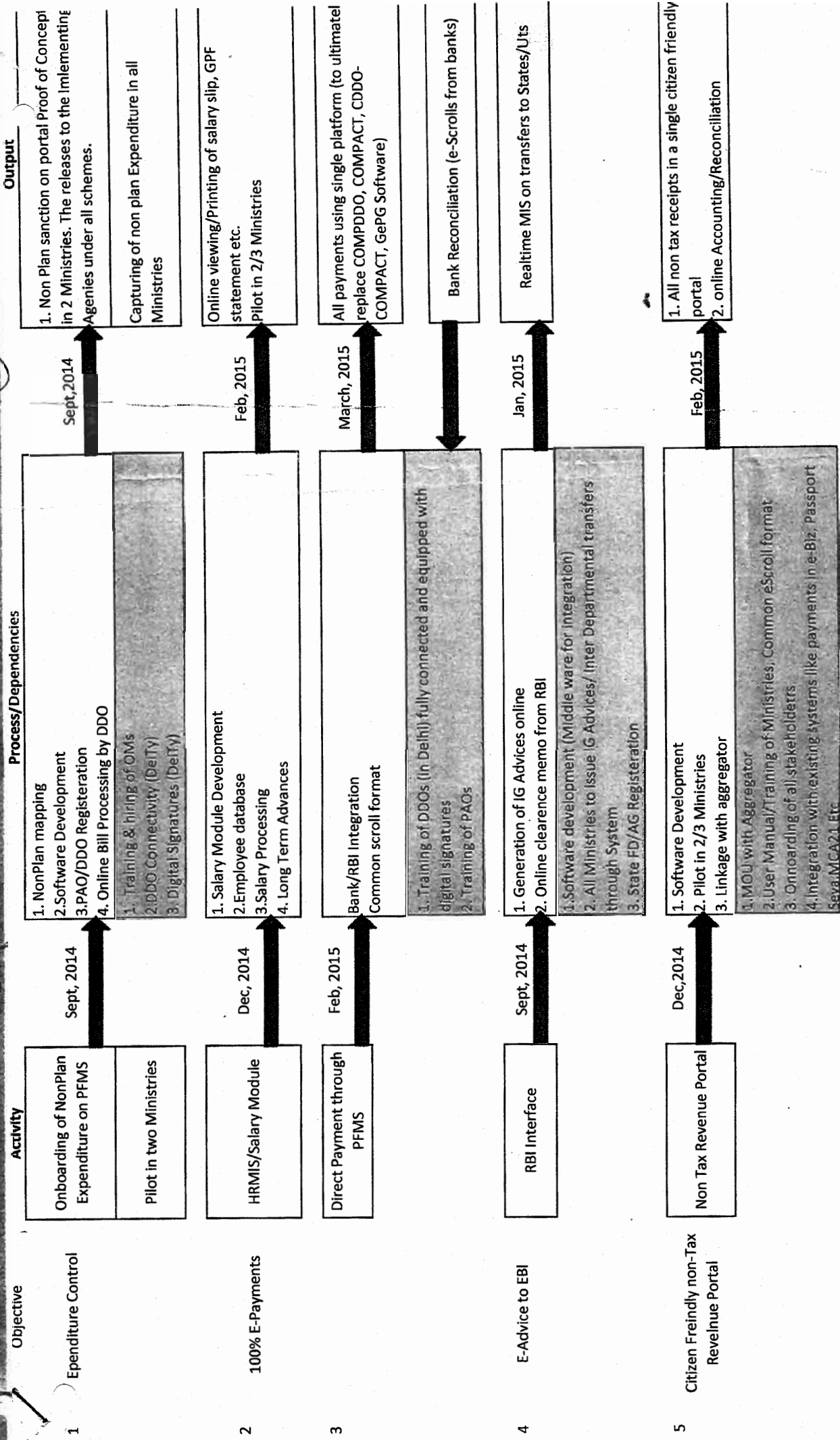
This issues with the approval of Finance Minister.



S. Mohan
Director (PF-I)
Telefax:23092578

To
Shri Jawahar Thakur,
Controller General of Accounts,
M/o Finance, Lok Nayak Bhawan,
Khan Market, New Delhi.

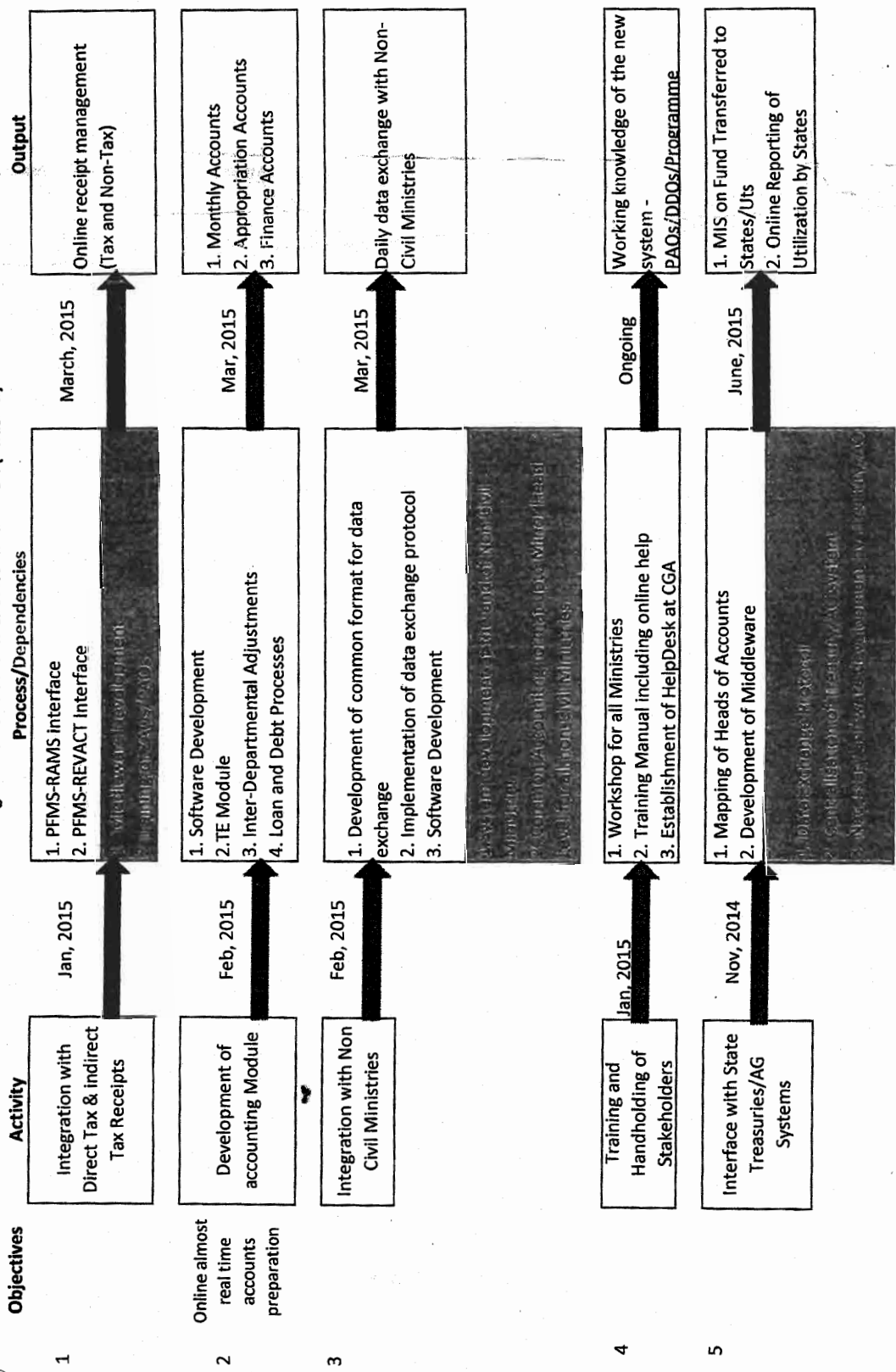
Digitization of Government Accounts - CGA (Phase I)



PRE-REQUISITE AT EVERY PROCESS IS AVAILABILITY OF TECHNICAL MANPOWER FOR SW DEVELOPMENT AND TESTING

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Digitization of Government Accounts - CGA (Phase-II)



Development of this system will replace existing systems like e-JEKHA, COMPACT, COMPACT-RAMS, COMPACT-REACT, GEMS, COMDDO, CDDO-2, PAO, e-DDG, OCEANS, GePG, State Loan Package, Rupee Loan Package etc. In phased manner. Initial technology cost: ₹98.82 Crores as per approved DPR. Manpower cost to be assessed (₹169.20 as per DPR). Training and capacity building cost to be assessed (₹308.27 as per DPR). Infrastructure and office cost: ₹298.71 (as per DPR).